

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

***SINGLE AUDIT***

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**



Rea & associates

[www.reacpa.com](http://www.reacpa.com)



OHIO AUDITOR OF STATE  
KEITH FABER



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City Commission  
City of Sandusky  
240 Columbus Avenue  
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of the City of Sandusky, Erie County, prepared by Rea & Associates, Inc., for the audit period January 1, 2020 through December 31, 2020. 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 Sandusky is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

February 08, 2022

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**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the City Commission  
City of Sandusky  
Erie County, Ohio  
240 Columbus Ave  
Sandusky, OH 44870

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2022, in which we noted the City restated the beginning net position for Fiduciary Funds to account for the reclassification of funds from custodial funds to governmental funds due to an error from the implementation of GASB Statement No. 84, *Fiduciary Activities* in a previous year.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Medina, Ohio  
January 31, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the City Commission  
City of Sandusky  
Erie County, Ohio  
240 Columbus Ave  
Sandusky, OH 44870

**Report on Compliance for Each Major Federal Program**

We have audited the City of Sandusky's, Erie County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 2022, which contained unmodified opinions on those financial statements, in which we noted the City restated the beginning net position for Fiduciary Funds to account for the reclassification of funds from custodial funds to governmental funds due to an error from the implementation of GASB Statement No. 84, *Fiduciary Activities* in a previous year. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Medina, Ohio  
January 31, 2022

CITY OF SANDUSKY  
ERIE COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Subrecipients
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct</i>				
Community Development Block Grant - Entitlement Grants	N/A	14.218	751,734	20,625
Coronavirus Aid, Relief and Economic Security (CARES) Act	N/A	14.218	20,345	5,167
Total United States Department of Housing and Urban Development			<b>772,079</b>	25,792
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction	PID #103737	20.205	137,835	-
	PID #105033	20.205	134,151	-
	PID #92889	20.205	35,523	-
			307,509	-
Federal Transit Grant	RPTF-4081-050-191	20.509	335,158	-
	RPTM-0081-050-191	20.509	54,170	-
	RPTF-4081-005-201	20.509	588,059	-
	RPTM-0081-005-201	20.509	111,152	-
Coronavirus Aid, Relief and Economic Security (CARES) Act	081-CARE-20-0100	20.509	1,583,752	-
TY 2015 Tiger	OH-2016-036-00	20.933	49,440	-
			2,721,731	-
Total United States Department of Transportation			<b>3,029,240</b>	-
<b>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</b>				
<i>Direct</i>				
Brownfields Assessment and Cleanup Cooperative Agreements	N/A	66.818	98,366	-
Total United States Environmental Protection Agency			<b>98,366</b>	-
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>				
<i>Direct</i>				
Bulletproof Vest Partnership	N/A	16.607	1,305	-
Total United States Department of Justice			<b>1,305</b>	-
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Direct</i>				
Assistance to Firefighters Grant	N/A	97.044	2,767	-
Total United States Department of Homeland Security			<b>2,767</b>	-
<b>UNITED STATES DEPARTMENT OF AGRICULTURE FOREST SERVICE EASTERN AREA, STATE &amp; PRIVATE FORESTRY</b>				
<i>Direct</i>				
Great Lakes Restoration Initiative: City of Sandusky Runoff Reduction through Strategic Tree Planting	N/A	10.664	124,919	-
<b>UNITED STATES DEPARTMENT OF TREASURY</b>				
<i>Direct</i>				
Coronavirus Aid, Relief and Economic Security (CARES) Act	HB481-CRF-Local	21.019	1,657,022	-
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<b>\$ 5,685,698</b>	<b>\$ 25,792</b>

The accompanying notes are an integral part of this Schedule

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Sandusky (City) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The City elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – MATCHING REQUIREMENTS**

Certain federal programs require that the City contribute non-federal funds (matching funds) to support the federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
DECEMBER 31, 2020**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	None reported
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
(d) (1) (vii)	Major Programs (list): Formula Grants Rural Areas/Cares Act  Coronavirus Relief Fund	CFDA #20.509  CFDA #21.019
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: > all others
(d) (1) (ix)	Low Risk Auditee under 2 CFR 200.520	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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NONE

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

NONE

# CITY OF SANDUSKY



## *COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*For the year ended December 31, 2020*

# Introductory



# CITY OF SANDUSKY, OHIO

## COMPREHENSIVE

### ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020

Prepared By:

Department of Finance

Michelle Reeder  
Finance Director

Sally A. Martin  
Senior Accountant/Auditor

Heather L. Turner  
Chief Foreman

Renee Hoffman  
Senior Accounting Clerk II

Jennifer Canino  
Senior Accounting Clerk II

Tanya Wechter  
Senior Accounting Clerk II



**CITY OF SANDUSKY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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January 31, 2022

To the City Commission and Citizens of Sandusky:

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2020, is herewith submitted. This report is prepared according to generally accepted accounting principles (GAAP). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by its financial activity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The independent public accountant has issued an unmodified opinion on the City of Sandusky's basic financial statements for the year ended December 31, 2020. The Independent Auditor's Report is located at the front of the financial section of this report.

State law requires the City to file basic financial statements with the Auditor of State within one hundred fifty days after year end. This report fulfills that requirement.

### **PROFILE OF THE CITY OF SANDUSKY**

The City of Sandusky, located in Erie County, is a home rule municipal corporation founded in 1818 under the laws of the State of Ohio and, as such, operates under its own Charter adopted in 1914. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of the State of Ohio. The City operates under the City Commission - City Manager form of government. The seven City Commissioners are elected at-large and serve four-year terms. The president of the City Commission serves as the Ex-Officio Mayor. The City Manager and Clerk of Commission are appointed by, and serve at the pleasure of, the City Commission. The Law Director and Finance Director report directly to the City Manager.

The City of Sandusky is ideally located. Sandusky Bay on Lake Erie is larger than any of Ohio's inland lakes and in conjunction with Lake Erie provides a wide spectrum of recreational activities to the citizens as well as to visitors. Sandusky is the largest city in Erie County and is the county seat. The population of the City of Sandusky is 25,095, based on the 2020 Census conducted by the U.S. Census Bureau.

The City is served by diversified transportation facilities, including five State and Interstate Highways and is located near the Ohio Turnpike. It is served by CSX and Norfolk Southern Railroad for freight service and Amtrak for daily passenger service. Passenger air service is provided by Cleveland Hopkins International Airport and the Toledo Express Airport, which are each within a one-hour drive of the City. Lake freighters load or unload coal, salt, and other products from shipping docks in the City.

Sandusky Transit System (STS) public transportation has been serving the Sandusky and Erie County community since 1992. STS is largely supported through Federal and State grants. STS provides over 100,000 rides annually, with 55 percent being work related. STS is demand-responsive with a curb-to-curb assistance policy.

One daily newspaper serves the City. The City is within the broadcast area of television stations in the Cleveland and Toledo areas and numerous AM and FM radio stations. Multi-channel cable TV service, including educational, governmental, and public access channels is provided by Erie County Cablevision.

Several public and private two-year and four-year colleges and universities are within commuting distance including BGSU Firelands College, the University of Toledo, Bowling Green State University, Ohio Business College, and Lorain County Community College. Public education for grades K through 12 is provided by the Sandusky City School District whose boundaries are coterminous with those of the City. Cedar Fair broke ground in 2019 on a five-story building in downtown Sandusky that now houses a new degree program in resort and attraction management offered by Bowling Green State University. The first students enrolled for the fall 2020 semester. This was a \$14 million investment by Cedar Fair.

The Firelands Regional Medical Center is located in the City and is one of the City's largest employers. Firelands Regional Medical Center has a history rich in the tradition of providing the finest health care services available to the surrounding five-county area. This organization is the result of the merging of Firelands and Providence Hospitals. The Firelands Regional Center Main Campus contains 444 beds and provides the majority of its medical services. The former Providence Hospital location is called the Firelands Regional Center South Campus. It contains an 84 bed skilled-care and rehabilitation unit, along with a family practice and outpatient physical therapy units.

With the City being located on the shores of Sandusky Bay and Lake Erie, many of the commercial and recreational activities are associated with its waterfront location including ferry lines that provide service to certain Lake Erie islands and Canada. Cedar Point Amusement Park, one of the premier amusement parks in the United States, is located on 364 acres on a peninsula within the City limits and includes over 68 rides and attractions, along with hotels, marinas, and a campground.

There are several indoor waterpark resorts located in the area that has made the Sandusky area a year-round tourist destination, including Great Wolf Lodge, Castaway Bay, and the Kalahari Resort and Convention Center.

A public library, several museums, and the historical Sandusky State Theatre are located within the City and other cultural and sporting activities are available in Cleveland and Toledo, which are each within a one-hour drive of the City.



The City of Sandusky provides a full range of services to its citizens including police and fire protection, planning and zoning, street maintenance, public transit, floral parks, recreation, forestry, cemetery, water filtration treatment plant and distribution systems, water pollution control treatment plant and sewer collector systems, and general government services. The City also owns and operates the Mills Creek Golf Course.

The City Commission is required to adopt the original budget by no later than March 31 of each year and final budget amendments must be made prior to the close of the year. The annual budget serves as the foundation for the City's financial planning and control. All funds, except custodial funds, are required to be budgeted. The legal level of control has been established by the City Commission at the fund, department, and object level in all funds.

The City maintains a bond rating of A1 with Moody's Investor Services.

The City negotiates with three bargaining units: American Federation of State, County, and Municipal Employees Local No. 1519, the Fraternal Order of Police - Lodge No. 17, and the International Association of Fire Fighters - Local No. 327. Current agreements will expire on December 31, 2021.

## **LOCAL ECONOMY**

Major industries located within the City's boundaries or in close proximity include manufacturers of automotive and automotive components, a theme park, hospital, and local governments such as Erie County and the Sandusky Board of Education.

During the past ten years, the unemployment rate (not seasonally adjusted) has decreased from 12.4 percent in December 2009 to an estimated 8.3 percent in December 2020.

## **LONG-TERM FINANCIAL PLANNING**

The City updated its Strategic Plan and adopted a Bicentennial Vision Plan in 2016. These plans guided City decisions as the City celebrated its bicentennial during 2018. The development of the Strategic Plan was a seven-month process that directly engaged over 2,000 stakeholders, including residents, business owners, visitors, institutional, government, and city-wide leaders. The planning process included five neighborhood tours, three public meetings, and community surveys. The Strategic Plan is a tool that will be used by the City Commission and staff to guide decisions made on behalf of the citizens of the City. The strategy will result in growth and overall positive results in the City if maintained successfully.

The Strategic Plan contains the following general goals that will be the focus of the City's resources:

- Vibrant City
- Livable City
- Connected City
- Destination City
- Celebrated City

The general goals are supported by a list of action plans that will define the paths to accomplishing the goals. Each action plan will:

- Identify the general goal that it supports;
- Define the steps to complete the plan;
- Identify the City department responsible for its completion.

The City recognizes the importance of long-term strategic planning, as evidenced by its Strategic Plan. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the City.

A five-year financial plan shall be updated on an annual basis by the City Manager. The plan shall include all major operating funds along with the capital needs of the Strategic Plan of the City. The purpose of this plan is to:

- Identify major policy issues for City Commission consideration prior to the preparation of the annual budget;
- Establish capital project priorities and make advance preparation for the funding of projects within the five-year horizon;
- Make conservative financial projections for all major operating funds and all capital needs related to the Strategic Plan to provide assurance that adequate funding exists for proposed projects and services;
- Identify financial trends in advance or in the early stages so that timely corrective action can be taken, if needed; and
- Communicate the City's plans to the public and provide an opportunity for the public to offer input.

### **RELEVANT FINANCIAL POLICIES**

The City of Sandusky has a responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public. Sound financial policies are necessary to carry out that responsibility.

The City has established relevant financial policies for investments, capital assets, and the budget. The purpose of the investment policy is to provide for the complete safety of the portfolio's principal value, assure adequate liquidity, and earn a market rate of return. The investment policy is reviewed annually for compliance and to assure the flexibility necessary to effectively manage the investment portfolio.

The goal of the capital assets inventory system and policy is to provide control and accountability over the City's capital assets and to assist departments in gathering and maintaining information needed for the preparation of the annual financial statements. The City recognizes the importance of preserving the community's capital assets and to ensure that future needs are met.

Finally, the budget policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters for the administration to use in directing the day-to-day financial affairs of the City. One-time or special purpose revenues will be used to finance capital projects or for restricted expenditures and not to subsidize recurring personnel costs or other operating costs.

### **MAJOR INITIATIVES**

The City has a unique position as a tourist center due to the City's location on Sandusky Bay, with over twenty-two miles of shoreline within the City limits, and the location of Cedar Point Amusement Park within the City. There are numerous marinas which have developed over the last decade, including a \$5 million, 700 slip marina created from idle industrial space and a 210 slip marina complex completed by a local legal firm which also erected a waterfront office center on that site. The Lyman Harbor Marina project rehabilitated an abandoned industrial site into a transient marina and entertainment complex and received tax incentives for its \$2.94 million project. There are over 8,000 slips available in the Sandusky Bay area.

Cedar Point, a 364-acre amusement and theme park, is located on a peninsula extending into Lake Erie from the City. Developed as a resort area in 1870, Cedar Point is open daily from early May to October attracting in excess of 3 million visitors each season to its numerous rides and attractions. Cedar Point also includes a recreational vehicle area, marina, restaurants, and hotels with a combined capacity of almost 1,100 beds which are open during Cedar Point's season. A water park attraction, with a separate entrance, is included at the park as well. Cedar Point employs 3,700 seasonal employees, primarily college students, and approximately 400 year-round employees. Cedar Point celebrated its 150th anniversary in 2020 and continued the celebration into 2021 as the COVID pandemic hindered the festivities for 2020.

In 2020, the City unveiled a redesigned Jackson Street Pier. This was a multi-year project where millions of dollars were invested into the pier to provide a beautiful public viewing space of Lake Erie, Cedar Point, and the shoreline. The City plans to host public events and festivities at the pier and hopes all community members will enjoy the renovated pier.

The City has been successful in raising funds through various grant opportunities. These funds help programs that fund fair housing, economic development, public transit, and downtown revitalization efforts. The City has been designated as an Entitlement Community which allows the City to access federal funds directly from the U.S. Department of Housing and Urban Development.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-ninth time a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandusky for its Comprehensive Annual Financial Report for the year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current 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.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the supervisors of the other various departments of the City of Sandusky. The preparation of the annual financial report requires a major effort, and we would like to express our appreciation to everyone who assisted and contributed to the presentation of this year's report.

The employees of the City are dedicated to serving the citizens of Sandusky within the best of their capabilities. We wish to take this opportunity to thank the City Commission for its continuing support and to thank our department heads and staff for their diligent efforts to keep Sandusky financially sound and a special place in which people want to live, work, and play. Special acknowledgment is extended to the Local Government Services Section of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Respectfully submitted,



Michelle Reeder  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sandusky  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

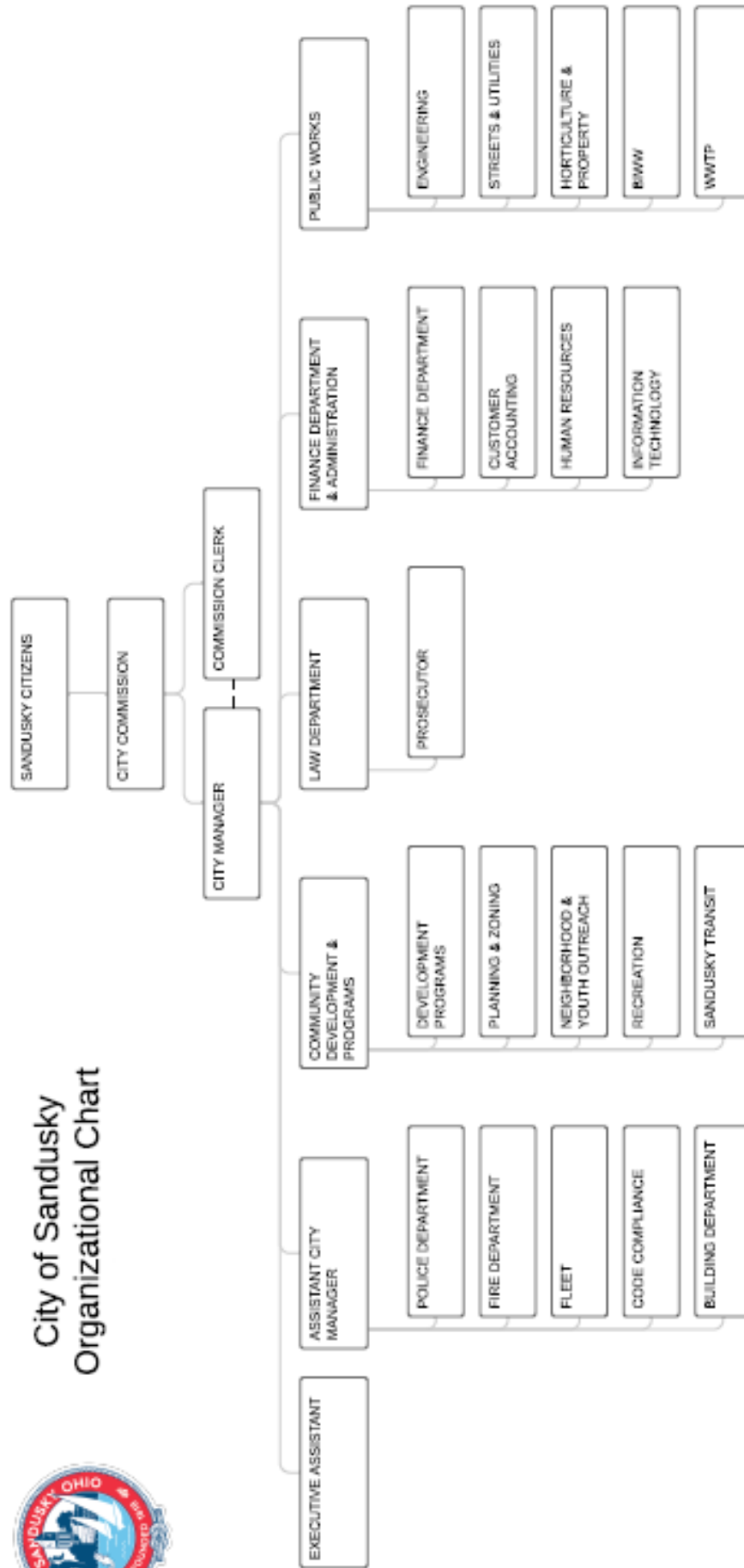
December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



# City of Sandusky Organizational Chart



CITY OF SANDUSKY, OHIO

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ELECTED PUBLIC OFFICIALS  
December 31, 2020

**CITY COMMISSION**

Richard R. Brady  
President/Ex-Officio Mayor  
Term Expires 12-31-21  
First took office 01-01-14

Dennis E. Murray Jr.  
Vice-President  
Term Expires 12-31-21  
First took office 01-01-14

Naomi R. Twine  
Term Expires 12-31-21  
First took office 01-01-14

Dave Waddington  
Term Expires 12-31-23  
First took office 01-01-16

Mike Meinzer  
Term Expires 12-31-23  
First took office 01-01-20

Blake Harris  
Term Expires 12-31-23  
First took office 01-01-20

C. Wesley Poole  
Term Expires 12-31-23  
First took office 01-01-12

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APPOINTED OFFICIALS  
December 31, 2020

**CITY MANAGER**

Eric L. Wobser

**CLERK OF COMMISSION**

McKenzie Spriggs

**FINANCE DIRECTOR \***

Michelle Reeder

**LAW DIRECTOR \***

Brendan Heil

\*Appointed by City Manager

# Financial

## INDEPENDENT AUDITOR'S REPORT

To the City Commission  
City of Sandusky  
Erie County, Ohio  
240 Columbus Ave  
Sandusky, OH 44870

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of a Matter***

As described in Note 3, the City restated the beginning net position for Fiduciary Funds to account for the reclassification of funds from custodial funds to governmental funds due to an error from the implementation of GASB Statement No. 84, *Fiduciary Activities* in a previous year. We did not modify our opinion regarding these matters.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, and pension and other post-employment benefit schedules* as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Medina, Ohio  
January 31, 2022



**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

The discussion and analysis of the City of Sandusky's financial performance provides an overview of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

**HIGHLIGHTS**

Highlights for 2020 are as follows:

In total, the City's net position decreased \$3,477,816, or 4 percent from the prior year. The decrease for governmental activities was over 15 percent; however, there was 1 increase for business-type activities.

The City's Water and Sewer enterprise funds had an operating income in 2020 indicating operating revenues are currently sufficient to cover operating expenses.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Sandusky's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's nonmajor funds in a single column. The City's major funds are the General, Capital Projects, Water, and Sewer funds.

**REPORTING THE CITY AS A WHOLE**

The statement of net position and the statement of activities reflect how the City did financially during 2020. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, bridges, water and sewer lines, and equipment). These factors must be considered when assessing the overall health of the City.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

In the statement of net position and the statement of activities, the City is divided into two types of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, transportation, and general government (which includes the municipal court). These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's water and sewer services are reported here.

**REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

Fund financial statements provide detailed information about the City's major funds; the General, Capital Projects, Water, and Sewer funds. While the City uses many funds to account for its financial transactions, these are the most significant.

**Governmental Funds** - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds, as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

**Proprietary Funds** - The City has two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements and use the accrual basis of accounting. The City uses enterprise funds to account for water and sewer operations. The internal service fund is an accounting device used to accumulate and allocate internal costs among other programs and activities. The City's internal service fund accounts for the City's self-insured program for employee health benefits.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net position for 2020 and 2019.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Assets</u>						
Current and Other Assets	\$30,741,191	\$35,025,243	\$17,050,288	\$14,125,287	\$47,791,479	\$49,150,530
Net Pension Asset	76,174	41,053	73,185	37,895	149,359	78,948
Capital Assets, Net	55,869,963	47,420,665	100,554,641	93,827,979	156,424,604	141,248,644
Total Assets	86,687,328	82,486,961	117,678,114	107,991,161	204,365,442	190,478,122
<u>Deferred Outflows of Resources</u>						
Deferred Charge on Refunding Pension	81,026	169,333	0	0	81,026	169,333
OPEB	3,845,850	9,186,665	1,221,491	2,713,225	5,067,341	11,899,890
Total Deferred Outflows of Resources	2,606,405	2,112,325	850,569	437,895	3,456,974	2,550,220
	6,533,281	11,468,323	2,072,060	3,151,120	8,605,341	14,619,443
<u>Liabilities</u>						
Current and Other Liabilities	10,538,906	13,093,217	2,090,998	2,116,091	12,629,904	15,209,308
Long-Term Liabilities						
Pension	26,382,200	33,949,863	6,378,081	8,394,655	32,760,281	42,344,518
OPEB	7,412,466	6,990,558	4,340,294	3,893,144	11,752,760	10,883,702
Other Amounts	17,313,394	9,541,011	49,035,252	41,268,876	66,348,646	50,809,887
Total Liabilities	61,646,966	63,574,649	61,844,625	55,672,766	123,491,591	119,247,415
<u>Deferred Inflows of Resources</u>						
Pension	4,369,326	695,986	1,388,798	134,804	5,758,124	830,790
OPEB	1,930,156	1,043,190	617,945	10,564	2,548,101	1,053,754
Other Amounts	3,446,595	2,761,418	0	0	3,446,595	2,761,418
Total Deferred Inflows of Resources	9,746,077	4,500,594	2,006,743	145,368	11,752,820	4,645,962
<u>Net Position</u>						
Net Investment in Capital Assets	40,412,060	34,257,724	51,520,065	52,874,410	91,932,125	87,132,134
Restricted	12,691,426	15,733,846	0	0	12,691,426	15,733,846
Unrestricted (Deficit)	(31,275,920)	(24,111,529)	4,378,741	2,449,737	(26,897,179)	(21,661,792)
Total Net Position	\$21,827,566	\$25,880,041	\$55,898,806	\$55,324,147	\$77,726,372	\$81,204,188

The net pension liability (asset) and the net OPEB liability reported by the City at December 31, 2020, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick leave) are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and the net OPEB liability, respectively, not accounted for as deferred outflows/inflows.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

Pension/OPEB changes noted in the above table reflect an overall decrease in deferred outflows and overall increase in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The decrease in the net pension liability and increase in the net OPEB liability represent the City's proportionate share of the unfunded benefits.

For governmental activities, there were several noteworthy changes from the prior year. In 2020, the City felt the impact of the Coronavirus pandemic in many ways. The City depends on tourism for a significant portion of its income; thus, the shutdown of all non-essential businesses (amusement parks, hotels, and other tourism-related businesses) for an extended period of time, dramatically decreased the amount of taxes collected from this business segment (example-income taxes, admission taxes, hotel/motel taxes). In addition, income tax collections (withholdings) decreased as many citizens were unemployed for a portion of the year. The City was able to offset some of its costs with federal grants (provided by the CARES Act) to help minimize the effects that the pandemic had on the local economy; however, there was still a decrease in cash and cash equivalents of approximately \$5 million (current and other assets). Capital assets, along with the net investment in capital assets, increased as the City continued with street improvements (Shoreline Drive, Westside Connectivity, and McCartney Road projects) and other revitalization projects (Jackson Street Pier). A substantial portion of the decrease in current and other liabilities was due to a decrease in contracts payable as several projects were completed during 2020 (such as Shoreline Drive and Jackson Street Pier) as well as a decrease in accrued wages, and the related amounts due to other governments, due to the timing of the payroll calendar. In 2020, the City issued revenue bonds, in the amount of \$10,010,000 to continue economic development and urban revitalization projects resulting in the increase in other long-term liabilities.

For business-type activities, the overall increase in net position was not significant; however, there was a sizable increase in current and other assets due to an increase in cash and cash equivalents. Despite, revenues decreasing from the prior year, the enterprise funds were still able to operate with a net income. The increase in both net capital assets and other long-term liabilities were caused by water and sewer improvement projects funded through OWDA loans.

Table 2 reflects the change in net position for 2020 and 2019.

Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$4,513,522	\$5,254,053	\$17,198,008	\$18,195,072	\$21,711,530	\$23,449,125
Operating Grants, Contributions, and Interest	6,168,257	3,152,917	0	0	6,168,257	3,152,917
Capital Grants and Contributions	2,218,148	1,012,091	30,815	0	2,248,963	1,012,091
Total Program Revenues	<u>12,899,927</u>	<u>9,419,061</u>	<u>17,228,823</u>	<u>18,195,072</u>	<u>30,128,750</u>	<u>27,614,133</u>

(continued)



**CITY OF SANDUSKY**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2020**  
**Unaudited**

Table 2  
Change in Net Position  
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<u>Revenues (continued)</u>						
General Revenues						
Property Taxes	\$2,198,740	\$2,179,678	\$0	\$0	\$2,198,740	\$2,179,678
Payment in Lieu of Taxes	537,857	527,531	0	0	537,857	527,531
Municipal Income Taxes	11,314,395	12,341,766	0	0	11,314,395	12,341,766
Other Local Taxes	1,170,951	5,688,308	0	0	1,170,951	5,688,308
Franchise Taxes	386,707	239,888	0	0	386,707	239,888
Grants and Entitlements not						
Restricted to Specific Programs	873,247	825,313	0	0	873,247	825,313
Interest	320,199	679,537	3,248	2,193	323,447	681,730
Other	3,256,752	1,416,656	313,820	223,153	3,570,572	1,639,809
Total General Revenues	<u>20,058,848</u>	<u>23,898,677</u>	<u>317,068</u>	<u>225,346</u>	<u>20,375,916</u>	<u>24,124,023</u>
Total Revenues	<u>32,958,775</u>	<u>33,317,738</u>	<u>17,545,891</u>	<u>18,420,418</u>	<u>50,504,666</u>	<u>51,738,156</u>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	5,848,943	704,717	0	0	5,848,943	704,717
Fire	7,082,645	(55,072)	0	0	7,082,645	(55,072)
Other	266,379	249,647	0	0	266,379	249,647
Public Health	376,346	472,398	0	0	376,346	472,398
Leisure Time Activities	1,873,122	1,185,201	0	0	1,873,122	1,185,201
Community Environment	6,799,287	6,022,217	0	0	6,799,287	6,022,217
Transportation	7,487,554	6,308,341	0	0	7,487,554	6,308,341
General Government						
Municipal Court	1,212,620	1,509,873	0	0	1,212,620	1,509,873
Other	5,479,982	5,631,410	0	0	5,479,982	5,631,410
Interest and Fiscal Charges	584,372	537,637	0	0	584,372	537,637
Water	0	0	6,832,130	7,958,913	6,832,130	7,958,913
Sewer	0	0	10,139,102	9,940,111	10,139,102	9,940,111
Total Expenses	<u>37,011,250</u>	<u>22,566,369</u>	<u>16,971,232</u>	<u>17,899,024</u>	<u>53,982,482</u>	<u>40,465,393</u>
Increase (Decrease) in Net Position	(4,052,475)	10,751,369	574,659	521,394	(3,477,816)	11,272,763
Net Position Beginning of Year	<u>25,880,041</u>	<u>15,128,672</u>	<u>55,324,147</u>	<u>54,802,753</u>	<u>81,204,188</u>	<u>69,931,425</u>
Net Position End of Year	<u>\$21,827,566</u>	<u>\$25,880,041</u>	<u>\$55,898,806</u>	<u>\$55,324,147</u>	<u>\$77,726,372</u>	<u>\$81,204,188</u>

For governmental activities, the increase in program revenues was almost 37 percent. Charges for services decreased due to most departments in the City being shut down for an extended period during the Coronavirus pandemic. Conversely, operating grants, contributions, and interest increased as the City was able to draw relief funds (generated by the CARES Act) for police, fire, and transit operations. Additionally, the City received capital grant resources from the Ohio Department of Transportation for several projects. The effects of the Coronavirus pandemic shutdown are evident in the decrease in general revenues. Decreases occurred in municipal income taxes and other local taxes (admissions tax and hotel/motel tax) resulting from high unemployment levels during 2020 and the shutdown of non-essential businesses (amusement parks and hotels). Other revenue, however, increased as the City received refunds on prior years' workers' compensation premiums in addition to a \$1.5 million dividend received during the year. The significant increase in expenses for governmental activities (primarily in the police and fire programs) is primarily due to the decrease in OPEB expenses for OPF in the prior year. In 2019, OPF recognized a change in benefit terms for their OPEB plan changing from a self-insured health care plan to a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

The City's business-type activities are primarily funded through charges for services. Charges for services revenue decreased despite an increase in rates. This is largely due to a decline in commercial water and sewer billings with business shutdowns (amusement parks and hotels) during the pandemic. With less usage, there were less operating expenses, most notably chemicals used for water produced, which allowed the enterprise funds to still operate at a net income for the year.

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Security of Persons and Property				
Police	\$5,848,943	\$704,717	\$4,744,456	\$378,989
Fire	7,082,645	(55,072)	5,368,259	(1,218,041)
Other	266,379	249,647	266,379	249,647
Public Health	376,346	472,398	238,648	334,299
Leisure Time Activities	1,873,122	1,185,201	1,479,328	562,700
Community Environment	6,799,287	6,022,217	5,214,856	4,427,560
Transportation	7,487,554	6,308,341	890,244	2,444,010
General Government				
Municipal Court	1,212,620	1,509,873	233,255	95,099
Other	5,479,982	5,631,410	5,091,526	5,335,408
Interest and Fiscal Charges	584,372	537,637	584,372	537,637
Total Expenses	<u>\$37,011,250</u>	<u>\$22,566,369</u>	<u>\$24,111,323</u>	<u>\$13,147,308</u>

While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily property taxes, municipal income taxes, tourism related taxes, and State shared revenues), note that several of the City's programs were able to offset costs through program revenues including the security of persons and property-fire, leisure time activities, community environment, and transportation programs. The fire department receives charges for services from ambulance runs and for assistance to surrounding communities as well as grants for operations. The leisure time activities program receives charges for services in the City's park and recreation programs, including the golf course and greenhouse. The community environment program receives substantial support through various community development block grant programs. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating grants in the form of state levied motor vehicle license fees and gas taxes as well as various grants for construction related projects.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The City's major governmental funds are the General Fund and the Capital Projects capital projects fund.

Fund balance decreased 24 percent in the General Fund. Revenues decreased almost \$6 million with much of this related to the impact of pandemic shutdowns as discussed previously (municipal income taxes, admission taxes, and hotel/motel taxes). However, expenditures also decreased, almost \$3 million, (most notably in the police and fire departments) due to expenses being paid from the Coronavirus Relief special revenue fund.

Fund balance decrease in the the Capital Projects Fund almost 16 percent. This was due to a significant increase in project costs for 2020 (nearly \$7.4 million increase in capital outlay expenditures). Projects in 2020 included the Sandusky Bay pathway, Shoreline Drive, and Jackson Street pier rehabilitation projects, the Landing Park project, and Cleveland Road improvements (Sports Force Park).

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

The City's enterprise funds consist of the Water and Sewer funds. Both the Water and Sewer Funds had an operating income for the year.

For the Water Fund, there was a modest 2 percent increase in net position, not a significant change.

Net position increased less than 1 percent in the Sewer Fund. This was not a significant change.

**BUDGETARY HIGHLIGHTS**

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute. The annual appropriations ordinance cannot be adopted prior to the second Monday in January of each year per City Charter. The City approves a temporary appropriations ordinance until the annual appropriations are approved. The City's most significant budgeted fund is the General Fund. For revenues, there was very little change from the original budget to the final budget. Changes from the final budget to actual revenues were substantial for municipal income taxes and other local taxes (admission taxes and hotel/motel taxes) due to the impact of the pandemic. For expenditures, changes from the original budget to the final budget were not significant. The reduction in actual expenditures from the final budget can be attributed to limited activity during the pandemic and certain costs being paid from other funds (coronavirus relief resources).

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets - The City's net investment in capital assets for governmental and business-type activities as of December 31, 2020, was \$40,412,060 and \$51,520,065, respectively. The primary additions for governmental activities included ongoing construction on the Shoreline Drive, Jackson Street Pier, and the Urban Paving Project; street reconstruction and repaving projects; several new vehicles including an ambulance and dump trucks; and a loader tractor. Disposals were retired vehicles and obsolete equipment. The primary additions for the business-type activities were land and building for sewer plant expansion, ongoing construction, water and sewer line improvement/replacement, and a new digester at the sewer plant. Disposals were minimal. For further information on the City's capital assets, refer to Note 12 to the basic financial statements.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
Unaudited

Debt - At December 31, 2020, the City had \$8,070,000 in bond anticipation notes payable from governmental activities. Notes were issued to retire notes previously issued as well as additional proceeds for various projects. The City also has a number of long-term obligations outstanding. These obligations included \$3,212,017 in general obligation bonds, \$10,010,000 in revenue bonds (issued during 2020 various urban renewal and economic development projects), and \$1,421,342 in special assessment bonds payable from governmental activities resources and \$1,110,000 in general obligation revenue bonds and \$47,203,145 in Ohio Water Development Authority (OWDA) loans payable from business-type activities.

The City has a bond rating of A1 with Moody's Investor Services.

In addition to the debt discussed above, the City's long-term obligations also includes the net pension/OPEB liability, compensated absences, and claims. For further information on the City's debt, refer to Notes 18 and 19 to the basic financial statements.

### **CURRENT ISSUES**

The Feick Building on East Market Street is being redeveloped to offer 50,000 square feet of leasable space. This is an approximate \$10 million dollar investment and is expected to be completed in 2022. Upon completion, it will house retail shops and restaurants on the ground floor and the top seven floors will be office space.

The Hogrefe Building (previously known as the Cooke Building), located at the corner of Columbus Avenue and Market Street, is in the processing of being renovated. The roughly 30,000 square feet of redesigned space will be utilized as retail, office, living, and entertainment space. Construction is scheduled to be completed in 2022.

Revenue for 2021 has increased substantially when compared to the 2020 revenue. The coronavirus pandemic in 2020 negatively impacted revenue as tourism came to a standstill. Income tax receipts for 2021 are up approximately \$608,000 through August 2021 collections and admission tax revenue has increased approximately \$1.9 million through August 2021 collections.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Michelle Reeder, Finance Director, 240 Columbus Avenue, Sandusky, Ohio 44870.

City of Sandusky  
Statement of Net Position  
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$16,729,628	\$12,735,427	\$29,465,055
Cash and Cash Equivalents in Segregated Accounts	29,160	0	29,160
Cash and Cash Equivalents with Escrow Agent	132,244	123,882	256,126
Accounts Receivable	346,525	1,961,557	2,308,082
Accrued Interest Receivable	35,136	0	35,136
Internal Balances	(612,462)	612,462	0
Due from Other Governments	1,727,472	609,267	2,336,739
Prepaid Items	83,692	28,797	112,489
Municipal Income Taxes Receivable	3,395,761	0	3,395,761
Other Local Taxes Receivable	108,795	0	108,795
Materials and Supplies Inventory	263,282	978,896	1,242,178
Property Taxes Receivable	2,374,139	0	2,374,139
Payment in Lieu of Taxes Receivable	1,220,616	0	1,220,616
Notes Receivable	3,320,943	0	3,320,943
Special Assessments Receivable	1,586,260	0	1,586,260
Net Pension Asset	76,174	73,185	149,359
Nondepreciable Capital Assets	27,381,847	15,720,826	43,102,673
Depreciable Capital Assets, Net	28,488,116	84,833,815	113,321,931
<b>Total Assets</b>	<b>86,687,328</b>	<b>117,678,114</b>	<b>204,365,442</b>
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding	81,026	0	81,026
Pension	3,845,850	1,221,491	5,067,341
OPEB	2,606,405	850,569	3,456,974
<b>Total Deferred Outflows of Resources</b>	<b>6,533,281</b>	<b>2,072,060</b>	<b>8,605,341</b>
<u>Liabilities</u>			
Accrued Wages Payable	278,773	109,487	388,260
Accounts Payable	379,011	152,257	531,268
Contracts Payable	82,704	520,320	603,024
Matured Compensated Absences Payable	18,377	0	18,377
Retainage Payable	132,244	201,111	333,355
Due to Other Governments	376,636	380,838	757,474
Unearned Revenue	917,320	0	917,320
Payroll Withholdings Payable	133,532	0	133,532
Accrued Interest Payable	150,309	726,985	877,294
Notes Payable	8,070,000	0	8,070,000
Long-Term Liabilities			
Due Within One Year	2,349,179	3,860,212	6,209,391
Due in More Than One Year			
Net Pension Liability	26,382,200	6,378,081	32,760,281
Net OPEB Liability	7,412,466	4,340,294	11,752,760
Other Amounts Due in More Than One Year	14,964,215	45,175,040	60,139,255
<b>Total Liabilities</b>	<b>61,646,966</b>	<b>61,844,625</b>	<b>123,491,591</b>

(continued)

City of Sandusky  
Statement of Net Position  
December 31, 2020  
(continued)

	Governmental Activities	Business-Type Activities	Total
<u>Deferred Inflows of Resources</u>			
Property Taxes	\$2,225,979	\$0	\$2,225,979
Payment in Lieu of Taxes	1,220,616	0	1,220,616
Pension	4,369,326	1,388,798	5,758,124
OPEB	1,930,156	617,945	2,548,101
	<u>9,746,077</u>	<u>2,006,743</u>	<u>11,752,820</u>
<u>Net Position</u>			
Net Investment in Capital Assets	40,412,060	51,520,065	91,932,125
Restricted for			
Capital Projects	4,679,545	0	4,679,545
Debt Service	710,040	0	710,040
Other Purposes			
Street Maintenance	1,387,474	0	1,387,474
State Grants	2,042,658	0	2,042,658
Federal Grants	1,387,421	0	1,387,421
Court Operations	762,919	0	762,919
Park Operations	254,650	0	254,650
Cemetery Operations	661,100	0	661,100
Other	805,619	0	805,619
Unrestricted (Deficit)	<u>(31,275,920)</u>	<u>4,378,741</u>	<u>(26,897,179)</u>
Total Net Position	<u>\$21,827,566</u>	<u>\$55,898,806</u>	<u>\$77,726,372</u>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Activities  
For the Year Ended December 31, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$5,848,943	\$254,443	\$850,044	\$0
Fire	7,082,645	831,366	883,020	0
Other	266,379	0	0	0
Public Health	376,346	137,698	0	0
Leisure Time Activities	1,873,122	289,085	15,109	89,600
Community Environment	6,799,287	498,300	941,181	144,950
Transportation	7,487,554	1,134,809	3,478,903	1,983,598
General Government				
Municipal Court	1,212,620	979,365	0	0
Other	5,479,982	388,456	0	0
Interest and Fiscal Charges	584,372	0	0	0
<b>Total Governmental Activities</b>	<b>37,011,250</b>	<b>4,513,522</b>	<b>6,168,257</b>	<b>2,218,148</b>
<u>Business-Type Activities</u>				
Water	6,832,130	6,952,984	0	30,815
Sewer	10,139,102	10,245,024	0	0
<b>Total Business-Type Activities</b>	<b>16,971,232</b>	<b>17,198,008</b>	<b>0</b>	<b>30,815</b>
<b>Total</b>	<b>\$53,982,482</b>	<b>\$21,711,530</b>	<b>\$6,168,257</b>	<b>\$2,248,963</b>

General Revenues

Property Taxes Levied for General Purposes  
Property Taxes Levied for Police and Fire Pension  
Property Taxes Levied for Debt Service  
Payment in Lieu of Taxes  
Municipal Income Taxes Levied for General Purposes  
Municipal Income Taxes Levied for Debt Service  
Municipal Income Taxes Levied for Capital Projects  
Other Local Taxes  
Franchise Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Interest  
Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$4,744,456)	\$0	(\$4,744,456)
(5,368,259)	0	(5,368,259)
(266,379)	0	(266,379)
(238,648)	0	(238,648)
(1,479,328)	0	(1,479,328)
(5,214,856)	0	(5,214,856)
(890,244)	0	(890,244)
(233,255)	0	(233,255)
(5,091,526)	0	(5,091,526)
(584,372)	0	(584,372)
(24,111,323)	0	(24,111,323)
0	151,669	151,669
0	105,922	105,922
0	257,591	257,591
(24,111,323)	257,591	(23,853,732)
1,549,298	0	1,549,298
254,688	0	254,688
394,754	0	394,754
537,857	0	537,857
10,040,637	0	10,040,637
707,547	0	707,547
566,211	0	566,211
1,170,951	0	1,170,951
386,707	0	386,707
873,247	0	873,247
320,199	3,248	323,447
3,256,752	313,820	3,570,572
20,058,848	317,068	20,375,916
(4,052,475)	574,659	(3,477,816)
25,880,041	55,324,147	81,204,188
\$21,827,566	\$55,898,806	\$77,726,372





City of Sandusky  
Balance Sheet  
Governmental Funds  
December 31, 2020

	General	Capital Projects	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,868,119	\$3,532,210	\$5,207,768	\$13,608,097
Cash and Cash Equivalents in Segregated Accounts	29,160	0	0	29,160
Accounts Receivable	321,727	19,049	5,749	346,525
Accrued Interest Receivable	35,086	0	50	35,136
Due from Other Governments	386,764	1,120	1,339,588	1,727,472
Prepaid Items	71,996	0	11,696	83,692
Municipal Income Taxes Receivable	3,013,738	0	382,023	3,395,761
Other Local Taxes Receivable	78,695	0	30,100	108,795
Materials and Supplies Inventory	104,428	0	158,854	263,282
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	128,965	0	0	128,965
Cash and Cash Equivalents with Escrow Agent	0	132,244	0	132,244
Property Taxes Receivable	1,672,777	0	701,362	2,374,139
Payment in Lieu of Taxes Receivable	0	0	1,220,616	1,220,616
Notes Receivable	0	468,840	2,852,103	3,320,943
Special Assessments Receivable	0	0	1,586,260	1,586,260
<b>Total Assets</b>	<b>\$10,711,455</b>	<b>\$4,153,463</b>	<b>\$13,496,169</b>	<b>\$28,361,087</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$254,071	\$3,722	\$20,980	\$278,773
Accounts Payable	140,003	11,913	227,095	379,011
Contracts Payable	0	82,704	0	82,704
Matured Compensated Absences Payable	18,377	0	0	18,377
Due to Other Governments	255,662	3,824	117,150	376,636
Restricted Liabilities:				
Retainage Payable	0	132,244	0	132,244
Unearned Revenue	0	0	917,320	917,320
Payroll Withholdings Payable	133,532	0	0	133,532
Accrued Interest Payable	0	30,599	0	30,599
Notes Payable	0	8,070,000	0	8,070,000
<b>Total Liabilities</b>	<b>801,645</b>	<b>8,335,006</b>	<b>1,282,545</b>	<b>10,419,196</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	1,568,379	0	657,600	2,225,979
Payment in Lieu of Taxes	0	0	1,220,616	1,220,616
Unavailable Revenue	3,153,110	0	2,903,642	6,056,752
<b>Total Deferred Inflows of Resources</b>	<b>4,721,489</b>	<b>0</b>	<b>4,781,858</b>	<b>9,503,347</b>
<u>Fund Balance</u>				
Nonspendable	305,389	0	170,550	475,939
Restricted	0	0	7,503,235	7,503,235
Committed	0	0	52,523	52,523
Assigned	199,793	0	0	199,793
Unassigned (Deficit)	4,683,139	(4,181,543)	(294,542)	207,054
<b>Total Fund Balance (Deficit)</b>	<b>5,188,321</b>	<b>(4,181,543)</b>	<b>7,431,766</b>	<b>8,438,544</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$10,711,455</b>	<b>\$4,153,463</b>	<b>\$13,496,169</b>	<b>\$28,361,087</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Reconciliation of Total Governmental Fund Balance  
to Net Position of Governmental Activities  
December 31, 2020

Total Governmental Fund Balance		\$8,438,544
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		55,869,963
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Accounts Receivable	258,532	
Accrued Interest Receivable	31,880	
Due from Other Governments	1,308,836	
Municipal Income Taxes Receivable	2,678,575	
Other Local Taxes Receivable	70,128	
Delinquent Property Taxes Receivable	148,160	
Special Assessments Receivable	1,560,641	
		6,056,752
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(612,462)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.		(119,710)
Deferred outflows of resources include deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.		81,026
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds Payable	(3,212,017)	
Revenue Bonds Payable	(10,010,000)	
Special Assessment Bonds Payable	(1,421,342)	
Compensated Absences Payable	(2,245,845)	
		(16,889,204)
The net pension asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Net Pension Asset	76,174	
Deferred Outflows - Pension	3,845,850	
Deferred Inflows - Pension	(4,369,326)	
Net Pension Liability	(26,382,200)	
Deferred Outflows - OPEB	2,606,405	
Deferred Inflows - OPEB	(1,930,156)	
Net OPEB Liability	(7,412,466)	
		(33,565,719)
An internal service fund is used by management to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		2,568,376
Net Position of Governmental Activities		\$21,827,566

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2020

	General	Capital Projects	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$1,554,568	\$0	\$651,651	\$2,206,219
Payment in Lieu of Taxes	0	0	537,857	537,857
Municipal Income Taxes	9,231,595	0	1,171,203	10,402,798
Other Local Taxes	1,113,866	0	425,985	1,539,851
Special Assessments	0	0	312,840	312,840
Charges for Services	1,036,799	870,649	470,000	2,377,448
Fees, Licenses, and Permits	678,312	127,481	445,095	1,250,888
Fines and Forfeitures	756,217	0	47,501	803,718
Intergovernmental	737,899	1,801,186	6,041,538	8,580,623
Interest	304,751	392	17,164	322,307
Other	2,741,373	413,826	207,981	3,363,180
<b>Total Revenues</b>	<b>18,155,380</b>	<b>3,213,534</b>	<b>10,328,815</b>	<b>31,697,729</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	3,843,495	0	1,552,854	5,396,349
Fire	3,909,363	433,996	1,685,108	6,028,467
Other	266,379	0	0	266,379
Public Health	291,969	0	24,277	316,246
Leisure Time Activities	445,429	1,108,970	65,128	1,619,527
Community Environment	2,086,426	1,296,918	3,343,330	6,726,674
Transportation	5,190	418,889	4,688,072	5,112,151
General Government				
Municipal Court	876,043	12,454	0	888,497
Other	3,591,429	303,974	341,698	4,237,101
Other	0	0	123,815	123,815
Capital Outlay	0	11,815,804	0	11,815,804
Debt Service:				
Principal Retirement	0	0	1,750,001	1,750,001
Interest and Fiscal Charges	0	171,833	240,173	412,006
<b>Total Expenditures</b>	<b>15,315,723</b>	<b>15,562,838</b>	<b>13,814,456</b>	<b>44,693,017</b>
Excess of Revenues Over (Under) Expenditures	2,839,657	(12,349,304)	(3,485,641)	(12,995,288)
<u>Other Financing Sources (Uses)</u>				
Revenue Bonds Issued	0	7,700,000	2,310,000	10,010,000
Sale of Capital Assets	0	12,429	7,750	20,179
Transfers In	0	4,070,950	2,383,286	6,454,236
Transfers Out	(4,483,294)	0	(1,970,942)	(6,454,236)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,483,294)</b>	<b>11,783,379</b>	<b>2,730,094</b>	<b>10,030,179</b>
<b>Changes in Fund Balance</b>	<b>(1,643,637)</b>	<b>(565,925)</b>	<b>(755,547)</b>	<b>(2,965,109)</b>
<b>Fund Balance (Deficit) Beginning of Year</b>	<b>6,831,958</b>	<b>(3,615,618)</b>	<b>8,187,313</b>	<b>11,403,653</b>
<b>Fund Balance (Deficit) End of Year</b>	<b>\$5,188,321</b>	<b>(\$4,181,543)</b>	<b>\$7,431,766</b>	<b>\$8,438,544</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Reconciliation of Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
of Governmental Funds to Statement of Activities  
For the Year Ended December 31, 2020

Changes in Fund Balance - Total Governmental Funds (\$2,965,109)

Amounts reported for governmental activities on the statement of activities are different because of the following:

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

Capital Contributions	10,872	
Capital Outlay - Nondepreciable Capital Assets	11,031,086	
Capital Outlay - Depreciable Capital Assets	1,373,842	
Depreciation	<u>(3,948,186)</u>	8,467,614

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a gain or loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(20,179)	
Gain on Disposal of Capital Assets	14,329	
Loss on Disposal of Capital Assets	<u>(12,466)</u>	(18,316)

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

Delinquent Property Taxes	(7,479)	
Municipal Income Taxes	911,597	
Other Local Taxes	57,085	
Special Assessments	(312,840)	
Charges for Services	(30,290)	
Fees, Licenses, and Permits	72,480	
Intergovernmental	542,217	
Interest	<u>3,075</u>	1,235,845

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

General Obligation Bonds Payable	1,607,301	
Special Assessment Bonds Payable	<u>142,700</u>	1,750,001

Debt proceeds are other financing sources in governmental funds but the issuance increases long-term liabilities on the statements of net position. (10,010,000)

Interest is reported as an expenditure when due in governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when debt is first issued; however, these amounts are deferred and amortized on the statement of activities. Accounting losses are amortized over the life of the debt on the statement of activities.

Accrued Interest Payable	(100,400)	
Amortization of Premium	16,341	
Amortization of Deferred Charge on Refunding	<u>(88,307)</u>	(172,366)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 301,675

(continued)

City of Sandusky  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2020  
 (continued)

<p>Except for amounts reported as deferred outflows/inflows, changes in the net pension liability (asset) and net OPEB liability are reported as pension/OPEB expense on the statement of activities.</p>		
Pension	(\$3,501,497)	
OPEB	<u>(850,849)</u>	(4,352,346)
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,090,126	
OPEB	<u>36,055</u>	2,126,181
The internal service fund used by management to charge the cost of health insurance to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated		
The change for governmental funds is reported for the year.		<u>(415,654)</u>
Change in Net Position of Governmental Activities		<u><u>(\$4,052,475)</u></u>
See Accompanying Notes to the Basic Financial Statements		

City of Sandusky  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
General Fund  
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	\$1,575,628	\$1,575,628	\$1,554,568	(\$21,060)
Municipal Income Taxes	11,750,000	11,750,000	9,783,648	(1,966,352)
Other Local Taxes	6,350,000	6,346,500	1,166,601	(5,179,899)
Charges for Services	1,041,558	1,041,558	1,028,489	(13,069)
Fees, Licenses, and Permits	628,100	628,100	755,779	127,679
Fines and Forfeitures	1,237,500	1,237,500	759,637	(477,863)
Intergovernmental	759,372	759,372	735,998	(23,374)
Interest	455,000	455,000	231,422	(223,578)
Other	390,650	440,650	319,928	(120,722)
<b>Total Revenues</b>	<b>24,187,808</b>	<b>24,234,308</b>	<b>16,336,070</b>	<b>(7,898,238)</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,441,750	5,067,540	3,975,364	1,092,176
Fire	5,058,850	4,833,567	4,008,623	824,944
Other	260,000	329,500	261,765	67,735
Public Health	360,750	338,593	301,317	37,276
Leisure Time Activities	736,780	710,910	467,051	243,859
Community Environment	2,903,969	2,741,659	2,156,710	584,949
Transportation	15,000	15,000	3,234	11,766
General Government				
Municipal Court	1,104,949	1,010,010	907,747	102,263
Other	4,042,450	4,061,803	3,692,223	369,580
<b>Total Expenditures</b>	<b>19,924,498</b>	<b>19,108,582</b>	<b>15,774,034</b>	<b>3,334,548</b>
Excess of Revenues Over Expenditures	4,263,310	5,125,726	562,036	(4,563,690)
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	1,477,353	1,481,003	2,420,010	939,007
Transfers Out	(5,467,108)	(4,485,808)	(4,483,294)	2,514
<b>Total Other Financing Sources (Uses)</b>	<b>(3,989,755)</b>	<b>(3,004,805)</b>	<b>(2,063,284)</b>	<b>941,521</b>
Changes in Fund Balance	273,555	2,120,921	(1,501,248)	(3,622,169)
Fund Balance Beginning of Year	6,148,269	6,148,269	6,148,269	0
<b>Fund Balance End of Year</b>	<b>\$6,421,824</b>	<b>\$8,269,190</b>	<b>\$4,647,021</b>	<b>(\$3,622,169)</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2020

	Business-Type Activities		Total Enterprise Funds	Governmental Activity
	Water	Sewer		Internal Service
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,287,421	\$7,448,006	\$12,735,427	\$2,992,566
Accounts Receivable	572,560	1,388,997	1,961,557	0
Due from Other Governments	342,253	267,014	609,267	0
Prepaid Items	14,061	14,736	28,797	0
Materials and Supplies Inventory	813,026	165,870	978,896	0
Total Current Assets	<u>7,029,321</u>	<u>9,284,623</u>	<u>16,313,944</u>	<u>2,992,566</u>
<u>Non-Current Assets</u>				
Restricted Assets:				
Cash and Cash Equivalents with Escrow Agent	61,941	61,941	123,882	0
Net Pension Asset	35,845	37,340	73,185	0
Nondepreciable Capital Assets	4,506,118	11,214,708	15,720,826	0
Depreciable Capital Assets, Net	27,223,992	57,609,823	84,833,815	0
Total Non-Current Assets	<u>31,827,896</u>	<u>68,923,812</u>	<u>100,751,708</u>	<u>0</u>
Total Assets	<u>38,857,217</u>	<u>78,208,435</u>	<u>117,065,652</u>	<u>2,992,566</u>
<u>Deferred Outflows of Resources</u>				
Pension	624,312	597,179	1,221,491	0
OPEB	429,355	421,214	850,569	0
Total Deferred Outflows of Resources	<u>1,053,667</u>	<u>1,018,393</u>	<u>2,072,060</u>	<u>0</u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	54,714	54,773	109,487	0
Accounts Payable	93,360	58,897	152,257	0
Contracts Payable	117,052	403,268	520,320	0
Retainage Payable	25,423	51,806	77,229	0
Due to Other Governments	35,724	345,114	380,838	0
Restricted Liabilities:				
Retainage Payable	61,941	61,941	123,882	0
Accrued Interest Payable	247,236	479,749	726,985	0
Claims Payable	0	0	0	382,960
General Obligation Revenue Bonds Payable	10,000	80,000	90,000	0
OWDA Loans Payable	1,384,593	2,187,141	3,571,734	0
Compensated Absences Payable	113,206	85,272	198,478	0
Total Current Liabilities	<u>2,143,249</u>	<u>3,807,961</u>	<u>5,951,210</u>	<u>382,960</u>
<u>Non-Current Liabilities</u>				
Claims Payable	0	0	0	41,230
General Obligation Revenue Bonds Payable	90,000	930,000	1,020,000	0
OWDA Loans Payable	14,134,020	29,497,391	43,631,411	0
Compensated Absences Payable	231,346	292,283	523,629	0
Net Pension Liability	3,123,958	3,254,123	6,378,081	0
Net OPEB Liability	2,125,858	2,214,436	4,340,294	0
Total Non-Current Liabilities	<u>19,705,182</u>	<u>36,188,233</u>	<u>55,893,415</u>	<u>41,230</u>
Total Liabilities	<u>21,848,431</u>	<u>39,996,194</u>	<u>61,844,625</u>	<u>424,190</u>

(continued)



City of Sandusky  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2020  
(continued)

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>	<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>		<u>Internal Service</u>
<u>Deferred Inflows of Resources</u>				
Pension	\$680,359	\$708,439	\$1,388,798	\$0
OPEB	<u>302,665</u>	<u>315,280</u>	<u>617,945</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>983,024</u>	<u>1,023,719</u>	<u>2,006,743</u>	<u>0</u>
<u>Net Position</u>				
Net Investment in Capital Assets	15,907,081	35,612,984	51,520,065	0
Unrestricted	<u>1,172,348</u>	<u>2,593,931</u>	<u>3,766,279</u>	<u>2,568,376</u>
Total Net Position	<u>\$17,079,429</u>	<u>\$38,206,915</u>	55,286,344	<u>\$2,568,376</u>

Net position reported for business-type activities on the statement of net position is different because it includes a proportionate share of the net position of the internal service fund.

612,462

Net Position of Business-Type Activities

\$55,898,806

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2020

	Business-Type Activities		Total Enterprise Funds	Governmental Activity
	Water	Sewer		Internal Service
<u>Operating Revenues</u>				
Charges for Services	\$6,952,984	\$10,245,024	\$17,198,008	\$2,215,469
Other	153,294	154,951	308,245	554,186
Total Operating Revenues	<u>7,106,278</u>	<u>10,399,975</u>	<u>17,506,253</u>	<u>2,769,655</u>
<u>Operating Expenses</u>				
Personal Services	3,646,538	3,755,214	7,401,752	0
Travel and Transportation	8,375	8,358	16,733	0
Contractual Services	370,673	2,651,215	3,021,888	0
Materials and Supplies	913,194	693,105	1,606,299	0
Claims	0	0	0	3,339,043
Depreciation	1,344,031	2,001,246	3,345,277	0
Other	45	50	95	0
Total Operating Expenses	<u>6,282,856</u>	<u>9,109,188</u>	<u>15,392,044</u>	<u>3,339,043</u>
Operating Income (Loss)	<u>823,422</u>	<u>1,290,787</u>	<u>2,114,209</u>	<u>(569,388)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Capital Grants	30,815	0	30,815	0
Gain on Disposal of Capital Assets	0	5,575	5,575	0
Interest Revenue	1,659	1,589	3,248	0
Interest Expense	(475,482)	(949,972)	(1,425,454)	0
Total Non-Operating Revenues (Expenses)	<u>(443,008)</u>	<u>(942,808)</u>	<u>(1,385,816)</u>	<u>0</u>
Changes in Net Position	380,414	347,979	728,393	(569,388)
Net Position Beginning of Year	<u>16,699,015</u>	<u>37,858,936</u>		<u>3,137,764</u>
Net Position End of Year	<u>\$17,079,429</u>	<u>\$38,206,915</u>		<u>\$2,568,376</u>

The change in net position reported for business-type activities on the statement of activities is different because it includes a proportionate share of the net loss of the internal service fund.

(153,734)

Change in Net Position of Business-Type Activities

\$574,659

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020

	<u>Business-Type Activities</u>			<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service</u>
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$6,735,925	\$9,939,081	\$16,675,006	\$2,215,469
Cash Payments for Personal Services	(3,038,376)	(3,130,759)	(6,169,135)	0
Cash Payments for Contractual Services	(1,074,212)	(2,228,472)	(3,302,684)	0
Cash Payments to Vendors	(516,028)	(1,473,220)	(1,989,248)	0
Cash Received from Other Revenues	147,068	152,291	299,359	554,186
Cash Payments for Claims	0	0	0	(3,508,643)
Cash Payments for Other Expenses	(45)	(50)	(95)	0
Net Cash Provided by (Used For) Operating Activities	<u>2,254,332</u>	<u>3,258,871</u>	<u>5,513,203</u>	<u>(738,988)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on General Obligation Revenue Bonds	(5,000)	(80,000)	(85,000)	0
Principal Paid on OWDA Loans	(1,323,564)	(2,089,836)	(3,413,400)	0
Interest Paid on General Obligation Revenue Bonds	(3,203)	(33,245)	(36,448)	0
Interest Paid on OWDA Loans	(463,222)	(899,422)	(1,362,644)	0
OWDA Loans Issued	3,318,617	7,903,535	11,222,152	0
Grants	30,815	0	30,815	0
Sale of Capital Assets	0	5,575	5,575	0
Acquisition of Capital Assets	(3,130,921)	(6,219,587)	(9,350,508)	0
Net Cash Used for Capital and Related Financing Activities	<u>(1,576,478)</u>	<u>(1,412,980)</u>	<u>(2,989,458)</u>	<u>0</u>
<u>Cash Flows from Investing Activities</u>				
Interest	<u>1,659</u>	<u>1,589</u>	<u>3,248</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	679,513	1,847,480	2,526,993	(738,988)
Cash and Cash Equivalents Beginning of Year	<u>4,669,849</u>	<u>5,662,467</u>	<u>10,332,316</u>	<u>3,731,554</u>
Cash and Cash Equivalents End of Year	<u>\$5,349,362</u>	<u>\$7,509,947</u>	<u>\$12,859,309</u>	<u>\$2,992,566</u>

(continued)

City of Sandusky  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2020  
(continued)

	<u>Business-Type Activities</u>			<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Operating Income (Loss)	\$823,422	\$1,290,787	\$2,114,209	(\$569,388)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	1,344,031	2,001,246	3,345,277	0
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(32,195)	(103,019)	(135,214)	0
Increase in Due from Other Governments	(191,090)	(205,584)	(396,674)	0
Decrease in Prepaid Items	11,741	12,144	23,885	0
(Increase) Decrease in Materials and Supplies Inventory	(59,715)	15,976	(43,739)	0
Increase in Net Pension Asset	(5,214)	(5,432)	(10,646)	0
Decrease in Accrued Wages Payable	(73,529)	(76,324)	(149,853)	0
Decrease in Accounts Payable	(72,575)	(105,686)	(178,261)	0
Decrease in Contracts Payable	(169,760)	(435,874)	(605,634)	0
Increase (Decrease) in Due to Other Governments	(4,829)	165,691	160,862	0
Decrease in Claims Payable	0	0	0	(169,600)
Increase in Compensated Absences Payable	22,524	20,100	42,624	0
Increase in Net Pension Liability	70,774	73,723	144,497	0
Decrease in Deferred Outflows - Pension	817,213	852,332	1,669,545	0
Decrease in Deferred Inflows - Pension	(544,093)	(565,439)	(1,109,532)	0
Increase in Net OPEB Liability	129,360	134,751	264,111	0
Decrease in Deferred Outflows - OPEB	381,843	391,121	772,964	0
Decrease in Deferred Inflows - OPEB	(193,576)	(201,642)	(395,218)	0
Net Cash Provided by (Used for) Operating Activities	<u>\$2,254,332</u>	<u>\$3,258,871</u>	<u>\$5,513,203</u>	<u>(\$738,988)</u>

Non-Cash Capital Transactions

At December 31, 2020, the Water and Sewer enterprise funds had outstanding payables related to the acquisition of capital assets, in the amount of \$204,416 and \$517,015, respectively.

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2020

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$132,034
Special Assessments Receivable	<u>561,905</u>
Total Assets	693,939
<u>Liabilities</u>	
Due to Other Governments	<u>561,905</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$132,034</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2020

<u>Additions</u>	
Fines and Forfeitures for Other Governments	\$151,185
Special Assessments Collections for Other Governments	8,182
Other	<u>11,622</u>
Total Additions	<u>170,989</u>
 <u>Deductions</u>	
Fines and Forfeitures Distributions to Other Governments	149,861
Special Assessments Collections to Other Governments	8,182
Distributions to Individuals	<u>2,496</u>
Total Deductions	<u>160,539</u>
Net Increase in Fiduciary Net Position	10,450
Net Position Beginning of Year - Restated (Note 3)	<u>121,584</u>
Net Position End of Year	<u><u>\$132,034</u></u>

See Accompanying Notes to the Basic Financial Statements



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**

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**NOTE 1 - DESCRIPTION OF THE CITY OF SANDUSKY AND THE REPORTING ENTITY**

A. The City

The City of Sandusky is a charter municipal corporation founded in 1818, with the charter adopted by the electors on July 28, 1914. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of Ohio.

The City operates under a part-time seven member commission and full-time city manager form of government. Services provided include police, fire, ambulance, municipal court, engineering, planning and zoning, street maintenance and repair, public transit, parks and recreation programs (including a municipal golf course), cemetery, water filtration, wastewater treatment, and general administrative services. Except for water and sewer, major utilities are provided by private entities.

B. Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Sandusky, this includes the Sandusky Municipal Court and all departments and activities that are directly operated by the elected City officials.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Sandusky in 2020.

The City participates in the City of Sandusky, Ohio Energy Special Improvement District and the Regional Income Tax Agency (RITA), jointly governed organizations and the Ohio Plan Risk Management insurance purchasing pool. These organizations are presented in Notes 23 and 24 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Sandusky have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the City's accounting policies.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the City are reported in three categories; governmental, proprietary, and fiduciary.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Projects Fund - This fund accounts for resources from construction grants, proceeds of notes, donations, and transfers restricted for various capital projects.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City reports two types of proprietary funds, enterprise and internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund - This fund accounts for operations of the water distribution system within the City and for the sale of water to Erie County.

Sewer Fund - This fund accounts for operations of the sewer collection system within the City and for sewer service to Erie County.

Internal Service Fund - This fund accounts for monies received for the activities of the self insurance program for employee health benefits.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the City for fees and fines collected for the benefit of and distributed to other governments and for special assessments held for a not-for-profit corporation.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days after year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from income taxes is recognized in the year in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax and motor vehicle license tax), grants, and interest.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the City, deferred outflows of resources include deferred charges on refundings, pension, and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 15 and 16 to the basic financial statements.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, other local taxes, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 20. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 15 and 16 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. Budgetary Process

All funds, except custodial funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the City Commission may appropriate. The appropriations ordinance is the City Commission's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the City Commission. The legal level of control has been established by the City Commission at the fund, department, and object level in all funds. Budgetary information for the Fire Escrow and Vacant/Foreclosed Bond Deposits special revenue funds is not reported because it is not included in the entity for which the appropriated budget is adopted.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the City Commission prior to year end.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the City Commission during the year.

F. Cash and Investments

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held within departments of the City, and not included in the City treasury, or held separately for the City by an escrow agent, are recorded as "Cash and Cash Equivalents with in Segregated Accounts" and "Cash and Cash Equivalents with Escrow Agent".

During 2020, the City's investments included nonnegotiable and negotiable certificates of deposit and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. Negotiable certificates of deposit are reported at fair value, which is based on quoted market price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The net asset value per share is calculated on an amortized cost basis that provides a net asset value per share that approximates fair value.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million requiring the excess amount to be transacted the following business day(s) but only to the \$100 million limit. All accounts of the participant will be combined for this purpose.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2020 was \$304,751, which includes \$255,560 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption.

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Resources set aside in a separate escrow account, whose use is limited to payment to contractors upon project completion, are reported as restricted.

Unclaimed monies that have a legal restriction on their use are reported as restricted.

**J. Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the proprietary funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Estimated Lives</u>
Buildings	15-45 years
Improvements Other Than Buildings	7-50 years
Streets	10-50 years
Bridges	50 years
Utility Plant	15-45 years
Water and Sewer Lines	50 years
Equipment	5-20 years

**K. Deferred Charge on Refunding**

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position.

**L. Interfund Activity**

On fund financial statements, receivables and payables resulting from interfund loans are reported as "Interfund Receivables/Payables". Interfund balances are eliminated on the statement of net position, except for any net residual amounts due between governmental and business-type activities. These amounts are presented as "Internal Balances", when applicable.

**M. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's union contracts or administrative ordinance. The City records a liability for accumulated unused sick leave for all employees with ten or more years of service with the City or any employee who is age fifty or older.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**N. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. General obligation bonds, revenue bonds, special assessment bonds, and claims are recognized as liabilities on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**O. Unamortized Bond Premiums**

Bond premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

Under Ohio law, premiums on the original issuance of debt are to be deposited to a bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

P. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for construction, repair, and maintenance of State highways, the public transit system, recreation, and other revenues restricted for use by the police department. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City Commission. The committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Commission, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the City Commission. Fund balance policy of the City Commission has authorized the City Manager to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Fund balance is also assigned for the payment of future severance payments and certain park activities.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer services, as well as premiums charged to various funds for insurance. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

**S. Capital Contributions**

Capital contributions arise from contributions from outside sources.

**T. Interfund Transactions**

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

U. Pension/Postemployment

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

V. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION**

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, "Certain Asset Retirement Obligations". GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

State and federal laws and regulations require the City to go through a decommissioning process if the wastewater treatment facility was to close. Through the decommissioning process, the City would be responsible for remediating any public safety issues associated with the wastewater treatment facility. The asset retirement obligation associated with the City's wastewater treatment facility cannot be estimated at this time.

In the prior year, the City reported the BSF Assessment Fund and the Vacant/Foreclosed Bond Deposits Fund as custodial funds. The BSF Assessment Fund should have been reported in the General Fund and the Vacant/Foreclosed Bond Deposits Fund should have been reported as a special revenue fund. As a result, net position in the custodial funds was restated from \$737,341 to \$121,584.

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

A. Accountability

At December 31, 2020, the Public Transit, Fire Pension, and Police Pension special revenue funds and the Capital Projects capital projects fund had deficit fund balances, in the amount of \$191,154, \$58,662, \$44,726, and \$4,181,543, respectively. The deficits in the special revenue funds are the result of adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The deficit in the capital projects fund is due to the liability for notes payable. The deficit will be eliminated when the debt is paid.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE** (continued)

**B. Compliance**

The following fund had expenditures in excess of appropriations for the year ended December 31, 2020, as follows.

Fund/Department/Object	Appropriations	Expenditures	Excess
Governmental Activities			
General Fund			
Mechanic			
Personal Services	\$237,691	\$259,848	(\$22,157)

The City will monitor the activity of their funds to ensure that expenditures are within amounts appropriated.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance 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, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual for the General Fund 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 basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. The City has certain activities within the General Fund that are not budgeted by the City Commission. However, this activity is included as part of the reporting entity when preparing financial statements that conform with GAAP.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

Adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis are as follows:

Changes in Fund Balance	
	General
GAAP Basis	(\$1,643,637)
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2019, Received in Cash 2020	1,468,085
Accrued 2020, Not Yet Received in Cash	(784,257)
Expenditure Accruals:	
Accrued 2019, Paid in Cash 2020	(1,137,719)
Accrued 2020, Not Yet Paid in Cash	665,072
Cash Adjustments:	
Unrecorded Activity 2019	79,637
Unrecorded Activity 2020	(161,228)
Prepaid Items	60,991
Materials and Supplies Inventory	3,423
Excess of Revenues Over Expenditures for Nonbudgeted Activity	647
Encumbrances Outstanding at Year End (Budget Basis)	(52,262)
Budget Basis	(\$1,501,248)

**NOTE 6 - DEPOSITS AND INVESTMENTS**

The City follows State statutes regarding its deposit and investment activity. State statutes classify monies held by the City into three categories.

Active deposits are public deposits determined to be necessary to meet current demands on the treasury. Active deposits must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the City has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
6. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
7. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
8. The State Treasurer's investment pool (STAR Ohio); and
9. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2020, \$1,522,922 of the City's total bank balance of \$11,039,740 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the City's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent and one of the financial institution's pledged collateral has a market value less than 105 percent of the deposits being secured resulting in the uninsured and uncollateralized balance.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2020, the City had the following investments:

Measurement/ Investment	Measurement Value	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level 2 Inputs					
Negotiable Certificates of Deposit	\$4,898,557	\$2,351,787	\$691,233	\$1,122,340	\$733,197
Net Asset Value					
STAR Ohio	14,767,842	14,767,842	0	0	0
	<u>\$19,666,399</u>	<u>\$17,119,629</u>	<u>\$691,233</u>	<u>\$1,122,340</u>	<u>\$733,197</u>



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2020. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Finance Director from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The negotiable certificates of deposit are covered by FDIC insurance up to \$250,000 per financial institution and/or partially insured through the Securities Investor Protection Corporation (SIPC). STAR Ohio carries a rating of AAAM by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. At December 31, 2020, the weighted average maturity of investments with Star Ohio was 55.8 days.

The City places no limit on the amount of its interim monies it may invest in a particular security or issuer. Negotiable certificates of deposit represent 24.9 percent of the City's total portfolio.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2020, consisted of accounts (billings for user charged services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; property taxes; payment in lieu of taxes; notes; and special assessments. All receivables are considered fully collectible within one year, except for municipal income taxes, property taxes, notes, and special assessments. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$2,342,362, will not be received within one year. Special assessments, in the amount of \$1,270,132, will not be received within one year. At December 31, 2020, the amount of delinquent special assessments was \$123,879.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 7 - RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$85,487
Local Government	261,674
Beer and Liquor Permits	33,903
Cigarette Tax	1,167
Miscellaneous	4,533
Total General Fund	386,764
Capital Projects Fund	
Charges for Services	1,120
Total Major Funds	387,884
Nonmajor Funds	
Street Maintenance Fund	
Gasoline Tax	465,331
Motor Vehicle License Tax	89,004
Total Street Maintenance Fund	554,335
State Highway Fund	
Gasoline Tax	37,730
Motor Vehicle License Tax	7,217
Total State Highway Fund	44,947
Public Transit Fund	
Elderly and Disabled Grant	8,732
Ohio Transit Preservation Partnership Grant	12,238
Rural Transit Grant	540,955
Total Public Transit Fund	561,925
Fire Pension Fund	
Homestead and Rollback	7,027
Police Pension Fund	
Homestead and Rollback	7,027
Federal Grants Fund	
CDBG Grant	2,846
Ohio EMS Grant	139,699
Total Federal Grants Fund	142,545
General Bond Retirement Fund	
Homestead and Rollback	21,782
Total Nonmajor Funds	1,339,588
Total Governmental Activities	\$1,727,472

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 7 - RECEIVABLES** (continued)

	Amount
Business-Type Activities	
Water Fund	
Erie County	\$342,253
Sewer Fund	
Erie County	267,014
Total Business-Type Activities	\$609,267

**NOTE 8 - MUNICIPAL INCOME TAXES**

The City levies and collects an income tax of 1.25 percent based on all income earned within the City as well as on incomes of residents earned outside the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

For 2020, income taxes were allocated as follows: 88.75 percent to the General Fund for general operations of the City; 6.25 percent to the General Bond Retirement debt service fund to be used for the retirement of general obligation debt; and 5 percent to the Capital Improvement capital projects fund to be used for the capital improvement program.

The Regional Income Tax Agency administers the collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 3 percent.

**NOTE 9 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2020 represent the collection of 2019 taxes. Real property taxes received in 2020 were levied after October 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2020 represent the collection of 2019 taxes. Public utility real and tangible personal property taxes received in 2020 became a lien on December 31, 2018, were levied after October 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 9 - PROPERTY TAXES** (continued)

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2020, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2020 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2020, was \$5.18 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2020 property tax receipts were based are as follows:

Category	Amount
Real Property	\$445,778,720
Public Utility Personal Property	24,480,490
Total Assessed Value	\$470,259,210

**NOTE 10 - PAYMENT IN LIEU OF TAXES**

In accordance with agreements related to tax increment financing districts, the City has entered into agreements with a number of property owners under which the City has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the City which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The property owners contractually promise to make these payments in lieu of taxes until the agreement expires.

**NOTE 11 - NOTES RECEIVABLE**

A summary of the changes in notes receivable during 2020 follows:

	Balance January 1, 2020	New Loans	Reductions	Balance December 31, 2020
Special Revenue Funds				
State Grants				
Revolving Loans	\$438,153	\$0	\$3,779	\$434,374
Rehabilitation Revolving Loans	1,600,308	0	52,031	1,548,277
Micro-Enterprise Loans	7,500	0	0	7,500
Total State Grants	2,045,961	0	55,810	1,990,151
Federal Grants				
Rehabilitation Revolving Loans	1,041,634	0	0	1,041,634
Capital Projects				
Demolition Loans	91,584	0	91,584	0
Issue 8 Loans	476,395	0	7,555	468,840
	\$3,655,574	\$0	\$154,949	3,500,625
Less Allowance for Uncollectible Accounts				(179,682)
				\$3,320,943

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 11 - NOTES RECEIVABLE** (continued)

Notes receivable are reduced each year by the amount of loans which have been determined to be uncollectible.

**NOTE 12 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$7,925,319	\$10,872	\$0	\$7,936,191
Construction in Progress	8,545,093	11,031,086	(130,523)	19,445,656
Total Nondepreciable Capital Assets	<u>16,470,412</u>	<u>11,041,958</u>	<u>(130,523)</u>	<u>27,381,847</u>
Depreciable Capital Assets				
Buildings	16,881,731	0	0	16,881,731
Improvements Other Than Buildings	25,354,934	66,860	0	25,421,794
Streets	53,634,750	856,504	0	54,491,254
Bridges	229,802	0	0	229,802
Equipment	14,633,448	581,001	(714,901)	14,499,548
Total Depreciable Capital Assets	<u>110,734,665</u>	<u>1,504,365</u>	<u>(714,901)</u>	<u>111,524,129</u>
Less Accumulated Depreciation for				
Buildings	(12,896,302)	(558,758)	0	(13,455,060)
Improvements Other Than Buildings	(13,492,986)	(947,442)	0	(14,440,428)
Streets	(43,183,928)	(1,683,694)	0	(44,867,622)
Bridges	(124,092)	(4,596)	0	(128,688)
Equipment	(10,087,104)	(753,696)	696,585	(10,144,215)
Total Accumulated Depreciation	<u>(79,784,412)</u>	<u>(3,948,186)</u>	<u>696,585</u>	<u>(83,036,013)</u>
Total Depreciable Capital Assets, Net	<u>30,950,253</u>	<u>(2,443,821)</u>	<u>(18,316)</u>	<u>28,488,116</u>
Governmental Activities Capital Assets, Net	<u>\$47,420,665</u>	<u>\$8,598,137</u>	<u>(\$148,839)</u>	<u>\$55,869,963</u>

Governmental funds accepted contributions of capital assets from private donors with a fair value of \$10,872.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 12 - CAPITAL ASSETS** (continued)

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020
Business-Type Activities				
Nondepreciable Capital Assets				
Land	\$816,702	\$190,000	\$0	\$1,006,702
Construction in Progress	5,432,188	9,281,936	0	14,714,124
Total Nondepreciable Capital Assets	<u>6,248,890</u>	<u>9,471,936</u>	<u>0</u>	<u>15,720,826</u>
Depreciable Capital Assets				
Buildings	65,124,499	174,391	0	65,298,890
Improvements Other Than Buildings	33,782,457	0	0	33,782,457
Utility Plant	10,157,272	33,949	(28,097)	10,163,124
Water and Sewer Lines	32,113,122	31,252	0	32,144,374
Equipment	4,672,022	360,411	(11,131)	5,021,302
Total Depreciable Capital Assets	<u>145,849,372</u>	<u>600,003</u>	<u>(39,228)</u>	<u>146,410,147</u>
Less Accumulated Depreciation for				
Buildings	(23,569,846)	(1,126,507)	0	(24,696,353)
Improvements Other Than Buildings	(13,933,878)	(1,038,406)	0	(14,972,284)
Utility Plant	(5,003,445)	(294,044)	28,097	(5,269,392)
Water and Sewer Lines	(13,016,768)	(561,830)	0	(13,578,598)
Equipment	(2,746,346)	(324,490)	11,131	(3,059,705)
Total Accumulated Depreciation	<u>(58,270,283)</u>	<u>(3,345,277)</u>	<u>39,228</u>	<u>(61,576,332)</u>
Total Depreciable Capital Assets, Net	<u>87,579,089</u>	<u>(2,745,274)</u>	<u>0</u>	<u>84,833,815</u>
Business-Type Activities Capital Assets, Net	<u>\$93,827,979</u>	<u>\$6,726,662</u>	<u>\$0</u>	<u>\$100,554,641</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$102,054
Security of Persons and Property - Fire	361,692
Public Health	13,064
Leisure Time Activities	203,123
Community Environment	168,301
Transportation	2,050,298
General Government - Municipal Court	4,964
General Government - Other	1,044,690
Total Depreciation Expense - Governmental Activities	<u>\$3,948,186</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the City contracted with the Ohio Plan Risk Management, an insurance purchasing pool, for the following coverage:

Type of Coverage	Coverage
Property (building and contents)	\$155,332,210
General Liability - Aggregate	13,000,000
Employee Benefit Liability - Aggregate	13,000,000
Public Official Liability - Aggregate	13,000,000
Law Enforcement Liability - Aggregate	13,000,000
Auto Liability	11,000,000

There has been no significant reduction in insurance coverage from 2019 and no insurance settlement has exceeded insurance coverage during the last three years.

Each participant of Ohio Plan Risk Management enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant. The firm of Hylant Administrative Services provides administrative, cost control, and actuarial services to the Plan.

The City is providing employee medical coverage through a self-insured program. The City established a Health Insurance internal service fund to account for and finance employee medical benefits. Under this program, the Health Insurance Fund provides up to a maximum of \$150,000 for each individual. The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims did not exceed this commercial coverage during the last three years.

All funds of the City participate in the program and make payments to the Health Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current year claims. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Claims payable at December 31, 2020, was estimated by a third party administrator at \$424,190. Of this amount, \$382,960 is expected to be paid within one year. The change in the claims liability for 2020 and 2019 was:

	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2020	\$593,790	\$3,339,043	\$3,508,643	\$424,190
2019	600,018	4,116,349	4,122,577	593,790

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 13 - RISK MANAGEMENT** (continued)

Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

The City has outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2020:

<u>Contract</u>	<u>Remaining Commitment</u>
ADC LLC DBA Environmental Services	\$17,668
Axon Enterprises, Inc.	46,620
Bramhall Engineering	11,029
Burch Hydro, Inc.	69,991
Carpenter Marty	267,363
Case Development, LLC	37,500
Civil & Environmental	44,804
D.L. Smith Concrete, LLC	134,431
DLZ of Ohio	19,949
Donleys, Inc.	274,429
Ed Burdue & Co.	179,784
Environmental Design Group	1,094,046
Feick Building, LLC	800,000
Foth Infrastructure	561,639
Garland/DBS	181,184
Garner Sanitation Service	50,977
Garza Dirt Works, LLC	109,982
Great Lakes Demolition Co.	250,850
Holcom Enterprises, LLC	84,000
Insight Pipe Contracting	307,655
K. E. McCartney & Associates	244,222
Kokosing Industrial, Inc.	1,112,424
Kronos Saashr	94,950
LJB, Inc.	51,358
Mannik & Smith	359,191
Market Street Collective	139,609
Mosser Construction	481,709
North Bay Construction	836,058
Quality Control Inspections	70,545
Renaissance Too, LLC	230,000
Speer Bros.	2,882,795
Trust for Public Land	54,654
William Seman/Jeffrey Becker	70,000
Total	<u>\$11,171,416</u>



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS** (continued)

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2021 are as follows:

General Fund	\$52,262
Capital Projects Fund	2,961,881
Other Governmental Funds	163,578

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provides both pension benefits and other postemployment benefits (OPEB).

**Net Pension Liability (Asset)/Net OPEB Liability**

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent a liability to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation, including pension and OPEB.

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the pension amortization period exceeds thirty years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, public safety, and law enforcement divisions. While members in the state and local divisions may participate in all three plans, public safety and law enforcement divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor, and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343. (See the OPERS Comprehensive Annual Financial Report referenced above for additional information including requirements for reduced and unreduced benefits.)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 years
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost of living adjustment.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

When a traditional plan benefit recipient has received benefits for twelve months, current law provides an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost of living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

Defined contribution plan benefits are established in the plan documents which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed plan participants must have attained the age of fifty-five, have money on deposit in the defined contribution plan, and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the member's contributions, vested employer contributions, and investment gains or losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five year period at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS account. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance net of taxes withheld, or a combination of these options.

Beginning in 2022, the combined plan will be consolidated under the traditional plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	State and Local	Public Safety	Law Enforcement
<b>2020 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
 <b>2020 Actual Contribution Rates</b>			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board and has no maximum rate established by the ORC.
- \*\*\* This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.
- \*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the City's contractually required contribution was \$1,201,752 for the traditional plan, \$55,692 for the combined plan, and \$10,326 for the member-directed plan. Of these amounts, \$120,369 is reported as an intergovernmental payable for the traditional plan, \$5,580 for the combined plan, and \$1,038 for the member-directed plan.

**Plan Description - Ohio Police and Fire Pension Fund (OPF)**

Plan Description - Full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension 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. OPF issues a publicly available financial report that includes financial information, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Upon attaining a qualifying age with sufficient years of service, an OPF member may retire and receive a lifetime monthly pension. OPF offers four types of service retirement; normal, service commuted, age/service commuted, and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is fifty-two for normal service retirement with at least twenty-five years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is forty-eight for normal service retirement with at least twenty-five years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit. (See the OPF Comprehensive Annual Financial Report referenced above for additional information including requirements for deferred retirement option plan provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least fifty-five years old and have been receiving OPF benefits for at least one year may be eligible for a cost of living allowance adjustment. The age fifty-five provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than fifteen years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percentage increase, if any, in the Consumer Price Index over the twelve month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least fifteen years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	Police	Firefighters
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
<b>2020 Actual Contribution Rates</b>		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,448,829 for 2020. Of this amount, \$133,292 is reported as an intergovernmental payable.

**Pension Liability (Asset) , Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension**

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Proportion of the Net Pension Liability/Asset				
Current Measurement Date	0.06585400%	0.07162700%	0.29308530%	
Prior Measurement Date	0.06385600%	0.07060200%	0.30450500%	
Change in Proportionate Share	<u>0.00199800%</u>	<u>0.00102500%</u>	<u>0.01141970%</u>	
Proportionate Share				
Net Pension Liability	\$13,016,490	\$0	\$19,743,791	\$32,760,281
Net Pension Asset	\$0	\$149,359	\$0	\$149,359
Pension Expense	\$2,510,438	\$14,436	\$2,286,634	\$4,811,508

Pension expense for the member-directed defined contribution plan was \$10,326 for 2020. The aggregate pension expense for all pension plans was \$4,821,834 for 2020.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
<b>Deferred Outflows of Resources</b>				
Difference Between Expected and Actual Experience	\$0	\$0	\$747,367	\$747,367
Changes of Assumptions	695,233	15,401	484,659	1,195,293
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	283,535	0	134,873	418,408
City Contributions Subsequent to the Measurement Date	1,201,752	55,692	1,448,829	2,706,273
Total Deferred Outflows of Resources	<u>\$2,180,520</u>	<u>\$71,093</u>	<u>\$2,815,728</u>	<u>\$5,067,341</u>
<b>Deferred Inflows of Resources</b>				
Difference Between Expected and Actual Experience	\$164,575	\$35,065	\$1,018,267	\$1,217,907
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,596,497	19,372	953,784	3,569,653
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	16,983	953,581	970,564
Total Deferred Inflows of Resources	<u>\$2,761,072</u>	<u>\$71,420</u>	<u>\$2,925,632</u>	<u>\$5,758,124</u>

\$2,706,273 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase in the net pension asset in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Year Ending December 31,				
2021	(\$114,286)	(\$11,922)	(\$441,777)	(\$567,985)
2022	(744,559)	(11,558)	(224,258)	(980,375)
2023	107,521	(6,157)	255,786	357,150
2024	(1,030,980)	(13,249)	(1,007,886)	(2,052,115)
2025	0	(4,428)	(140,598)	(145,026)
Thereafter	0	(8,705)	0	(8,705)
Total	<u>(\$1,782,304)</u>	<u>(\$56,019)</u>	<u>(\$1,558,733)</u>	<u>(\$3,397,056)</u>



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	1.4 percent simple through 2020, then 2.15 percent simple	1.4 percent simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	individual entry age	individual entry age

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013, retirees changing it from 3 percent simple through 2018 then 2.15 percent simple to 1.4 percent simple through 2020 then 2.15 percent simple.

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

During 2019, OPERS managed investments in three investment portfolios; the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. Each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other Investments	13.00	4.98
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.2 percent for the traditional and the combined plans. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for all three plans was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's Proportionate Share of the Net Pension Liability (Asset)			
OPERS Traditional Plan	\$21,468,404	\$13,016,490	\$5,418,467
OPERS Combined Plan	(\$90,250)	(\$149,359)	(\$191,960)

**Actuarial Assumptions - OPF**

OPF's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modification as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI based COLA, investment returns, salary increases, and payroll growth.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum compounded annually consisting of an inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2019, are summarized below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equities	16.00	5.40
Non-U.S. Equities	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income*	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric

\* levered 2x

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure which reduces overall total portfolio risk without sacrificing return and creating a more risk balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City’s Proportionate Share of the Net Pension Liability	\$27,364,208	\$19,743,791	\$13,370,068

**NOTE 16 - DEFINED BENEFIT OPEB PLANS**

See Note 15 for a description of the net OPEB liability.

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit postemployment health care trust which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional and combined pension plans. This trust is also used to fund health care for member-directed plan participants in the form of a retiree medical account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit and a minimum age of sixty or generally thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 75. (See the OPERS Comprehensive Annual Financial Report referenced below for additional information.)

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional and combined plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. For 2020, OPERS did not allocate any employer contributions to health care for members in the traditional and combined plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2020.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$4,131 for 2020. Of this amount, \$415 is reported as an intergovernmental payable.

**Plan Description - Ohio Police and Fire Pension Fund (OPF)**

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OPF implemented a new model for health care. Under this model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OPF health care stipend unless they have access to any other group coverage, including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage, including employer or retirement coverage, they are not eligible for stipend support from OPF. Even if an OPF member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 75.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the OPF website at [www.op-f.org](http://www.op-f.org).

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as a percentage of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contribution for retiree health care benefits. For 2020, the portion of the employer contribution allocated to health care was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OPF was \$33,948 for 2020. Of this amount, \$3,124 is reported as an intergovernmental payable.

**OPEB Liability, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

Following is information related to the proportionate share and OPEB expense.

	OPERS	OPF	Total
Proportion of the Net OPEB Liability			
Current Measurement Date	0.06412800%	0.29308530%	
Prior Measurement Date	0.06221000%	0.30450500%	
Change in Proportionate Share	<u>0.00191800%</u>	<u>0.01141970%</u>	
Proportionate Share of the Net OPEB Liability	\$8,857,742	\$2,895,018	\$11,752,760
OPEB Expense	\$1,217,340	\$277,390	\$1,494,730

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Difference Between Expected and Actual Experience	\$237	\$0	\$237
Changes of Assumptions	1,402,086	1,692,540	3,094,626
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	188,148	135,884	324,032
City Contributions Subsequent to the Measurement Date	4,131	33,948	38,079
Total Deferred Outflows of Resources	<u>\$1,594,602</u>	<u>\$1,862,372</u>	<u>\$3,456,974</u>
<b>Deferred Inflows of Resources</b>			
Difference Between Expected and Actual Experience	\$810,081	\$311,331	\$1,121,412
Changes of Assumptions	0	616,972	616,972
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	451,034	133,218	584,252
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	225,465	225,465
Total Deferred Inflows of Resources	<u>\$1,261,115</u>	<u>\$1,286,986</u>	<u>\$2,548,101</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

\$38,079 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

	OPERS	OPF	Total
Year Ending December 31,			
2021	\$355,164	\$95,395	\$450,559
2022	166,564	95,395	261,959
2023	359	122,722	123,081
2024	(192,731)	79,640	(113,091)
2025	0	100,846	100,846
Thereafter	0	47,440	47,440
Total	\$329,356	\$541,438	\$870,794

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	6 percent
Municipal Bond Rate	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.31 percent
Health Care Cost Trend Rate	
Current Measurement Date	10.5 percent initial
Prior Measurement Date	3.5 percent ultimate in 2030 10 percent initial
Actuarial Cost Method	3.25 percent ultimate in 2029 individual entry age

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes assets for health care expenses for the traditional plan, the combined plan, and the member-directed plan eligible members. Within the Health Care portfolio, if any contributions are made into the plan, contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made and health care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2019, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other Investments	14.00	4.90
Total	100.00 %	

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

Discount Rate - A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2034 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.16 percent) or one percentage point higher (4.16 percent) than the current rate.

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's Proportionate Share of the Net OPEB Liability	\$11,591,777	\$8,857,742	\$6,668,671

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$8,596,358	\$8,857,742	\$9,115,795

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

**Changes Between the Measurement Date and the Reporting Date**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in an effort to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees as well as replacing OPERS sponsored medical plans for pre-Medicare retirees with monthly allowances similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

**Actuarial Assumptions - OPF**

OPF's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single Discount Rate	
Current Measurement Date	3.56 percent
Prior Measurement Date	4.66 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OPF health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 16 - DEFINED BENEFIT OPEB PLANS** (continued)

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019, and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation Twenty Year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to all projected costs through 2034 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent) or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's Proportionate Share of the Net OPEB Liability	\$3,589,635	\$2,895,018	\$2,317,839

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

**NOTE 17 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

City employees earn and accumulate vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Employees are paid for 100 percent of earned unused vacation leave upon termination.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 17 - COMPENSATED ABSENCES** (continued)

Sick leave is earned at various rates as defined by City policy and union contracts. Any employee with ten years of service with the City who elects to retire is entitled to receive their accumulated unused sick leave as follows:

	<u>AFCSME</u>	<u>IAF</u>	<u>FOP</u>	<u>Administration</u>
40 hours/week				
Sick hours less than 1,000	25 %	25 %	25 %	25 %
Sick hours 1,000 - 1,499	30 %	30 %	30 %	n/a
Sick hours 1,000 - 1,999	n/a	n/a	n/a	30 %
Sick hours 1,500 - 2,199	35 %	35 %	35 %	n/a
Sick hours 2,000 - 2,999	n/a	n/a	n/a	35 %
Sick hours over 2,200	45 %	45 %	45 %	n/a
Sick hours over 3,000	n/a	n/a	n/a	45 %
51 hours/week				
Sick hours less than 1,300	n/a	25 %	n/a	n/a
Sick hours 1,300 - 1,949	n/a	30 %	n/a	n/a
Sick hours 1,950 - 2,859	n/a	35 %	n/a	n/a
Sick hours over 2,860	n/a	45 %	n/a	n/a

The City also provides for a provision of sick leave payoff in case of death.

**NOTE 18 - SHORT-TERM OBLIGATIONS**

The City's short-term obligations activity for the year ended December 31, 2020, was as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2020</u>
<u>Governmental Activities</u>					
Bond Anticipation Notes					
Capital Projects Funds					
2019 Various Improvement	2.50%	\$4,100,000	\$0	\$4,100,000	\$0
2020 Various Improvement	2.50	0	8,070,000	0	8,070,000
Total Bond Anticipation Notes		4,100,000	8,070,000	4,100,000	8,070,000
Urban Renewal Temporary Revenue					
Bonds from Direct Placements	2.37	4,700,000	0	4,700,000	0
Total		<u>\$8,800,000</u>	<u>\$8,070,000</u>	<u>\$8,800,000</u>	<u>\$8,070,000</u>

According to Ohio law, notes may be issued in anticipation of bond proceeds or for up to 50 percent of anticipated revenue collections. The City has issued bond anticipation notes with a maturity of one year which will be reissued until paid in full or until bonds are issued. The liability for all notes is presented in the fund receiving the proceeds.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 18 - SHORT-TERM OBLIGATIONS** (continued)

The 2019 various improvement notes were issued to partially retire notes previously issued to revitalize the Bayfront Urban Revitalization Area, to pay the cost of the Venice Road Grade Separation Project, to acquire a ladder truck and street trucks, for costs associated with the relocation of City Hall, and for costs of various improvements for the Landing Park Project.

The 2020 various improvement notes were issued to retire notes previously issued to revitalize the Bayfront Urban Revitalization Area, to pay the cost of the Venice Road Grade Separation Project, to acquire a ladder truck and street trucks, for costs associated with the relocation of City Hall, and for costs of various improvements for the Landing Park Project, as well as additional proceeds for costs of various improvements to the Sandusky Bay Pathway, and for costs of various improvements to Jackson Street Pier.

At December 31, 2020, the total amount of various improvement notes outstanding was \$8,070,000, of which \$4,855,629 has been expended for construction. Of the \$8,070,000, \$3,040,000 will not be capitalized.

On August 1, 2019, the City issued \$4,700,000 in urban renewal temporary revenue bonds through direct placement to pay the costs of urban renewal projects on Shoreline Drive and Jackson Street pier. The bonds matured on July 31, 2020.

**NOTE 19 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2020, was as follows:

	Interest Rate	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<b><u>Governmental Activities</u></b>						
<b>General Obligation Bonds</b>						
2001 Various Purpose	3.00-5.05%	\$30,000	\$0	\$15,000	\$15,000	\$15,000
2011 Library Improvement Refunding	2.00-4.25	1,540,000	0	360,000	1,180,000	375,000
Bond Premium		45,309	0	10,592	34,717	0
2015 City Complex Refunding	1.35-3.00	810,000	0	810,000	0	0
2015 Police Pension Refunding	1.35-3.00	215,275	0	27,711	187,564	27,711
2015 Fire Pension Refunding	1.35-3.00	289,725	0	37,289	252,436	37,289
2015 Various Purpose Refunding	1.35-3.00	1,819,601	0	347,301	1,472,300	347,300
<b>General Obligation Bonds from Direct Placements</b>						
2014 Various Purpose Refunding	3.05	80,000	0	10,000	70,000	10,000
<b>Total General Obligation Bonds</b>		<b>4,829,910</b>	<b>0</b>	<b>1,617,893</b>	<b>3,212,017</b>	<b>812,300</b>
<b>Revenue Bonds from Direct Placements</b>						
2020 Urban Renewal	2.50	0	7,700,000	0	7,700,000	310,000
2020 Economic Development	3.10	0	2,310,000	0	2,310,000	200,355
<b>Total Revenue Bonds</b>		<b>0</b>	<b>10,010,000</b>	<b>0</b>	<b>10,010,000</b>	<b>510,355</b>

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

	Interest Rate	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<b><u>Governmental Activities</u></b> (continued)						
Special Assessment Bonds with Government Commitment						
Special Assessment Bonds	3.00-6.00%	1,505,399	0	142,700	1,362,699	147,699
1421342 2008 Bond Premium		64,392	0	5,749	58,643	0
Total Special Assessment Bonds		<u>1,569,791</u>	<u>0</u>	<u>148,449</u>	<u>1,421,342</u>	<u>147,699</u>
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		9,094,208	0	2,455,799	6,638,409	0
Ohio Police and Fire Pension		24,855,655	0	5,111,864	19,743,791	0
Total Net Pension Liability		<u>33,949,863</u>	<u>0</u>	<u>7,567,663</u>	<u>26,382,200</u>	<u>0</u>
Net OPEB Liability						
Ohio Public Employees Retirement System		4,217,571	299,877	0	4,517,448	0
Ohio Police and Fire Pension		2,772,987	122,031	0	2,895,018	0
Total Net OPEB Liability		<u>6,990,558</u>	<u>421,908</u>	<u>0</u>	<u>7,412,466</u>	<u>0</u>
Compensated Absences		2,547,520	239,056	540,731	2,245,845	495,865
Claims		593,790	0	169,600	424,190	382,960
Total Other Long-Term Obligations		<u>44,081,731</u>	<u>660,964</u>	<u>8,277,994</u>	<u>36,464,701</u>	<u>878,825</u>
Total Governmental Activities		<u>\$50,481,432</u>	<u>\$10,670,964</u>	<u>\$10,044,336</u>	<u>\$51,108,060</u>	<u>\$2,349,179</u>
<b><u>Business-Type Activities</u></b>						
General Obligation Revenue Bonds from Direct Placements						
2014 Various Purpose Refunding	3.05%	\$105,000	\$0	\$5,000	\$100,000	\$10,000
2014 Various Purpose Refunding	3.05	1,090,000	0	80,000	1,010,000	80,000
Total General Obligation Revenue Bonds		<u>1,195,000</u>	<u>0</u>	<u>85,000</u>	<u>1,110,000</u>	<u>90,000</u>
OWDA Loans from Direct Borrowings						
Water	4.60-5.20	13,523,560	3,318,617	1,323,564	15,518,613	1,384,593
Sewer	4.27-6.39	25,870,833	7,903,535	2,089,836	31,684,532	2,187,141
Total OWDA Loans		<u>39,394,393</u>	<u>11,222,152</u>	<u>3,413,400</u>	<u>47,203,145</u>	<u>3,571,734</u>
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		8,394,655	0	2,016,574	6,378,081	0
Net OPEB Liability						
Ohio Public Employees Retirement System		3,893,144	447,150	0	4,340,294	0
Compensated Absences		679,483	119,917	77,293	722,107	198,478
Total Other Long-Term Obligations		<u>12,967,282</u>	<u>567,067</u>	<u>2,093,867</u>	<u>11,440,482</u>	<u>198,478</u>
Total Business-Type Activities		<u>\$53,556,675</u>	<u>\$11,789,219</u>	<u>\$5,592,267</u>	<u>\$59,753,627</u>	<u>\$3,860,212</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

2001 Various Purpose General Obligation Bonds

In 2001, the City issued \$6,037,200 in unvoted general obligation bonds for the Downtown Streetscape project, the Lane Street project, the Butler Street capacity project, the Columbus Avenue underpass, the City building project, the Transit building project, the Plaza project, the Fire Station project, and the Remington Avenue project. The bonds were issued for a twenty-five year period with maturity beginning June 1, 2001. The bonds will be paid from the General Bond Retirement debt service fund. During 2007, \$4,183,404 of these bonds was refunded.

2011 Library Improvement Refunding General Obligation Bonds

On May 19, 2011, the City issued \$4,090,000 in unvoted current refunding general obligation bonds to refund bonds previously issued for renovating and improving the City library. The bonds were issued for a twelve year period with maturity beginning December 1, 2012. The bonds will be paid from the General Bond Retirement debt service fund.

The City of Sandusky and the Sandusky Library Association, an Ohio not-for-profit corporation, have entered into a contractual agreement whereby the City originally issued bonds for library construction and renovations. As part of the agreement, the City will lease (for zero rent charges or lease payments) the library (real property, including building and improvements) for a period of twenty-five years, or until the bonds are paid off. Upon full payment of the debt, all of the new construction and improvements will become the property of the Sandusky Library Association.

2014 Various Purpose Refunding General Obligation Bonds

On July 29, 2014, the City issued \$370,000 in current refunding general obligation bonds through a direct placement to refund 2005 various purpose bonds previously issued for acquiring two fire pumper trucks and the grade separation project. The bonds were issued for a twelve year period with maturity beginning December 1, 2014. The bonds will be paid from the General Bond Retirement debt service fund.

2015 City Complex Refunding General Obligation Bonds

On December 2, 2015, the City issued \$3,675,000 in current refunding general obligation bonds to refund \$3,665,000 in unvoted refunding general obligation bonds for the construction of a city service complex. The bonds were issued for a five year period with maturity beginning December 1, 2016. The bonds were fully retired during 2020.

2015 Police Pension Refunding General Obligation Bonds

On December 2, 2015, the City issued \$330,383 in current refunding general obligation bonds to refund \$332,538 in pension general obligation refunding bonds previously issued. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Police Pension special revenue fund.

2015 Fire Pension Refunding General Obligation Bonds

On December 2, 2015, the City issued \$447,617 in current refunding general obligation bonds to refund \$447,462 in pension general obligation refunding bonds previously issued. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Fire Pension special revenue fund.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

2015 Various Purpose Refunding General Obligation Bonds

On December 2, 2015, the City issued \$3,099,069 in current refunding general obligation bonds to refund \$3,084,070 in current refunding general obligation bonds previously issued for the Downtown Streetscape project, the Lane Street project, the Butler Street capacity project, the Columbus Avenue underpass, the Transit building project, the Plaza project, the Fire Station project, and the Remington Avenue project. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the General Bond Retirement debt service fund.

2020 Urban Renewal Revenue Bonds

On July 30, 2020, the City issued \$7,700,000 in revenue bonds through a direct placement to pay the costs of urban renewal activities related to the Jackson Street Pier and Shoreline Drive projects. The bonds were issued for a sixteen year period with maturity beginning March 1, 2021, and are payable solely from payment in lieu of taxes revenues. The bonds will be retired from the Urban Renewal Debt Retirement debt service fund. As of December 31, 2021, all of the proceeds had been spent.

2020 Economic Development Revenue Bonds

On May 21, 2020, the City issued \$2,310,000 in revenue bonds through a direct placement to pay the costs of economic development activities. The bonds were issued for an eleven year period with maturity beginning March 1, 2021, and are payable solely from payment in lieu of taxes revenues. The economic development bonds were used to pay for projects that were not capitalized by the City. The bonds will be retired from the Urban Renewal Debt Retirement debt service fund.

Special Assessment Bonds

The special assessment bonds are backed by the full faith and credit of the City of Sandusky. In the event that an assessed property owner fails to make payments or insufficient amounts are assessed to fund the debt, the City will be required to pay the related debt. The special assessment bonds were used to pay for projects that were not capitalized by the City.

On December 2, 2015, the City issued \$180,931 in current refunding special assessment bonds to refund \$200,930 in bonds previously issued for the Remington Avenue, Seneca, Huntington, and Sidewalk projects. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Special Assessment Bond Retirement debt service fund.

Net Pension/OPEB Liability

There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are made from the General Fund, the Street Maintenance, Public Transit, Fire Pension, Police Pension, Federal Grants, Court Computerization, and Municipal Probation special revenue funds, the Capital Projects and Various Improvement capital projects funds, and the Water and Sewer enterprise funds. For additional information related to the net pension/OPEB liability, see Notes 15 and 16 to the basic financial statements.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

Compensated Absences Payable

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund, the Street Maintenance, Public Transit, Federal Grants, Court Computerization, and Municipal Probation special revenue funds, the Capital Projects and Various Improvement capital projects funds, and the Water and Sewer enterprise funds.

Claims Payable

Claims will be paid from the internal service fund.

General Obligation Revenue Bonds

The general obligation revenue bonds are liabilities of the Water and Sewer enterprise funds and pledge their respective revenues for repayment to the extent resources are available. The bonds also pledge the full faith and credit and taxing ability of the City in the event the enterprise funds' revenues are not sufficient to meet the principal and interest requirements.

2014 Various Purpose Refunding

On July 29, 2014, the City issued \$1,630,000 in current refunding general obligation bonds through direct placement to refund 2005 various purpose bonds previously issued for improvements to the Big Island water works building and improvements to the municipal wastewater system. The bonds were issued for a seventeen year period with maturity beginning December 1, 2014. The bonds will be paid from the Water and Sewer enterprise funds.

OWDA Loans

The City entered into agreements from direct borrowings with the Ohio Water Development Authority for loans for water plant improvements, water treatment plant electrical improvements, chemical improvements, water treatment plant powder activated carbon feed system, Jackson Street pier rehabilitation, Shoreline Drive rehabilitation, west side utility and connectivity improvements, ultraviolet treatment, sewer rehabilitation, flow monitors, sludge digestion system improvements, Cedar Point pump station, settling tank improvements, wastewater treatment plant expansion, wastewater treatment plant phase II design, east end sewer improvements, wastewater treatment plant grit tank improvements, pier track and farwell pump station upgrades, and McCartney Road storm sewer and pump station. OWDA loans will be paid from resources of the Water and Sewer enterprise funds.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments are expected to require less than 100 percent of these net revenues in future years. The total principal and interest currently remaining to be paid on the OWDA loans, for completed projects for which amortization schedules are available, is \$46,781,932. Principal and interest paid for the current year and net revenues were \$1,786,786 and \$2,167,453 from the Water enterprise fund and \$2,989,258 and \$3,292,033 for the Sewer enterprise fund. The OWDA loans are payable through 2047.

In the event of default on the loans, (1) the amount of the default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

The City's legal debt margin was \$38,167,149 at December 31, 2020.

Principal and interest requirements to retire governmental activities general long-term obligations outstanding at December 31, 2020, were as follows:

Year	General Obligation Bonds		From Direct Placement			
	Principal	Interest	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$802,300	\$102,094	\$10,000	\$2,135	\$510,355	\$305,004
2022	680,000	77,061	15,000	1,830	616,613	248,560
2023	700,000	53,149	15,000	1,373	638,068	231,855
2024	300,000	27,750	15,000	915	659,724	214,574
2025	310,000	18,750	15,000	457	686,589	196,709
2026-2030	315,000	9,450	0	0	3,818,651	691,589
2031-2035	0	0	0	0	3,080,000	236,250
	<u>\$3,107,300</u>	<u>\$288,254</u>	<u>\$70,000</u>	<u>\$6,710</u>	<u>\$10,010,000</u>	<u>\$2,124,541</u>

Year	Special Assessment Bonds	
	Principal	Interest
2021	\$147,699	\$78,261
2022	145,000	70,712
2023	160,000	62,362
2024	170,000	53,250
2025	180,000	43,500
2026-2028	560,000	67,350
	<u>\$1,362,699</u>	<u>\$375,435</u>

The Jackson Street pier rehabilitation, Shoreline Drive rehabilitation, west side utility and connectivity improvements, pier track and farwell pump station upgrades, and McCartney Road storm sewer and pump station projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule. Lines of credit with OWDA have been established for these projects which are not yet completed, in the amount of \$11,734,465.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2020, from the enterprise funds were as follows:

Year	From Direct Placement		From Direct Borrowings	
	2014		OWDA	
	Various Purpose Refunding		Loans	
	Principal	Interest	Principal	Interest
2021	\$90,000	\$33,855	\$3,571,734	\$1,231,401
2022	95,000	31,110	3,546,891	1,093,551
2023	100,000	28,213	3,515,564	960,609
2024	105,000	25,162	2,696,520	825,194
2025	110,000	21,960	1,813,122	742,649
2026-2030	610,000	57,340	5,397,655	3,032,276
2031-2035	0	0	5,856,692	2,142,523
2036-2040	0	0	6,388,530	1,079,114
2041-2045	0	0	2,198,940	189,829
2046-2047	0	0	483,032	16,106
	<u>\$1,110,000</u>	<u>\$197,640</u>	<u>\$35,468,680</u>	<u>\$11,313,252</u>

Long-term obligations at December 31, 2020, consisted of the following issues:

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/20
<b>General Obligation Bonds</b>				
2001 Various Purpose	2001-2026	3.00-5.05%	\$6,037,200	\$15,000
2011 Library Improvement Refunding	2011-2023	2.00-4.25	4,090,000	1,180,000
2014 Various Purpose Refunding	2014-2028	3.05	370,000	70,000
2015 Police Pension Refunding	2015-2026	1.35-3.00	330,383	187,564
2015 Fire Pension Refunding	2015-2026	1.35-3.00	444,617	252,436
2015 Various Purpose Refunding	2015-2026	1.35-3.00	3,099,069	1,472,300
			<u>14,371,269</u>	<u>3,177,300</u>
<b>Revenue Bonds</b>				
2020 Urban Renewal	2020-2035	2.50	7,700,000	7,700,000
2020 Economic Development	2020-2030	3.10	2,310,000	2,310,000
			<u>10,010,000</u>	<u>10,010,000</u>

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/20
<b>Special Assessment Bonds</b>				
2008 Cold Creek	2008-2028	4.00-6.00%	\$2,425,000	\$1,275,000
2015 Remington Refunding	2015-2026	3.00	35,931	7,699
2015 Seneca Refunding	2015-2026	3.00	28,000	18,000
2015 Huntington Refunding	2015-2026	3.00	92,000	62,000
			2,580,931	1,362,699
<b>Water</b>				
2014 Various Purpose Refunding	2014-2030	3.05	140,000	100,000
<b>Sewer</b>				
2014 Various Purpose Refunding	2014-2030	3.05	1,490,000	1,010,000
			1,630,000	1,110,000
			\$28,592,200	\$15,659,999
<b>OWDA Loans</b>				
<b>Water</b>				
2003 Water Plant Improvements	2004-2024	5.20	\$19,993,686	\$2,455,327
2005 WTP Electrical Improvements	2005-2026	4.60	8,628,362	3,024,119
2011 Chemical Improvements	2011-2042	4.45	5,797,022	5,172,150
2016 WTP PAC Feed System	2018-2037	0.00	639,862	1,528,253
2019 Jackson St. Pier Rehab	2021-2041	1.91	517,137	517,137
2019 Shoreline Dr. Rehab	2021-2051	2.80	1,152,392	1,152,392
2020 West Side Utility and Connectivity Improvements	2022-2051	2.04	1,669,235	1,669,235
			38,397,696	15,518,613
<b>Sewer</b>				
1998 Ultraviolet Treatment	2001-2026	5.56	2,110,930	736,602
1999 Sewer Rehabilitation	2001-2025	6.13	350,878	117,377
2000 Sewer Rehabilitation	2001-2026	6.39	713,436	241,822
2000 CSO Flow Monitors	2001-2026	6.39	306,536	121,597
2000 Sludge Digestion System	2001-2026	6.03	1,409,888	439,877
2001 Cedar Point Pump Station	2002-2022	5.05	4,393,697	511,197
2001 Final Settling Tank Improv	2002-2022	5.05	383,484	33,728
2002 WWTP Expansion	2003-2024	4.65	26,286,934	3,791,911
2007 WWTP Phase II Design	2008-2041	4.27	13,438,130	10,931,137
2015 East End Sewer Improv	2015-2047	2.65	4,873,920	4,791,251
2016 WWTP Grit Tank Improv	2018-2037	2.21	1,627,610	1,572,332

(continued)



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

<u>Long-Term Obligations</u>	<u>Term</u>	<u>Percent</u>	<u>Original Issue</u>	<u>Outstanding 12/31/20</u>
OWDA Loans (continued)				
Sewer (continued)				
2019 Pier Track & Farwell Pump Station Upgrades	2021-2041	0.00%	\$2,678,619	\$2,678,619
2019 Jackson St. Pier Rehab	2021-2041	1.91	517,137	517,137
2019 Shoreline Dr. Rehab	2021-2051	2.80	2,963,293	2,963,293
2020 West Side Utility and Connectivity Improvements	2022-2051	2.04	980,345	980,345
2020 McCartney Road Storm Sewer and Pump Station	2021-2041	2.04	1,256,307	1,256,307
			<u>64,291,144</u>	<u>31,684,532</u>
			<u>\$102,688,840</u>	<u>\$47,203,145</u>

**NOTE 20 - OPERATING LEASE**

In February 1985, the City entered into an operating lease with Sandusky Bay Investment Company, Limited, whereby Sandusky Bay Investment Company, Limited leased 32.9 acres of land and water for operating and maintaining a park, parking areas, and marina. The basic lease term is for forty years and the lessee has the option to renew for two additional ten year periods. The lessee is also required to make annual deposits of \$10,000 into a fund held by the City, which is to be used at the discretion of the lessee for routine structural repairs to the marina breakwall, restaurant, and other major repairs as may be needed from time to time. At the termination of the lease, any funds remaining in this account shall be used by the City for structural repairs and maintenance of Battery Park.

The capital assets for governmental activities include the City's investment of \$1,948,680 for land and improvements and \$91,576 for floating docks. The leaseholder's improvements are not recorded in the capital assets for governmental activities.

For 2020, the City received payments, in the amount of \$30,000. Future annual lease payments to be received are as follows:

<u>Year</u>	<u>Annual Lease Payment</u>
2021	\$30,000
2022	30,000
2023	30,000
2024	30,000
Total minimum future rentals	<u>\$120,000</u>

Beginning in 2000, Sandusky Bay Investment Company, Limited is required to pay additional rents to the City if net income is reported for that year. The additional rent will be 2 percent of gross income. The City received \$21,937 in additional rent in 2020.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

**NOTE 21 - FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Capital Projects	Other Governmental Funds
Nonspendable for:			
Prepaid Items	\$71,996	\$0	\$11,696
Materials and Supplies Inventory	104,428	0	158,854
Unclaimed Monies	128,965	0	0
Total Nonspendable	<u>305,389</u>	<u>0</u>	<u>170,550</u>
Restricted for:			
Capital Improvements	0	0	251,757
Cemetery Operations	0	0	661,100
Court Computerization	0	0	209,040
Debt Retirement	0	0	405,584
Drug and Alcohol Treatment/ Enforcement	0	0	166,379
Economic Development and Rehabilitation	0	0	3,991,793
Electronic Monitoring	0	0	22,927
Police and Fire Operations	0	0	333,184
Probation	0	0	415,871
Recreation	0	0	280,855
Street Construction and Maintenance	0	0	764,745
Total Restricted	<u>0</u>	<u>0</u>	<u>7,503,235</u>
Committed for:			
Capital Improvements	0	0	52,523
Assigned for:			
Future Severance Payments	156,887	0	0
Parks and Recreation	15,659	0	0
Unpaid Obligations	27,247	0	0
Total Assigned	<u>199,793</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	4,683,139	(4,181,543)	(294,542)
Total Fund Balance (Deficit)	<u>\$5,188,321</u>	<u>(\$4,181,543)</u>	<u>\$7,431,766</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 22 - TRANSFERS**

During 2020, the General Fund made transfers to other governmental funds, in the amount of \$491,500, to move receipts as debt payments became due, in the amount of \$1,870,844, to subsidize various activities in other funds, and to the Capital Projects Fund, in the amount of \$2,120,950, to fund various capital projects activities. Other governmental funds made transfers to other governmental funds, in the amount of \$20,942, to subsidize various activities in other funds, and to the Capital Projects Fund to move receipts as debt payments became due and to fund various capital projects activities, in the amount of \$1,400,000 and 550,000, respectively.

**NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS**

**A. City of Sandusky, Ohio Energy Special Improvement District**

The City participates in the City of Sandusky, Ohio Energy Special Improvement District (ESID). ESID is a 501(c)(3) not-for-profit corporation established under Chapter 1710 of the Ohio Revised Code. The ESID was created to encourage property owners to undertake special energy improvement projects. The ESID is governed by a five member board of directors consisting of the City Manager (or their designee), one member appointed by the City Commission, and the remaining three directors elected by the members. Financial information can be obtained from the City of Sandusky, Ohio Energy Special Improvement District, 247 Columbus Avenue, Suite 126, Sandusky, Ohio 44870.

**B. Regional Income Tax Agency**

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for administering income tax laws of the members and for collecting income taxes on behalf of each member. RITA currently has approximately three hundred fifty members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operations including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the council. For 2020, the City paid \$322,923 for tax collection services.

**NOTE 24 - INSURANCE PURCHASING POOL**

The City participates in the Ohio Plan Risk Management (Plan), an insurance purchasing pool consisting of various entities in the State of Ohio. The intent of the Plan is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the Plan. Membership in the Plan is by written application subject to the approval of the Plan Manager. Financial information may be obtained from the Ohio Plan Risk Management, 811 Madison Avenue, 11<sup>th</sup> Floor, P.O. Box 2083, Toledo, Ohio 43603-2083.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2020**  
**(continued)**

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**NOTE 25 - CONTINGENT LIABILITIES**

**A. Litigation**

The City of Sandusky is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**B. Federal and State Grants**

For the period January 1, 2020, to December 31, 2020, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

**NOTE 26 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The City investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact of the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 27 - SUBSEQUENT EVENTS**

On September 30, 2021, the City issued bond anticipation notes through a direct placement, in the amount of \$7,290,000, to revitalize the Bayfront Urban Revitalization Area, to acquire a ladder truck and street trucks, for costs associated with the relocation of City Hall, for costs of various improvements for the Landing Park Project, for costs of various improvements to the Sandusky Bay Pathway, and for costs of various improvements to Jackson Street Pier. The notes have an interest rate of 1 percent and mature on September 30, 2022.

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional  
 Last Seven Years (1)

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.06585400%	0.06385600%	0.06348000%	0.05993600%
City's Proportionate Share of the Net Pension Liability	\$13,016,490	\$17,488,863	\$9,958,782	\$13,610,446
City's Covered Payroll	\$9,265,564	\$8,624,943	\$8,386,808	\$7,748,042
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	140.48%	202.77%	118.74%	175.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014
0.05657000%	0.05413300%	0.05413300%
\$9,798,637	\$6,529,045	\$6,381,575
\$7,040,636	\$6,636,717	\$6,315,003
139.17%	98.38%	101.05%
81.08%	86.45%	86.36%



City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Asset  
 Ohio Public Employees Retirement System - Combined  
 Last Three Years (1)

	2020	2019	2018
City's Proportion of the Net Pension Asset	0.07162700%	0.07060200%	0.05063000%
City's Proportionate Share of the Net Pension Asset	\$149,359	\$78,948	\$68,923
City's Covered Payroll	\$318,850	\$301,957	\$207,354
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	-46.84%	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information



City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Seven Years (1)

	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.293085300%	0.304505000%	0.300839000%	0.305697000%
City's Proportionate Share of the Net Pension Liability	\$19,743,791	\$24,855,655	\$18,463,847	\$19,362,543
City's Covered Payroll	\$6,911,019	\$6,762,547	\$6,537,953	\$6,782,513
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	285.69%	367.55%	282.41%	285.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

2016	2015	2014
0.308624000%	0.032333090%	0.032333090%
\$19,853,999	\$16,749,889	\$15,747,229
\$6,160,041	\$6,350,923	\$6,220,489
322.30%	263.74%	253.15%
66.77%	71.71%	73.00%

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Public Employees Retirement System  
 Last Four Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.06412800%	0.06221000%	0.06131000%	0.05806000%
City's Proportionate Share of the Net OPEB Liability	\$8,857,742	\$8,110,715	\$6,657,813	\$5,864,257
City's Covered Payroll	\$9,688,264	\$9,023,375	\$8,682,112	\$8,022,809
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	91.43%	89.89%	76.68%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Police and Fire Pension Fund  
 Last Four Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.29308530%	0.03045050%	0.30083900%	0.30569700%
City's Proportionate Share of the Net OPEB Liability	\$2,895,018	\$2,772,987	\$17,045,117	\$14,510,749
City's Covered Payroll	\$6,911,019	\$6,762,547	\$6,537,953	\$6,782,513
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	41.89%	41.01%	260.71%	213.94%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Contributions  
 Ohio Public Employees Retirement System  
 Last Eight Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$1,201,752	\$1,297,179	\$1,207,492	\$1,090,285
Contributions in Relation to the Contractually Required Contribution	<u>(1,201,752)</u>	<u>(1,297,179)</u>	<u>(1,207,492)</u>	<u>(1,090,285)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$8,583,943	\$9,265,564	\$8,624,943	\$8,386,808
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<b>Net Pension Liability - Combined Plan</b>				
Contractually Required Contribution	\$55,692	\$44,639	\$42,274	\$26,956
Contributions in Relation to the Contractually Required Contribution	<u>(55,692)</u>	<u>(44,639)</u>	<u>(42,274)</u>	<u>(26,956)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$397,800	\$318,850	\$301,957	\$207,354
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
<b>Net Pension Liability - OPEB Plan (2)</b>				
Contractually Required Contribution	\$4,131	\$4,154	\$3,859	\$89,460
Contributions in Relation to the Contractually Required Contribution	<u>(4,131)</u>	<u>(4,154)</u>	<u>(3,859)</u>	<u>(89,460)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll (3)	\$9,085,018	\$9,688,264	\$9,023,375	\$8,682,112
OPEB Contributions as a Percentage of Covered Payroll	<u>0.05%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>1.03%</u>

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member-directed plan. The member-directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$929,765	\$844,876	\$796,406	\$820,950
<u>(929,765)</u>	<u>(844,876)</u>	<u>(796,406)</u>	<u>(820,950)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,748,042	\$7,040,636	\$6,636,717	\$6,315,003
12.00%	12.00%	12.00%	13.00%
\$20,471	\$19,141	\$22,734	\$27,514
<u>(20,471)</u>	<u>(19,141)</u>	<u>(22,734)</u>	<u>(27,514)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$170,592	\$159,508	\$189,450	\$211,646
<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$162,540			
<u>(162,540)</u>			
<u>\$0</u>			
\$8,022,809			
<u>2.03%</u>			

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Contributions  
 Ohio Police and Fire Pension Fund  
 Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$1,448,829	\$1,470,536	\$1,436,671	\$1,391,412	\$1,439,873
Contributions in Relation to the Contractually Required Contribution	<u>(1,448,829)</u>	<u>(1,470,536)</u>	<u>(1,436,671)</u>	<u>(1,391,412)</u>	<u>(1,439,873)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$6,789,723	\$6,911,019	\$6,762,547	\$6,537,953	\$6,782,513
Contributions as a Percentage of Covered Payroll	21.34%	21.28%	21.24%	21.28%	21.23%
<b>Net OPEB Liability</b>					
Contractually Required Contribution	\$33,948	\$34,555	\$33,813	\$32,690	\$33,913
Contributions in Relation to the Contractually Required Contribution	<u>(33,948)</u>	<u>(34,555)</u>	<u>(33,813)</u>	<u>(32,690)</u>	<u>(33,913)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(1) The City's Covered payroll is the same for pension and OPEB

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$1,312,384	\$1,353,119	\$1,133,780	\$953,465	\$945,225
<u>(1,312,384)</u>	<u>(1,353,119)</u>	<u>(1,133,780)</u>	<u>(953,465)</u>	<u>(945,225)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,160,041	\$6,350,923	\$6,220,489	\$6,309,717	\$6,328,318
21.30%	21.31%	18.23%	15.11%	14.94%
\$30,800	\$31,755	\$224,975	\$425,906	\$427,162
<u>(30,800)</u>	<u>(31,755)</u>	<u>(224,975)</u>	<u>(425,906)</u>	<u>(427,162)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.50%	0.50%	3.62%	6.75%	6.75%



City of Sandusky  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2020

**Changes in Assumptions - OPERS Pension - Traditional Plan**

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below.

	<u>2019</u>	<u>2018 and 2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA			
Pre-January 7, 2013	3 percent simple	3 percent simple	3 percent simple
Post-January 7, 2013	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age	individual entry age

The assumptions related to COLA and Ad Hoc COLA for post-January 7, 2013, retirees are as follows.

2020	1.4 percent simple through 2020, then 2.15 percent simple
2017 through 2019	3 percent simple through 2019, then 2.15 percent simple
2016 and prior	3 percent simple through 2018, then 2.8 percent simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvement back to the observation period base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 Mortality Improvement Scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 Mortality Table with no projections. For males, 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions - OPERS Pension - Combined Plan**

For 2020, the combined plan had the same change in COLA or Ad Hoc COLA for post-January 7, 2013, retirees as the traditional plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

City of Sandusky  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2020

**Changes in Assumptions - OPF Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OPF in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in 2017 and prior are presented below.

	<u>Beginning in 2018</u>	<u>2017 and Prior</u>
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	individual entry age	individual entry age
Investment Rate of Return	8 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	inflation rate of 2.75 percent plus productivity increase rate of .5 percent	inflation rate of 3.25 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increase based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled participants was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP-2000 Combined Table age adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis with a base year of 2009 using Mortality Improvement Scale AA.

City of Sandusky  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2020

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**Changes in Assumptions - OPERS OPEB**

Investment Return Assumption	
Beginning in 2019	6 percent
2018	6.5 percent
Municipal Bond Rate	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate	
2020	10.5 percent initial 3.5 percent ultimate in 2030
2019	10 percent initial 3.25 percent ultimate in 2029
2018	7.5 percent initial 3.25 percent ultimate in 2028

**Changes in Assumptions - OPF OPEB**

Single Discount Rate	
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**Changes in Benefit Terms - OPF OPEB**

For 2019, OPF recognized a change in benefit terms. Under the new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This model replaced the self-insured health care plan used in prior years.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

### **Nonmajor Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the City's nonmajor special revenue funds.

#### Street Maintenance

To account for 92.5 percent of the state-levied and state-controlled gasoline tax and motor vehicle license fees remitted to the City by state formula and the special \$5 license fee the City is permitted to impose by virtue of Ohio law. Resources are restricted for street maintenance and repairs.

#### State Highway

To account for 7.5 percent of the state-levied and state-controlled gasoline tax and motor vehicle license fees remitted to the City by state formula. Resources are restricted for maintenance and repairs of state highways within the City. State highways represent approximately 10 percent of the roads inside the City limits.

#### Public Transit

To account for resources from the federal and state government, from charges to users of the public transit system, and from transfers. Resources are restricted for operations of the public transit system.

#### Fire Pension

To account for property taxes and transfers from the General Fund restricted for payment of pension contributions and related debt.

#### Police Pension

To account for property taxes and transfers from the General Fund restricted for payment of pension contributions and related debt.

#### State Grants

To account for grants and other resources received under the community development block grant program, the revolving loan program, and other state grants. Resources are restricted to the purposes outlined in the grant.

#### Coronavirus Relief

To account for grants received from the federal government under the CARES Act Program restricted for costs associated with the COVID-19 pandemic.

#### Federal Grants

To account for grants and other resources received from the federal government. Resources are restricted to the purposes outlined in the grant.

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Indigent Drivers Alcohol

To account for fees and grants restricted for the costs of treatment at a certified alcohol and drug addiction program.

Enforcement and Education

To account for fines and forfeitures charged for driving under the influence arrests. Resources are restricted to educating the public on laws governing the operation of a motor vehicle while under the influence of alcohol.

Court Computerization

To account for fines collected by the municipal court and restricted for computerization of the clerk of court's office.

Indigent Telephone

To account for resources restricted to paying the costs of providing house detention for eligible indigent offenders.

Municipal Probation

To account for fees collected by the municipal court and restricted to payment of the costs of the municipal probation department.

General Trust

To account for contraband forfeitures, grant monies for the Sandusky/Erie County Foundation K-9 Program, and various resources donated to the City and restricted for various improvements in the City.

Park Donations

To account for donations from the Fred G. Epple Estate and charges for greenhouse rentals restricted for operation and maintenance of the City's parks.

Cemetery Donations

To account for charges for burials and donations restricted for operation and maintenance of the cemetery.

Battery Park Maintenance

To account for an annual deposit made by the Sandusky Bay Investment Company, per the lease agreement of the Battery Park area, restricted for maintenance and repairs of the facilities. Any funds remaining at the end of the lease shall be used by the City for structural repairs and maintenance of Battery Park.

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Fire Escrow Fund

To account for insurance proceeds for structures destroyed by fires restricted to assure that the property is appropriately remediated. When remediated, the insurance proceeds are released to the property owner. Failure by the property owner to properly remediate the property, the proceeds will be used by the City to remediate the property. This fund is not included in the entity for which the appropriated budget is adopted; therefore, no budgetary statement is presented.

Vacant/Foreclosed Bond Deposits

To account for maintenance bonds held on behalf of owners of foreclosed properties restricted to ensure the property is in compliance with City ordinance. This fund is not included in the entity for which the appropriated budget is adopted; therefore, no budgetary statement is presented.

**Nonmajor Debt Service Funds**

Debt service funds are used to account for resources that are restricted, committed, or assigned to expenditure for principal, interest, and related costs.

General Bond Retirement

To account for property taxes and income taxes that are restricted for the payment of principal, interest, and fiscal charges on general obligation debt.

Urban Renewal Debt Retirement

To account for tax increment financing resources that are restricted for the payment of principal, interest, and fiscal charges on urban renewal debt.

Special Assesment Bond Retirement

To account for special assessments restricted for the payment of principal, interest, and fiscal charges on special assessment debt.

**Nonmajor Capital Projects Funds**

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds).

Real Estate Development

To account for the proceeds from the sale of property and other resources restricted for the construction or acquisition of permanent improvements.

Capital Improvement

To account for income taxes committed by City ordinance to be used for capital improvements.

(continued)

**Nonmajor Capital Projects Funds  
(continued)**

Redevelopment Tax Increment

To account for payments collected in lieu of taxes restricted for improvements at Battery Park Marina.

Various Improvement

To account for charges to property owners restricted for demolition or nuisance removal.

Central Public Tax Increment

To account for payments collected in lieu of taxes restricted for improvements in the downtown area.

Cleveland Road Tax Increment

To account for bond proceeds and payments collected in lieu of taxes restricted for improvements in the Cleveland Road area.





City of Sandusky  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,039,267	\$369,725	\$798,776	\$5,207,768
Accounts Receivable	5,749	0	0	5,749
Accrued Interest Receivable	50	0	0	50
Due from Other Governments	1,317,806	21,782	0	1,339,588
Prepaid Items	11,696	0	0	11,696
Municipal Income Taxes Receivable	0	212,235	169,788	382,023
Other Local Taxes Receivable	30,100	0	0	30,100
Materials and Supplies Inventory	158,854	0	0	158,854
Property Taxes Receivable	274,976	426,386	0	701,362
Payment in Lieu of Taxes Receivable	0	492,625	727,991	1,220,616
Notes Receivable	2,852,103	0	0	2,852,103
Special Assessments Receivable	0	1,560,641	25,619	1,586,260
<b>Total Assets</b>	<b>\$8,690,601</b>	<b>\$3,083,394</b>	<b>\$1,722,174</b>	<b>\$13,496,169</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$15,210	\$0	\$5,770	\$20,980
Accounts Payable	225,805	0	1,290	227,095
Due to Other Governments	114,144	0	3,006	117,150
Unearned Revenue	917,320	0	0	917,320
<b>Total Liabilities</b>	<b>1,272,479</b>	<b>0</b>	<b>10,066</b>	<b>1,282,545</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	257,814	399,786	0	657,600
Payment in Lieu of Taxes	0	492,625	727,991	1,220,616
Unavailable Revenue	967,660	1,785,399	150,583	2,903,642
<b>Total Deferred Inflows of Resources</b>	<b>1,225,474</b>	<b>2,677,810</b>	<b>878,574</b>	<b>4,781,858</b>
<u>Fund Balance</u>				
Nonspendable	170,550	0	0	170,550
Restricted	6,316,640	405,584	781,011	7,503,235
Committed	0	0	52,523	52,523
Unassigned (Deficit)	(294,542)	0	0	(294,542)
<b>Total Fund Balance</b>	<b>6,192,648</b>	<b>405,584</b>	<b>833,534</b>	<b>7,431,766</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$8,690,601</b>	<b>\$3,083,394</b>	<b>\$1,722,174</b>	<b>\$13,496,169</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2020

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$525,026	\$135,349	\$628	\$0	\$0
Accounts Receivable	0	0	5,749	0	0
Accrued Interest Receivable	50	0	0	0	0
Due from Other Governments	554,335	44,947	561,925	7,027	7,027
Prepaid Items	11,696	0	0	0	0
Other Local Taxes Receivable	30,100	0	0	0	0
Materials and Supplies Inventory	158,854	0	0	0	0
Property Taxes Receivable	0	0	0	137,488	137,488
Notes Receivable	0	0	0	0	0
Total Assets	<u>\$1,280,061</u>	<u>\$180,296</u>	<u>\$568,302</u>	<u>\$144,515</u>	<u>\$144,515</u>
<u>Liabilities</u>					
Accrued Wages Payable	\$11,693	\$0	\$2,194	\$0	\$0
Accounts Payable	10,893	0	213,694	0	0
Due to Other Governments	8,290	43	1,386	58,662	44,726
Unearned Revenue	0	0	115,727	0	0
Total Liabilities	<u>30,876</u>	<u>43</u>	<u>333,001</u>	<u>58,662</u>	<u>44,726</u>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	128,907	128,907
Unavailable Revenue	457,082	37,061	426,455	15,608	15,608
Total Deferred Inflows of Resources	<u>457,082</u>	<u>37,061</u>	<u>426,455</u>	<u>144,515</u>	<u>144,515</u>
<u>Fund Balance</u>					
Nonspendable	170,550	0	0	0	0
Restricted	621,553	143,192	0	0	0
Unassigned (Deficit)	0	0	(191,154)	(58,662)	(44,726)
Total Fund Balance (Deficit)	<u>792,103</u>	<u>143,192</u>	<u>(191,154)</u>	<u>(58,662)</u>	<u>(44,726)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$1,280,061</u>	<u>\$180,296</u>	<u>\$568,302</u>	<u>\$144,515</u>	<u>\$144,515</u>

State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation	General Trust
\$232,189	\$210,355	\$143,777	\$22,602	\$209,616	\$22,927	\$416,237	\$374,364
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	142,545	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,810,469	1,041,634	0	0	0	0	0	0
<u>\$2,042,658</u>	<u>\$1,394,534</u>	<u>\$143,777</u>	<u>\$22,602</u>	<u>\$209,616</u>	<u>\$22,927</u>	<u>\$416,237</u>	<u>\$374,364</u>
\$0	\$1,068	\$0	\$0	\$85	\$0	\$170	\$0
0	91	0	0	435	0	0	0
0	785	0	0	56	0	196	0
0	0	0	0	0	0	0	0
0	1,944	0	0	576	0	366	0
0	0	0	0	0	0	0	0
0	15,846	0	0	0	0	0	0
0	15,846	0	0	0	0	0	0
0	0	0	0	0	0	0	0
2,042,658	1,376,744	143,777	22,602	209,040	22,927	415,871	374,364
0	0	0	0	0	0	0	0
<u>2,042,658</u>	<u>1,376,744</u>	<u>143,777</u>	<u>22,602</u>	<u>209,040</u>	<u>22,927</u>	<u>415,871</u>	<u>374,364</u>
<u>\$2,042,658</u>	<u>\$1,394,534</u>	<u>\$143,777</u>	<u>\$22,602</u>	<u>\$209,616</u>	<u>\$22,927</u>	<u>\$416,237</u>	<u>\$374,364</u>

(continued)

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2020  
(continued)

	Park Donations	Cemetery Donations	Battery Park Maintenance	Fire Escrow	Vacant/ Foreclosed Bond Deposits
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$255,092	\$661,350	\$28,162	\$246,514	\$555,079
Accounts Receivable	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Due from Other Governments	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Other Local Taxes Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Notes Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$255,092</b>	<b>\$661,350</b>	<b>\$28,162</b>	<b>\$246,514</b>	<b>\$555,079</b>
<u>Liabilities</u>					
Accrued Wages Payable	\$0	\$0	\$0	\$0	\$0
Accounts Payable	442	250	0	0	0
Due to Other Governments	0	0	0	0	0
Unearned Revenue	0	0	0	246,514	555,079
<b>Total Liabilities</b>	<b>442</b>	<b>250</b>	<b>0</b>	<b>246,514</b>	<b>555,079</b>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Fund Balance</u>					
Nonspendable	0	0	0	0	0
Restricted	254,650	661,100	28,162	0	0
Unassigned (Deficit)	0	0	0	0	0
<b>Total Fund Balance (Deficit)</b>	<b>254,650</b>	<b>661,100</b>	<b>28,162</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$255,092</b>	<b>\$661,350</b>	<b>\$28,162</b>	<b>\$246,514</b>	<b>\$555,079</b>

<u>Total</u>
\$4,039,267
5,749
50
1,317,806
11,696
30,100
158,854
274,976
<u>2,852,103</u>
<u>\$8,690,601</u>
\$15,210
225,805
114,144
<u>917,320</u>
<u>1,272,479</u>
257,814
<u>967,660</u>
<u>1,225,474</u>
170,550
6,316,640
<u>(294,542)</u>
<u>6,192,648</u>
<u>\$8,690,601</u>



City of Sandusky  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2020

	General Bond Retirement	Urban Renewal Debt Retirement	Special Assessment Bond Retirement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,373	\$312,741	\$55,611	\$369,725
Due from Other Governments	21,782	0	0	21,782
Municipal Income Taxes Receivable	212,235	0	0	212,235
Property Taxes Receivable	426,386	0	0	426,386
Payment in Lieu of Taxes Receivable	0	492,625	0	492,625
Special Assessments Receivable	0	0	1,560,641	1,560,641
Total Assets	<u>\$661,776</u>	<u>\$805,366</u>	<u>\$1,616,252</u>	<u>\$3,083,394</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	\$399,786	\$0	\$0	\$399,786
Payment in Lieu of Taxes	0	492,625	0	492,625
Unavailable Revenue	224,758	0	1,560,641	1,785,399
Total Deferred Inflows of Resources	624,544	492,625	1,560,641	2,677,810
<u>Fund Balance</u>				
Restricted	<u>37,232</u>	<u>312,741</u>	<u>55,611</u>	<u>405,584</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$661,776</u>	<u>\$805,366</u>	<u>\$1,616,252</u>	<u>\$3,083,394</u>



City of Sandusky  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2020

	Real Estate Development	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Central Public Tax Increment
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$251,757	\$7,699	\$45,632	\$462,949	\$30,739
Municipal Income Taxes Receivable	0	169,788	0	0	0
Payment in Lieu of Taxes Receivable	0	0	0	0	62,819
Special Assessments Receivable	0	0	0	25,619	0
Total Assets	<u>\$251,757</u>	<u>\$177,487</u>	<u>\$45,632</u>	<u>\$488,568</u>	<u>\$93,558</u>
<u>Liabilities</u>					
Accrued Wages Payable	\$0	\$0	\$0	\$5,770	\$0
Accounts Payable	0	0	0	1,290	0
Due to Other Governments	0	0	0	3,006	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,066</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>					
Payment in Lieu of Taxes	0	0	0	0	62,819
Unavailable Revenue	0	124,964	0	25,619	0
Total Deferred Inflows of Resources	<u>0</u>	<u>124,964</u>	<u>0</u>	<u>25,619</u>	<u>62,819</u>
<u>Fund Balance</u>					
Restricted	251,757	0	45,632	452,883	30,739
Committed	0	52,523	0	0	0
Total Fund Balance	<u>251,757</u>	<u>52,523</u>	<u>45,632</u>	<u>452,883</u>	<u>30,739</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$251,757</u>	<u>\$177,487</u>	<u>\$45,632</u>	<u>\$488,568</u>	<u>\$93,558</u>

Cleveland Road	
<u>Tax Increment</u>	<u>Total</u>
\$0	\$798,776
0	169,788
665,172	727,991
<u>          </u>	<u>25,619</u>
<u>\$665,172</u>	<u>\$1,722,174</u>
\$0	\$5,770
0	1,290
0	3,006
<u>          </u>	<u>          </u>
0	10,066
665,172	727,991
0	150,583
<u>          </u>	<u>          </u>
665,172	878,574
0	781,011
0	52,523
<u>          </u>	<u>          </u>
0	833,534
<u>\$665,172</u>	<u>\$1,722,174</u>



City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$255,554	\$396,097	\$0	\$651,651
Payment in Lieu of Taxes	0	503,438	34,419	537,857
Municipal Income Taxes	0	641,607	529,596	1,171,203
Other Local Taxes	425,985	0	0	425,985
Special Assessments	0	312,840	0	312,840
Charges for Services	365,487	0	104,513	470,000
Fees, Licenses, and Permits	159,142	0	285,953	445,095
Fines and Forfeitures	47,501	0	0	47,501
Intergovernmental	5,946,931	94,607	0	6,041,538
Interest	16,437	0	727	17,164
Other	160,481	0	47,500	207,981
	<u>7,377,518</u>	<u>1,948,589</u>	<u>1,002,708</u>	<u>10,328,815</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	1,552,854	0	0	1,552,854
Fire	1,685,108	0	0	1,685,108
Public Health	24,277	0	0	24,277
Leisure Time Activities	65,128	0	0	65,128
Community Environment	646,120	0	2,697,210	3,343,330
Transportation	4,615,785	72,287	0	4,688,072
General Government				
Other	0	0	341,698	341,698
Other	123,815	0	0	123,815
Debt Service:				
Principal Retirement	65,000	1,685,001	0	1,750,001
Interest and Fiscal Charges	13,182	226,991	0	240,173
	<u>8,791,269</u>	<u>1,984,279</u>	<u>3,038,908</u>	<u>13,814,456</u>
Excess of Revenues Under Expenditures	<u>(1,413,751)</u>	<u>(35,690)</u>	<u>(2,036,200)</u>	<u>(3,485,641)</u>
<u>Other Financing Sources (Uses)</u>				
Revenue Bonds Issued	0	0	2,310,000	2,310,000
Sale of Capital Assets	7,750	0	0	7,750
Transfers In	1,891,786	491,500	0	2,383,286
Transfers Out	(20,942)	(1,400,000)	(550,000)	(1,970,942)
Total Other Financing Sources (Uses)	<u>1,878,594</u>	<u>(908,500)</u>	<u>1,760,000</u>	<u>2,730,094</u>
Changes in Fund Balance	464,843	(944,190)	(276,200)	(755,547)
Fund Balance Beginning of Year	<u>5,727,805</u>	<u>1,349,774</u>	<u>1,109,734</u>	<u>8,187,313</u>
Fund Balance End of Year	<u>\$6,192,648</u>	<u>\$405,584</u>	<u>\$833,534</u>	<u>\$7,431,766</u>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2020

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$127,777	\$127,777
Other Local Taxes	425,985	0	0	0	0
Charges for Services	0	0	338,775	0	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	1,281,729	103,924	1,920,600	14,174	14,174
Interest	867	300	0	0	0
Other	33,147	1,762	32,921	0	0
<b>Total Revenues</b>	<b>1,741,728</b>	<b>105,986</b>	<b>2,292,296</b>	<b>141,951</b>	<b>141,951</b>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	0	0	638,315
Fire	0	0	0	852,547	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	1,559,787	82,775	2,973,223	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	37,289	27,711
Interest and Fiscal Charges	0	0	0	7,562	5,620
<b>Total Expenditures</b>	<b>1,559,787</b>	<b>82,775</b>	<b>2,973,223</b>	<b>897,398</b>	<b>671,646</b>
Excess of Revenues Over (Under) Expenditures	181,941	23,211	(680,927)	(755,447)	(529,695)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	0	0	1,550	0	0
Transfers In	0	0	596,758	747,106	526,980
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>598,308</b>	<b>747,106</b>	<b>526,980</b>
Changes in Fund Balance	181,941	23,211	(82,619)	(8,341)	(2,715)
Fund Balance (Deficit) Beginning of Year	610,162	119,981	(108,535)	(50,321)	(42,011)
<b>Fund Balance (Deficit) End of Year</b>	<b>\$792,103</b>	<b>\$143,192</b>	<b>(\$191,154)</b>	<b>(\$58,662)</b>	<b>(\$44,726)</b>

State Grants	Coronavirus Relief	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	25,709	0	0	11,391	122,042
0	0	0	0	3,539	20,375	0	0
6,117	1,657,022	929,214	0	0	0	0	0
1,949	0	4,251	0	0	0	0	0
14,012	0	9,908	0	0	0	0	317
22,078	1,657,022	943,373	25,709	3,539	20,375	11,391	122,359
0	828,511	3,279	0	0	0	0	0
0	828,511	3,471	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
48,848	0	593,449	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	180	0	17,515	100	106,020
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
48,848	1,657,022	600,199	180	0	17,515	100	106,020
(26,770)	0	343,174	25,529	3,539	2,860	11,291	16,339
0	0	0	0	0	0	0	0
0	0	20,942	0	0	0	0	0
(20,942)	0	0	0	0	0	0	0
(20,942)	0	20,942	0	0	0	0	0
(47,712)	0	364,116	25,529	3,539	2,860	11,291	16,339
2,090,370	0	1,012,628	118,248	19,063	206,180	11,636	399,532
\$2,042,658	\$0	\$1,376,744	\$143,777	\$22,602	\$209,040	\$22,927	\$415,871

(continued)

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2020  
(continued)

	General Trust	Park Donations	Cemetery Donations	Battery Park Maintenance	Total
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$0	\$255,554
Other Local Taxes	0	0	0	0	425,985
Charges for Services	0	7,431	19,281	0	365,487
Fees, Licenses, and Permits	0	0	0	0	159,142
Fines and Forfeitures	23,587	0	0	0	47,501
Intergovernmental	19,977	0	0	0	5,946,931
Interest	0	1,855	7,159	56	16,437
Other	28,482	0	29,932	10,000	160,481
<b>Total Revenues</b>	<b>72,046</b>	<b>9,286</b>	<b>56,372</b>	<b>10,056</b>	<b>7,377,518</b>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	82,749	0	0	0	1,552,854
Fire	579	0	0	0	1,685,108
Public Health	0	0	24,277	0	24,277
Leisure Time Activities	6,724	3,679	0	54,725	65,128
Community Environment	3,823	0	0	0	646,120
Transportation	0	0	0	0	4,615,785
Other	0	0	0	0	123,815
Debt Service:					
Principal Retirement	0	0	0	0	65,000
Interest and Fiscal Charges	0	0	0	0	13,182
<b>Total Expenditures</b>	<b>93,875</b>	<b>3,679</b>	<b>24,277</b>	<b>54,725</b>	<b>8,791,269</b>
Excess of Revenues Over (Under) Expenditures	(21,829)	5,607	32,095	(44,669)	(1,413,751)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	6,200	0	0	0	7,750
Transfers In	0	0	0	0	1,891,786
Transfers Out	0	0	0	0	(20,942)
<b>Total Other Financing Sources (Uses)</b>	<b>6,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,878,594</b>
Changes in Fund Balance	(15,629)	5,607	32,095	(44,669)	464,843
Fund Balance (Deficit) Beginning of Year	389,993	249,043	629,005	72,831	5,727,805
Fund Balance (Deficit) End of Year	<u>\$374,364</u>	<u>\$254,650</u>	<u>\$661,100</u>	<u>\$28,162</u>	<u>\$6,192,648</u>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2020

	General Bond Retirement	Urban Renewal Debt Retirement	Special Assessment Bond Retirement	Total
<u>Revenues</u>				
Property Taxes	\$396,097	\$0	\$0	\$396,097
Payment in Lieu of Taxes	0	503,438	0	503,438
Municipal Income Taxes	641,607	0	0	641,607
Special Assessments	0	0	312,840	312,840
Intergovernmental	43,937	50,670	0	94,607
<b>Total Revenues</b>	<b>1,081,641</b>	<b>554,108</b>	<b>312,840</b>	<b>1,948,589</b>
<u>Expenditures</u>				
Current:				
Transportation	0	0	72,287	72,287
Debt Service:				
Principal Retirement	1,542,301	0	142,700	1,685,001
Interest and Fiscal Charges	132,803	8,777	85,411	226,991
<b>Total Expenditures</b>	<b>1,675,104</b>	<b>8,777</b>	<b>300,398</b>	<b>1,984,279</b>
Excess of Revenues Over (Under) Expenditures	(593,463)	545,331	12,442	(35,690)
<u>Other Financing Sources (Uses)</u>				
Transfers In	491,500	0	0	491,500
Transfers Out	0	(1,400,000)	0	(1,400,000)
<b>Total Other Financing Sources (Uses)</b>	<b>491,500</b>	<b>(1,400,000)</b>	<b>0</b>	<b>(908,500)</b>
Changes in Fund Balance	(101,963)	(854,669)	12,442	(944,190)
Fund Balance Beginning of Year	139,195	1,167,410	43,169	1,349,774
Fund Balance End of Year	<u>\$37,232</u>	<u>\$312,741</u>	<u>\$55,611</u>	<u>\$405,584</u>



City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2020

	Real Estate Development	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Central Public Tax Increment
<u>Revenues</u>					
Payment in Lieu of Taxes	\$0	\$0	\$0	\$0	\$34,419
Municipal Income Taxes	0	529,596	0	0	0
Charges for Services	6,015	0	0	98,498	0
Fees, Licenses, and Permits	0	0	0	285,953	0
Interest	0	0	0	727	0
Other	39,400	0	0	8,100	0
Total Revenues	<u>45,415</u>	<u>529,596</u>	<u>0</u>	<u>393,278</u>	<u>34,419</u>
<u>Expenditures</u>					
Current:					
Community Environment	0	0	0	387,210	0
General Government					
Other	338,018	0	0	0	3,680
Total Expenditures	<u>338,018</u>	<u>0</u>	<u>0</u>	<u>387,210</u>	<u>3,680</u>
Excess of Revenues Over (Under) Expenditures	<u>(292,603)</u>	<u>529,596</u>	<u>0</u>	<u>6,068</u>	<u>30,739</u>
<u>Other Financing Sources (Uses)</u>					
Revenue Bonds Issued	0	0	0	0	0
Transfers Out	0	(550,000)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(550,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	(292,603)	(20,404)	0	6,068	30,739
Fund Balance Beginning of Year	<u>544,360</u>	<u>72,927</u>	<u>45,632</u>	<u>446,815</u>	<u>0</u>
Fund Balance End of Year	<u>\$251,757</u>	<u>\$52,523</u>	<u>\$45,632</u>	<u>\$452,883</u>	<u>\$30,739</u>

Cleveland Road	
<u>Tax Increment</u>	<u>Total</u>
\$0	\$34,419
0	529,596
0	104,513
0	285,953
0	727
<u>0</u>	<u>47,500</u>
<u>0</u>	<u>1,002,708</u>
2,310,000	2,697,210
<u>0</u>	<u>341,698</u>
<u>2,310,000</u>	<u>3,038,908</u>
<u>(2,310,000)</u>	<u>(2,036,200)</u>
2,310,000	2,310,000
<u>0</u>	<u>(550,000)</u>
<u>2,310,000</u>	<u>1,760,000</u>
0	(276,200)
<u>0</u>	<u>1,109,734</u>
<u>\$0</u>	<u>\$833,534</u>

### **Custodial Funds**

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue. The following is a description of the City's custodial funds.

#### State Patrol Transfer

To account for fines and costs remitted to the municipal court pending disposition to the Erie County Law Library and other municipalities.

#### Energy Special Improvement District

To account for special assessments levied and paid to the Toledo-Lucas County Port Authority for the special energy improvement project.

#### Sandusky Municipal Court

To account for bonds and other costs remitted to the municipal court pending final disposition of the various cases and payment to third parties, excluding the City.

#### Police Temporary Deposit

To account for resources for which the police department has temporary custody due to drug law enforcement or contraband. Resources are held until disposition by the court.

City of Sandusky  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2020

	State Patrol Transfer	Energy Special Improvement District	Sandusky Municipal Court	Police Temporary Deposit	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$15,891	\$0	\$109,180	\$6,963	\$132,034
Special Assessments Receivable	0	561,905	0	0	561,905
<b>Total Assets</b>	<b>15,891</b>	<b>561,905</b>	<b>109,180</b>	<b>6,963</b>	<b>693,939</b>
<u>Liabilities</u>					
Due to Other Governments	0	561,905	0	0	561,905
<u>Net Position</u>					
Restricted for Individuals, Organizations, and Other Governments	\$15,891	\$0	\$109,180	\$6,963	\$132,034

City of Sandusky  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2020

	State Patrol Transfer	Energy Special Improvement District	Sandusky Municipal Court	Police Temporary Deposit	Total
<u>Additions</u>					
Fines and Forfeitures for Other Governments	\$19,823	\$0	\$131,362	\$0	\$151,185
Special Assessments Collections for Other Governments	0	8,182	0	0	8,182
Other	0	0	2,774	8,848	11,622
<b>Total Additions</b>	<b>19,823</b>	<b>8,182</b>	<b>134,136</b>	<b>8,848</b>	<b>170,989</b>
<u>Deductions</u>					
Fines and Forfeitures Distributions to Other Government	19,587	0	130,274	0	149,861
Special Assessments Collections to Other Governments	0	8,182	0	0	8,182
Distributions to Individuals	0	0	0	2,496	2,496
<b>Total Deductions</b>	<b>19,587</b>	<b>8,182</b>	<b>130,274</b>	<b>2,496</b>	<b>160,539</b>
<b>Net Increase in Fiduciary Net Position</b>	<b>236</b>	<b>0</b>	<b>3,862</b>	<b>6,352</b>	<b>10,450</b>
<b>Net Position Beginning of Year</b>	<b>15,655</b>	<b>0</b>	<b>105,318</b>	<b>611</b>	<b>121,584</b>
<b>Net Position End of Year</b>	<b>\$15,891</b>	<b>\$0</b>	<b>\$109,180</b>	<b>\$6,963</b>	<b>\$132,034</b>

**INDIVIDUAL FUND SCHEDULES  
OF REVENUES, EXPENDITURES/EXPENSES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Original	Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,575,628	\$1,575,628	\$1,554,568	(\$21,060)
Municipal Income Taxes	11,750,000	11,750,000	9,783,648	(1,966,352)
Other Local Taxes	6,350,000	6,346,500	1,166,601	(5,179,899)
Charges for Services	1,041,558	1,041,558	1,028,489	(13,069)
Fees, Licenses, and Permits	628,100	628,100	755,779	127,679
Fines and Forfeitures	1,237,500	1,237,500	759,637	(477,863)
Intergovernmental	759,372	759,372	735,998	(23,374)
Interest	455,000	455,000	231,422	(223,578)
Other	390,650	440,650	319,928	(120,722)
<b>Total Revenues</b>	<b>24,187,808</b>	<b>24,234,308</b>	<b>16,336,070</b>	<b>(7,898,238)</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property-Police				
Police Patrol				
Personal Services	4,543,750	4,224,079	3,308,500	915,579
Other	386,650	371,650	273,089	98,561
<b>Total Police Patrol</b>	<b>4,930,400</b>	<b>4,595,729</b>	<b>3,581,589</b>	<b>1,014,140</b>
Police Records				
Personal Services	158,850	163,014	141,690	21,324
Other	210,500	210,500	201,555	8,945
<b>Total Police Records</b>	<b>369,350</b>	<b>373,514</b>	<b>343,245</b>	<b>30,269</b>
Police Reserves				
Personal Services	138,000	94,297	50,381	43,916
Other	4,000	4,000	149	3,851
<b>Total Police Reserves</b>	<b>142,000</b>	<b>98,297</b>	<b>50,530</b>	<b>47,767</b>
<b>Total Security of Persons and Property-Police</b>	<b>5,441,750</b>	<b>5,067,540</b>	<b>3,975,364</b>	<b>1,092,176</b>
Security of Persons and Property-Fire				
Fire Suppression				
Personal Services	4,653,850	4,471,067	3,714,008	757,059
Other	405,000	362,500	294,615	67,885
<b>Total Security of Persons and Property-Fire</b>	<b>5,058,850</b>	<b>4,833,567</b>	<b>4,008,623</b>	<b>824,944</b>
Security of Persons and Property-Other				
Street Lighting				
Other	260,000	329,500	261,765	67,735

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Public Health				
Oakland Cemetery				
Personal Services	\$289,150	\$278,993	\$263,791	\$15,202
Other	71,600	59,600	37,526	22,074
Total Public Health	360,750	338,593	301,317	37,276
Leisure Time Activities				
Aquatic Center				
Other	5,000	5,400	5,133	267
Mills Creek Golf Course				
Personal Services	103,400	120,630	106,851	13,779
Other	129,800	129,800	122,573	7,227
Total Mills Creek Golf Course	233,200	250,430	229,424	21,006
Recreation				
Personal Services	241,450	241,450	106,395	135,055
Other	178,750	135,250	93,221	42,029
Total Recreation	420,200	376,700	199,616	177,084
Paper District Marina				
Other	48,550	48,550	24,497	24,053
Boat Launch Ramp				
Other	29,830	29,830	8,381	21,449
Total Leisure Time Activities	736,780	710,910	467,051	243,859
Community Environment				
Community Development Planning				
Personal Services	359,520	330,830	242,086	88,744
Other	54,850	49,350	45,941	3,409
Total Community Development Planning	414,370	380,180	288,027	92,153
City Wide Economic Development				
Personal Services	563,489	539,380	361,240	178,140
Other	96,100	91,100	58,420	32,680
Total City Wide Economic Development	659,589	630,480	419,660	210,820

(continued)



City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Community Development Building Division				
Personal Services	\$336,410	\$378,652	\$282,183	\$96,469
Other	75,150	72,650	44,634	28,016
Total Community Development Building Division	411,560	451,302	326,817	124,485
Horticulture Services				
Personal Services	1,019,750	912,997	774,337	138,660
Other	398,700	366,700	347,869	18,831
Total Horticulture Services	1,418,450	1,279,697	1,122,206	157,491
Total Community Environment	2,903,969	2,741,659	2,156,710	584,949
Transportation				
Jackson Street Pier				
Other	15,000	15,000	3,234	11,766
General Government-Municipal Court				
Court-Criminal				
Personal Services	1,050,949	956,010	864,742	91,268
Other	54,000	54,000	43,005	10,995
Total General Government-Municipal Court	1,104,949	1,010,010	907,747	102,263
General Government-Other				
City Manager				
Personal Services	227,400	201,088	155,154	45,934
Other	59,350	56,851	38,823	18,028
Total City Manager	286,750	257,939	193,977	63,962
Personnel Labor Relations				
Personal Services	87,500	83,908	74,829	9,079
Other	30,500	22,500	9,886	12,614
Total Personnel Labor Relations	118,000	106,408	84,715	21,693
Finance				
Personal Services	113,650	117,215	110,145	7,070
Other	10,550	9,050	8,266	784
Total Finance	124,200	126,265	118,411	7,854
Income Tax				
Personal Services	16,550	21,521	16,180	5,341
Other	420,900	395,900	357,257	38,643
Total Income Tax	437,450	417,421	373,437	43,984

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Data Processing				
Personal Services	\$138,100	\$141,883	\$132,569	\$9,314
Other	347,475	169,975	124,539	45,436
Total Data Processing	485,575	311,858	257,108	54,750
Law Director				
Personal Services	256,625	240,056	218,435	21,621
Other	30,518	27,518	19,621	7,897
Total Law Director	287,143	267,574	238,056	29,518
City Commission				
Personal Services	26,609	28,458	27,242	1,216
Other	8,600	11,000	9,505	1,495
Total City Commission	35,209	39,458	36,747	2,711
City Commission Clerk				
Personal Services	47,950	120,548	68,342	52,206
Other	1,313	1,313	481	832
Total City Commission Clerk	49,263	121,861	68,823	53,038
Municipal Buildings and Lands				
Personal Services	336,410	301,050	289,025	12,025
Other	331,000	374,600	342,738	31,862
Total Municipal Buildings and Lands	667,410	675,650	631,763	43,887
Engineering				
Personal Services	302,850	294,578	274,863	19,715
Other	51,800	60,600	44,425	16,175
Total Engineering	354,650	355,178	319,288	35,890
Mechanic				
Personal Services	259,300	237,691	259,848	(22,157)
Other	128,000	120,000	108,303	11,697
Total Mechanic	387,300	357,691	368,151	(10,460)
Unclaimed Funds				
Other	500	500	0	500
Administrative Support				
Other	809,000	1,024,000	1,001,747	22,253
Total General Government-Other	4,042,450	4,061,803	3,692,223	369,580

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Over (Under)
Total Expenditures	<u>\$19,924,498</u>	<u>\$19,108,582</u>	<u>\$15,774,034</u>	<u>\$3,334,548</u>
Excess of Revenues Over Expenditures	<u>4,263,310</u>	<u>5,125,726</u>	<u>562,036</u>	<u>(4,563,690)</u>
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	1,477,353	1,481,003	2,420,010	939,007
Transfers Out	<u>(5,467,108)</u>	<u>(4,485,808)</u>	<u>(4,483,294)</u>	<u>2,514</u>
Total Other Financing Sources (Uses)	<u>(3,989,755)</u>	<u>(3,004,805)</u>	<u>(2,063,284)</u>	<u>941,521</u>
Changes in Fund Balance	273,555	2,120,921	(1,501,248)	(3,622,169)
Fund Balance Beginning of Year	<u>6,148,269</u>	<u>6,148,269</u>	<u>6,148,269</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$6,421,824</u></u>	<u><u>\$8,269,190</u></u>	<u><u>\$4,647,021</u></u>	<u><u>(\$3,622,169)</u></u>

City of Sandusky  
Capital Projects Capital Projects Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,234,000	\$819,654	(\$414,346)
Fees, Licenses, and Permits	208,538	128,266	(80,272)
Intergovernmental	1,254,804	1,801,186	546,382
Interest	2,264	392	(1,872)
Other	391,415	271,920	(119,495)
<b>Total Revenues</b>	<b>3,091,021</b>	<b>3,021,418</b>	<b>(69,603)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Fire EMS			
Other	453,277	441,716	11,561
Leisure Time Activities			
Sandusky Fishing Stations			
Other	39,043	36,429	2,614
Public Art			
Other	75,525	0	75,525
Schade/Mylander Plaza			
Personal Services	95,000	74,000	21,000
Other	28,225	23,016	5,209
<b>Total Schade/Mylander Plaza</b>	<b>123,225</b>	<b>97,016</b>	<b>26,209</b>
Shoreline Drive Walkway			
Other	166,588	166,588	0
Pedestrian/Bike Path			
Other	1,744,244	1,744,232	12
<b>Total Leisure Time Activities</b>	<b>2,148,625</b>	<b>2,044,265</b>	<b>104,360</b>
Community Environment			
City Wide Economic Development			
Other	569,081	506,471	62,610
Community Development			
Other	572,000	532,245	39,755
Neighborhood Development			
Other	78,674	28,787	49,887
Brehm Building Demolition			
Other	500,000	500,000	0
<b>Total Community Environment</b>	<b>1,719,755</b>	<b>1,567,503</b>	<b>152,252</b>

(continued)

City of Sandusky  
Capital Projects Capital Projects Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Budget	Actual	Variance Over (Under)
Transportation			
Streets			
Other	\$92,988	\$77,787	\$15,201
Hayes Avenue Underpass			
Other	276,150	276,150	0
CP U Pav/SRTS			
Other	459	459	0
Organization 6201			
Other	58,640	54,403	4,237
Organization 6203			
Other	114,631	74,608	40,023
Jackson Street Pier			
Other	151,457	122,047	29,410
Meig Street			
Other	199,658	199,658	0
Total Transportation	<u>893,983</u>	<u>805,112</u>	<u>88,871</u>
General Government-Municipal Court			
Municipal Court			
Personal Services	25,000	10,129	14,871
Other	40,134	2,908	37,226
Total General Government-Municipal Court	<u>65,134</u>	<u>13,037</u>	<u>52,097</u>
General Government-Other			
City Hall Relocation			
Other	4,282	4,282	0
Court Renovation			
Other	19,265	19,208	57
Paper District			
Other	4,043	4,043	0
Municipal Buildings and Lands			
Other	25,000	0	25,000
Engineering			
Other	697,867	697,864	3
Strategic Planning			
Other	1,965	1,965	0
Total General Government-Other	<u>752,422</u>	<u>727,362</u>	<u>25,060</u>
Capital Outlay	<u>15,032,292</u>	<u>13,819,258</u>	<u>1,213,034</u>

(continued)

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Budget	Actual	Variance Over (Under)
Debt Service:			
Principal Retirement	\$7,400,000	\$7,400,000	\$0
Interest and Fiscal Charges	219,960	213,890	6,070
Total Debt Service	7,619,960	7,613,890	6,070
Total Expenditures	28,685,448	27,032,143	1,653,305
Excess of Revenues Under Expenditures	(25,594,427)	(24,010,725)	1,583,702
<u>Other Financing Sources</u>			
Other Financing Sources	97,321	144,248	46,927
Bond Anticipation Notes Issued	5,901,390	8,070,000	2,168,610
Revenue Bonds Issued	7,700,000	7,700,000	0
Sale of Capital Assets	12,429	12,429	0
Transfers In	5,933,176	2,670,950	(3,262,226)
Total Other Financing Sources	19,644,316	18,597,627	(1,046,689)
Changes in Fund Balance	(5,950,111)	(5,413,098)	537,013
Fund Balance Beginning of Year	5,950,111	5,950,111	0
Fund Balance End of Year	\$0	\$537,013	\$537,013

City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$8,436,176	\$6,730,851	(\$1,705,325)
OWDA Loan Proceeds	760,064	3,318,617	2,558,553
Bond Anticipation Notes Issued	666,667	0	(666,667)
Interest	800	1,659	859
Grants	0	30,815	30,815
Other	27,334	147,068	119,734
<b>Total Revenues</b>	<b>9,891,041</b>	<b>10,229,010</b>	<b>337,969</b>
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	177,950	151,114	26,836
Waterworks Filtration	1,391,650	1,238,742	152,908
Waterworks Distribution	1,003,040	923,174	79,866
Administrative Support	850,450	725,346	125,104
<b>Total Personal Services</b>	<b>3,423,090</b>	<b>3,038,376</b>	<b>384,714</b>
<u>Travel and Transportation</u>			
Water Office	1,100	0	1,100
Waterworks Filtration	8,000	5,509	2,491
Waterworks Distribution	1,106	1,016	90
Administrative Support	2,485	1,850	635
<b>Total Travel and Transportation</b>	<b>12,691</b>	<b>8,375</b>	<b>4,316</b>
<u>Contractual Services</u>			
Water Office	15,330	15,330	0
Waterworks Filtration	482,860	482,855	5
Waterworks Distribution	496,927	476,875	20,052
Administrative Support	327,460	316,365	11,095
<b>Total Contractual Services</b>	<b>1,322,577</b>	<b>1,291,425</b>	<b>31,152</b>
<u>Materials and Supplies</u>			
Water Office	9,087	3,800	5,287
Waterworks Filtration	720,620	720,612	8
Waterworks Distribution	339,525	339,525	0
Administrative Support	21,307	15,510	5,797
<b>Total Materials and Supplies</b>	<b>1,090,539</b>	<b>1,079,447</b>	<b>11,092</b>
<u>Other</u>			
Water Office	250	45	205
Administrative Support	5,000	0	5,000
<b>Total Other</b>	<b>5,250</b>	<b>45</b>	<b>5,205</b>

(continued)

City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Budget	Actual	Variance Over (Under)
Capital Outlay			
Waterworks Distribution	\$3,412,765	\$3,412,242	\$523
Other	230,040	229,760	280
Total Capital Outlay	<u>3,642,805</u>	<u>3,642,002</u>	<u>803</u>
Debt Service:			
Principal Retirement	1,328,564	1,328,564	0
Interest Expense	466,425	466,425	0
Total Debt Service	<u>1,794,989</u>	<u>1,794,989</u>	<u>0</u>
Total Expenses	<u>11,291,941</u>	<u>10,854,659</u>	<u>437,282</u>
Changes in Fund Balance	(1,400,900)	(625,649)	775,251
Fund Balance Beginning of Year	<u>4,674,212</u>	<u>4,674,212</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3,273,312</u></u>	<u><u>\$4,048,563</u></u>	<u><u>\$775,251</u></u>



City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$11,896,667	\$9,925,770	(\$1,970,897)
OWDA Loan Proceeds	4,547,392	7,903,535	3,356,143
Sale of Capital Assets	5,575	5,575	0
Interest	1,000	1,589	589
Other	88,575	152,291	63,716
<b>Total Revenues</b>	<b>16,539,209</b>	<b>17,988,760</b>	<b>1,449,551</b>
<u>Expenses</u>			
Personal Services			
Sewer Office	177,950	151,112	26,838
Water Pollution Control	1,780,650	1,463,856	316,794
Sewer Maintenance	1,035,906	790,447	245,459
Storm Sewer	45,000	0	45,000
Administrative Support	845,450	725,344	120,106
<b>Total Personal Services</b>	<b>3,884,956</b>	<b>3,130,759</b>	<b>754,197</b>
Travel and Transportation			
Sewer Office	1,100	0	1,100
Water Pollution Control	15,000	4,687	10,313
Sewer Maintenance	5,000	860	4,140
Storm Sewer	3,500	961	2,539
Administrative Support	1,850	1,850	0
<b>Total Travel and Transportation</b>	<b>26,450</b>	<b>8,358</b>	<b>18,092</b>
Contractual Services			
Sewer Office	35,713	15,330	20,383
Water Pollution Control	1,183,859	1,122,363	61,496
Sewer Maintenance	1,027,956	976,683	51,273
Storm Sewer	97,000	62,978	34,022
Administrative Support	398,973	387,884	11,089
<b>Total Contractual Services</b>	<b>2,743,501</b>	<b>2,565,238</b>	<b>178,263</b>
Materials and Supplies			
Sewer Office	9,087	3,819	5,268
Water Pollution Control	474,600	372,105	102,495
Sewer Maintenance	265,000	224,184	40,816
Storm Sewer	85,000	66,396	18,604
Administrative Support	15,563	15,520	43
<b>Total Materials and Supplies</b>	<b>849,250</b>	<b>682,024</b>	<b>167,226</b>
Other			
Sewer Office	250	50	200

(continued)

City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020  
(continued)

	Budget	Actual	Variance Over (Under)
Capital Outlay			
Water Pollution Control	\$4,121,661	\$2,665,383	\$1,456,278
Sewer Maintenance	6,277,042	6,254,305	22,737
Storm Sewer	1,110,000	1,024,989	85,011
Total Capital Outlay	<u>11,508,703</u>	<u>9,944,677</u>	<u>1,564,026</u>
Debt Service:			
Principal Retirement	2,169,836	2,169,836	0
Interest Expense	932,667	932,667	0
Total Debt Service	<u>3,102,503</u>	<u>3,102,503</u>	<u>0</u>
Total Expenses	<u>22,115,613</u>	<u>19,433,609</u>	<u>2,682,004</u>
Changes in Fund Balance	(5,576,404)	(1,444,849)	4,131,555
Fund Balance Beginning of Year	<u>5,672,722</u>	<u>5,672,722</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$96,318</u></u>	<u><u>\$4,227,873</u></u>	<u><u>\$4,131,555</u></u>

City of Sandusky  
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$417,405	\$430,085	\$12,680
Intergovernmental	1,263,695	1,293,514	29,819
Interest	849	948	99
<b>Total Revenues</b>	<b>1,681,949</b>	<b>1,724,547</b>	<b>42,598</b>
<u>Expenditures</u>			
Current:			
Transportation			
Street Resurfacing Program			
Other	220,000	216,187	3,813
Public Works			
Personal Services	775,850	742,757	33,093
Other	333,000	245,941	87,059
<b>Total Public Works</b>	<b>1,108,850</b>	<b>988,698</b>	<b>120,152</b>
Traffic and Electrical Maintenance			
Personal Services	113,975	101,305	12,670
Other	206,000	140,225	65,775
<b>Total Traffic and Electrical Maintenance</b>	<b>319,975</b>	<b>241,530</b>	<b>78,445</b>
Street Cleaning, Snow, and Ice Removal			
Other	70,000	34,576	35,424
<b>Total Expenditures</b>	<b>1,718,825</b>	<b>1,480,991</b>	<b>237,834</b>
Excess of Revenues Over (Under) Expenditures	(36,876)	243,556	280,432
<u>Other Financing Sources</u>			
Other Financing Sources	47,713	33,147	(14,566)
Changes in Fund Balance	10,837	276,703	265,866
Fund Balance Beginning of Year	227,916	227,916	0
<b>Fund Balance End of Year</b>	<b>\$238,753</b>	<b>\$504,619</b>	<b>\$265,866</b>

City of Sandusky  
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$76,000	\$104,879	\$28,879
Interest	500	300	(200)
Total Revenues	<u>76,500</u>	<u>105,179</u>	<u>28,679</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway Maintenance and Repair			
Personal Services	50,000	48,216	1,784
Other	41,000	34,539	6,461
Total Expenditures	<u>91,000</u>	<u>82,755</u>	<u>8,245</u>
Excess of Revenues Over (Under) Expenditures	(14,500)	22,424	36,924
<u>Other Financing Sources</u>			
Other Financing Sources	800	1,762	962
Changes in Fund Balance	(13,700)	24,186	37,886
Fund Balance Beginning of Year	<u>111,163</u>	<u>111,163</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$97,463</u></u>	<u><u>\$135,349</u></u>	<u><u>\$37,886</u></u>

City of Sandusky  
Public Transit Special Revenue Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$745,599	\$398,750	(\$346,849)
Intergovernmental	2,459,843	1,999,665	(460,178)
<b>Total Revenues</b>	<b>3,205,442</b>	<b>2,398,415</b>	<b>(807,027)</b>
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System			
Other	553,168	437,554	115,614
Rural Transit System			
Personal Services	140,984	106,704	34,280
Other	2,986,341	2,601,800	384,541
<b>Total Rural Transit System</b>	<b>3,127,325</b>	<b>2,708,504</b>	<b>418,821</b>
<b>Total Expenditures</b>	<b>3,680,493</b>	<b>3,146,058</b>	<b>534,435</b>
Excess of Revenues Under Expenditures	(475,051)	(747,643)	(272,592)
<u>Other Financing Sources</u>			
Other Financing Sources	46,087	32,921	(13,166)
Sale of Capital Assets	1,550	1,550	0
Transfers In	311,000	596,758	285,758
<b>Total Other Financing Sources</b>	<b>358,637</b>	<b>631,229</b>	<b>272,592</b>
Changes in Fund Balance	(116,414)	(116,414)	0
Fund Balance Beginning of Year	116,414	116,414	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

City of Sandusky  
Fire Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$128,327	\$127,777	(\$550)
Intergovernmental	13,948	14,174	226
<b>Total Revenues</b>	<b>142,275</b>	<b>141,951</b>	<b>(324)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Fire			
Fire Pension			
Personal Services	852,124	851,834	290
Other	5,300	2,372	2,928
<b>Total Security of Persons and Property-Fire</b>	<b>857,424</b>	<b>854,206</b>	<b>3,218</b>
Debt Service:			
Principal Retirement	37,289	37,289	0
Interest and Fiscal Charges	7,562	7,562	0
<b>Total Debt Service</b>	<b>44,851</b>	<b>44,851</b>	<b>0</b>
<b>Total Expenditures</b>	<b>902,275</b>	<b>899,057</b>	<b>3,218</b>
Excess of Revenues			
Under Expenditures	(760,000)	(757,106)	2,894
<u>Other Financing Sources</u>			
Transfers In	750,908	747,106	(3,802)
Changes in Fund Balance	(9,092)	(10,000)	(908)
Fund Balance Beginning of Year	10,000	10,000	0
<b>Fund Balance End of Year</b>	<b>\$908</b>	<b>\$0</b>	<b>(\$908)</b>

City of Sandusky  
Police Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$128,328	\$127,777	(\$551)
Intergovernmental	13,948	14,174	226
<b>Total Revenues</b>	<b>142,276</b>	<b>141,951</b>	<b>(325)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Pension			
Personal Services	666,344	643,229	23,115
Other	2,600	2,372	228
<b>Total Security of Persons and Property-Police</b>	<b>668,944</b>	<b>645,601</b>	<b>23,343</b>
Debt Service:			
Principal Retirement	27,711	27,711	0
Interest and Fiscal Charges	5,620	5,620	0
<b>Total Debt Service</b>	<b>33,331</b>	<b>33,331</b>	<b>0</b>
<b>Total Expenditures</b>	<b>702,275</b>	<b>678,932</b>	<b>23,343</b>
Excess of Revenues Under Expenditures	(559,999)	(536,981)	23,018
<u>Other Financing Sources</u>			
Transfers In	573,787	526,980	(46,807)
Changes in Fund Balance	13,788	(10,001)	(23,789)
Fund Balance Beginning of Year	10,001	10,001	0
<b>Fund Balance End of Year</b>	<b>\$23,789</b>	<b>\$0</b>	<b>(\$23,789)</b>

City of Sandusky  
State Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$104,271	\$6,117	(\$98,154)
Interest	3,100	1,949	(1,151)
Other	31,629	3,779	(27,850)
<b>Total Revenues</b>	<b>139,000</b>	<b>11,845</b>	<b>(127,155)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	24,071	0	24,071
Community Environment			
Landbank			
Other	14,000	8,992	5,008
Revolving Loan - Home			
Other	20	20	0
Revolving Loan Economic Development			
Other	250,729	0	250,729
<b>Total Community Environment</b>	<b>264,749</b>	<b>9,012</b>	<b>255,737</b>
<b>Total Expenditures</b>	<b>288,820</b>	<b>9,012</b>	<b>279,808</b>
Excess of Revenues Over (Under) Expenditures	(149,820)	2,833	152,653
<u>Other Financing Sources</u>			
Other Financing Sources	16,000	14,012	(1,988)
Changes in Fund Balance	(133,820)	16,845	150,665
Fund Balance Beginning of Year	215,344	215,344	0
Fund Balance End of Year	<u>\$81,524</u>	<u>\$232,189</u>	<u>\$150,665</u>



City of Sandusky  
 Coronavirus Relief Special Revenue Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$1,657,022	\$1,657,022	\$0
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Patrol			
Personal Services	828,511	828,511	0
Security of Persons and Property-Fire			
Fire Suppression			
Personal Services	828,511	828,511	0
Total Expenditures	1,657,022	1,657,022	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Sandusky  
Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$1,288,400	\$802,515	(\$485,885)
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police JAG			
Other	109,770	9,663	100,107
Police Bulletproof Vest			
Other	7,000	0	7,000
Total Security of Persons and Property-Police	116,770	9,663	107,107
Security of Persons and Property-Fire			
EMS			
Other	27,849	3,471	24,378
Community Environment			
EPA Asmt Petroleum			
Other	82,965	63,506	19,459
EPA Asmt Hazardous Waste			
Other	45,666	34,860	10,806
FEMA Grant			
Other	25,000	0	25,000
HUD CDBG B09MC3900034			
Personal Services	288,000	153,949	134,051
Other	973,400	777,594	195,806
Total HUD CDBG B09MC3900034	1,261,400	931,543	329,857
Total Community Environment	1,415,031	1,029,909	385,122
Total Expenditures	1,559,650	1,043,043	516,607
Excess of Revenues			
Under Expenditures	(271,250)	(240,528)	30,722
<u>Other Financing Sources</u>			
Other Financing Sources	14,795	30,850	16,055
Changes in Fund Balance	(256,455)	(209,678)	46,777
Fund Balance Beginning of Year	256,455	256,455	0
Fund Balance End of Year	\$0	\$46,777	\$46,777

City of Sandusky  
Indigent Drivers Alcohol Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$30,000	\$26,685	(\$3,315)
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol Treatment			
Other	80,000	875	79,125
Changes in Fund Balance	(50,000)	25,810	75,810
Fund Balance Beginning of Year	117,189	117,189	0
Fund Balance End of Year	\$67,189	\$142,999	\$75,810

City of Sandusky  
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$3,000	\$3,535	\$535
<u>Expenditures</u>			
Current:			
Other			
Enforcement and Education			
Other	8,000	0	8,000
Changes in Fund Balance	(5,000)	3,535	8,535
Fund Balance Beginning of Year	18,941	18,941	0
Fund Balance End of Year	\$13,941	\$22,476	\$8,535

City of Sandusky  
Court Computerization Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$26,000	\$20,448	(\$5,552)
<u>Expenditures</u>			
Current:			
Other			
Court Computerization			
Personal Services	10,000	5,065	4,935
Other	30,000	17,530	12,470
Total Expenditures	40,000	22,595	17,405
Changes in Fund Balance	(14,000)	(2,147)	11,853
Fund Balance Beginning of Year	205,702	205,702	0
Fund Balance End of Year	\$191,702	\$203,555	\$11,853

City of Sandusky  
Indigent Telephone Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$6,352	\$11,481	\$5,129
<u>Expenditures</u>			
Current:			
Other			
Indigent Telephone			
Other	17,000	100	16,900
Changes in Fund Balance	(10,648)	11,381	22,029
Fund Balance Beginning of Year	10,648	10,648	0
Fund Balance End of Year	\$0	\$22,029	\$22,029

City of Sandusky  
Municipal Probation Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$78,500	\$123,050	\$44,550
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation			
Personal Services	295,000	105,330	189,670
Other	40,000	812	39,188
Total Expenditures	335,000	106,142	228,858
Excess of Revenues Over (Under) Expenditures	(256,500)	16,908	273,408
<u>Other Financing Sources</u>			
Other Financing Sources	0	317	317
Changes in Fund Balance	(256,500)	17,225	273,725
Fund Balance Beginning of Year	396,431	396,431	0
Fund Balance End of Year	\$139,931	\$413,656	\$273,725

City of Sandusky  
General Trust Special Revenue Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$58,000	\$29,607	(\$28,393)
Intergovernmental	25,000	19,977	(5,023)
Other	8,000	28,482	20,482
<b>Total Revenues</b>	<b>91,000</b>	<b>78,066</b>	<b>(12,934)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Patrol			
Other	10,000	2,048	7,952
Contraband Trust			
Other	70,000	37,664	32,336
Drug Trust			
Other	45,000	3,000	42,000
Fed Forfeiture			
Other	85,925	40,037	45,888
<b>Total Security of Persons and Property- Police</b>	<b>210,925</b>	<b>82,749</b>	<b>128,176</b>
Security of Persons and Property-Fire			
Fire Suppression			
Other	579	579	0
Leisure Time Activities			
Green Fund Trust			
Other	2,500	0	2,500
Friends of the Greenhouse			
Other	3,500	2,449	1,051
Boat Safety Grant			
Other	4,275	4,275	0
Rec Skate Park			
Other	3,000	0	3,000
<b>Total Leisure Time Activities</b>	<b>13,275</b>	<b>6,724</b>	<b>6,551</b>
Community Environment			
Park Trust			
Other	3,823	3,823	0
<b>Total Expenditures</b>	<b>228,602</b>	<b>93,875</b>	<b>134,727</b>
Excess of Revenues			
Under Expenditures	(137,602)	(15,809)	121,793
<u>Other Financing Sources</u>			
Sale of Capital Assets	9,000	6,200	(2,800)
Changes in Fund Balance	(128,602)	(9,609)	118,993
Fund Balance Beginning of Year	383,973	383,973	0
<b>Fund Balance End of Year</b>	<b>\$255,371</b>	<b>\$374,364</b>	<b>\$118,993</b>



City of Sandusky  
Park Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,400	\$7,431	\$1,031
Interest	0	1,855	1,855
Total Revenues	<u>6,400</u>	<u>9,286</u>	<u>2,886</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Shoreline Park Improvement			
Other	500	0	500
Red Wagon TST			
Other	500	0	500
Washington Park & Greenhouse			
Other	3,237	3,237	0
Total Leisure Time Activities	4,237	3,237	1,000
General Government-Other			
Fred Epple Trust			
Other	500	0	500
Total Expenditures	<u>4,737</u>	<u>3,237</u>	<u>1,500</u>
Changes in Fund Balance	1,663	6,049	4,386
Fund Balance Beginning of Year	<u>249,043</u>	<u>249,043</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$250,706</u></u>	<u><u>\$255,092</u></u>	<u><u>\$4,386</u></u>

City of Sandusky  
Cemetery Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$20,000	\$19,281	(\$719)
Interest	12,500	7,159	(5,341)
<b>Total Revenues</b>	<b>32,500</b>	<b>26,440</b>	<b>(6,060)</b>
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery			
Personal Services	50,000	850	49,150
Other	5,000	0	5,000
<b>Total Oakland Cemetery</b>	<b>55,000</b>	<b>850</b>	<b>54,150</b>
Chapel Restoration	1,000	0	1,000
Other			
Garden Mausoleum			
Other	13,600	8,225	5,375
Perpetual Care			
Other	1,000	0	1,000
Special Care			
Other	7,000	264	6,736
Memorial Paintings			
Other	1,000	0	1,000
Ridgeview Columbarium			
Other	10,000	1,400	8,600
<b>Total Expenditures</b>	<b>88,600</b>	<b>10,739</b>	<b>77,861</b>
Excess of Revenues Over (Under) Expenditures	(56,100)	15,701	71,801
<u>Other Financing Sources</u>			
Other Financing Sources	1,100	29,932	28,832
Changes in Fund Balance	(55,000)	45,633	100,633
Fund Balance Beginning of Year	629,019	629,019	0
<b>Fund Balance End of Year</b>	<b>\$574,019</b>	<b>\$674,652</b>	<b>\$100,633</b>

City of Sandusky  
Battery Park Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$0	\$70	\$70
Other	10,000	10,000	0
Total Revenues	10,000	10,070	70
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Battery Park Maintenance			
Other	60,000	54,725	5,275
Changes in Fund Balance	(50,000)	(44,655)	5,345
Fund Balance Beginning of Year	72,817	72,817	0
Fund Balance End of Year	<u>\$22,817</u>	<u>\$28,162</u>	<u>\$5,345</u>

City of Sandusky  
General Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$435,748	\$396,097	(\$39,651)
Municipal Income Taxes	770,000	688,756	(81,244)
Intergovernmental	49,535	43,937	(5,598)
Total Revenues	<u>1,255,283</u>	<u>1,128,790</u>	<u>(126,493)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,543,288	1,542,301	987
Interest and Fiscal Charges	132,803	132,803	0
Total Expenditures	<u>1,676,091</u>	<u>1,675,104</u>	<u>987</u>
Excess of Revenues Under Expenditures	(420,808)	(546,314)	(125,506)
<u>Other Financing Sources</u>			
Transfers In	437,138	491,500	54,362
Changes in Fund Balance	16,330	(54,814)	(71,144)
Fund Balance Beginning of Year	56,187	56,187	0
Fund Balance End of Year	<u><u>\$72,517</u></u>	<u><u>\$1,373</u></u>	<u><u>(\$71,144)</u></u>

City of Sandusky  
Urban Renewal Debt Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$183,590	\$503,438	\$319,848
Intergovernmental	60,000	50,670	(9,330)
<b>Total Revenues</b>	<b>243,590</b>	<b>554,108</b>	<b>310,518</b>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,402,218	1,400,000	2,218
Interest and Fiscal Charges	8,782	8,777	5
<b>Total Expenditures</b>	<b>1,411,000</b>	<b>1,408,777</b>	<b>2,223</b>
Changes in Fund Balance	(1,167,410)	(854,669)	312,741
Fund Balance Beginning of Year	1,167,410	1,167,410	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$312,741</b>	<b>\$312,741</b>

City of Sandusky  
Special Assessment Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$630,000	\$240,553	(\$389,447)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	142,700	142,700	0
Interest and Fiscal Charges	86,910	85,411	1,499
Total Expenditures	229,610	228,111	1,499
Changes in Fund Balance	400,390	12,442	(387,948)
Fund Balance Beginning of Year	43,169	43,169	0
Fund Balance End of Year	<u>\$443,559</u>	<u>\$55,611</u>	<u>(\$387,948)</u>

City of Sandusky  
Real Estate Development Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$58,500	\$39,400	(\$19,100)
<u>Expenditures</u>			
Current:			
General Government-Other			
Real Estate Development			
Other	450,000	344,680	105,320
Excess of Revenues Under Expenditures	(391,500)	(305,280)	86,220
<u>Other Financing Sources</u>			
Other Financing Sources	91,500	91,584	84
Changes in Fund Balance	(300,000)	(213,696)	86,304
Fund Balance Beginning of Year	452,776	452,776	0
Fund Balance End of Year	\$152,776	\$239,080	\$86,304

City of Sandusky  
Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$623,363	\$551,179	(\$72,184)
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	623,363	551,179	(72,184)
<u>Other Financing Uses</u>			
Transfers Out	(550,005)	(550,000)	5
Changes in Fund Balance	73,358	1,179	(72,179)
Fund Balance Beginning of Year	6,520	6,520	0
Fund Balance End of Year	<u>\$79,878</u>	<u>\$7,699</u>	<u>(\$72,179)</u>



City of Sandusky  
 Redevelopment Tax Increment Capital Projects Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
City Wide Economic Development			
Other	45,632	0	45,632
Changes in Fund Balance	(45,632)	0	45,632
Fund Balance Beginning of Year	45,632	45,632	0
Fund Balance End of Year	\$0	\$45,632	\$45,632

City of Sandusky  
Various Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$70,500	\$98,258	\$27,758
Fees, Licenses, and Permits	281,000	285,953	4,953
Interest	1,000	727	(273)
<b>Total Revenues</b>	<b>352,500</b>	<b>384,938</b>	<b>32,438</b>
<u>Expenditures</u>			
Current:			
Community Environment			
Remove Unsafe Buildings			
Other	11,600	0	11,600
<b>Nuisance Removal</b>			
Personal Services	70,997	70,997	0
Other	22,200	21,785	415
<b>Total Nuisance Removal</b>	<b>93,197</b>	<b>92,782</b>	<b>415</b>
Rental Registration Fee			
Personal Services	270,004	269,995	9
Other	9,999	9,999	0
<b>Total Rental Registration Fee</b>	<b>280,003</b>	<b>279,994</b>	<b>9</b>
Inspection Fee			
Personal Services	10,000	10,000	0
Other	12,900	9,681	3,219
<b>Total Inspection Fee</b>	<b>22,900</b>	<b>19,681</b>	<b>3,219</b>
Administration Fee			
Other	3,000	0	3,000
<b>Total Expenditures</b>	<b>410,700</b>	<b>392,457</b>	<b>18,243</b>
Excess of Revenues			
Under Expenditures	(58,200)	(7,519)	50,681
<u>Other Financing Sources</u>			
Other Financing Sources	2,500	8,100	5,600
<b>Changes in Fund Balance</b>	<b>(55,700)</b>	<b>581</b>	<b>56,281</b>
Fund Balance Beginning of Year	462,299	462,299	0
<b>Fund Balance End of Year</b>	<b>\$406,599</b>	<b>\$462,880</b>	<b>\$56,281</b>

City of Sandusky  
Central Public Tax Increment Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$34,419	\$34,419	\$0
<u>Expenditures</u>			
Current:			
General Government-Other			
Central Public TIF			
Other	10,000	3,680	6,320
Changes in Fund Balance	24,419	30,739	6,320
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$24,419	\$30,739	\$6,320

City of Sandusky  
Cleveland Road Tax Increment Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Community Environment			
Cleveland Road Improvements			
Other	2,310,000	2,310,000	0
Excess of Revenues Under Expenditures	(2,310,000)	(2,310,000)	0
<u>Other Financing Sources</u>			
Revenue Bonds Issued	2,310,000	2,310,000	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

City of Sandusky  
Health Insurance Internal Service Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2020

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$3,425,000	\$2,215,458	(\$1,209,542)
Other	575,000	554,186	(20,814)
Total Revenues	4,000,000	2,769,644	(1,230,356)
<u>Expenses</u>			
Claims	4,300,000	3,463,495	836,505
Changes in Fund Balance	(300,000)	(693,851)	(393,851)
Fund Balance Beginning of Year	3,731,554	3,731,554	0
Fund Balance End of Year	<u>\$3,431,554</u>	<u>\$3,037,703</u>	<u>(\$393,851)</u>

# Statistical

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

**Contents** **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity ..... S-12

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-46

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information..... S-56

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information ..... S-60

These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Sandusky  
Net Position  
Last Ten Years  
(Accrual Basis of Accounting)

	2020	2019	2018	2017
Governmental Activities				
Net Investment in Capital Assets	\$40,412,060	\$34,257,724	\$35,817,869	\$35,024,423
Restricted for				
Capital Projects	4,679,545	7,167,141	4,523,316	3,605,069
Debt Service	710,040	1,858,797	1,802,361	1,654,047
Other Purposes	7,301,841	6,707,908	6,728,711	6,611,001
Unrestricted (Deficit)	<u>(31,275,920)</u>	<u>(24,111,529)</u>	<u>(33,743,585)</u>	<u>(32,017,301)</u>
Total Governmental Activities Net Position	<u>21,827,566</u>	<u>25,880,041</u>	<u>15,128,672</u>	<u>14,877,239</u>
Business-Type Activities				
Net Investment in Capital Assets	51,520,065	52,874,410	48,004,171	44,639,387
Unrestricted	<u>4,378,741</u>	<u>2,449,737</u>	<u>6,798,582</u>	<u>6,918,642</u>
Total Business-Type Activities Net Position	<u>55,898,806</u>	<u>55,324,147</u>	<u>54,802,753</u>	<u>51,558,029</u>
Primary Government				
Net Investment in Capital Assets	91,932,125	87,132,134	83,822,040	79,663,810
Restricted	12,691,426	15,733,846	13,054,388	11,870,117
Unrestricted (Deficit)	<u>(26,897,179)</u>	<u>(21,661,792)</u>	<u>(26,945,003)</u>	<u>(25,098,659)</u>
Total Primary Government Net Position	<u>\$77,726,372</u>	<u>\$81,204,188</u>	<u>\$69,931,425</u>	<u>\$66,435,268</u>

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014 and the impact of GASB Statement No. 75 beginning in 2017.



2016	2015	2014	2013	2012	2011
\$33,978,149	\$35,774,016	\$32,986,487	\$34,031,522	\$35,252,903	\$35,126,166
5,199,629	3,812,217	3,332,213	4,280,873	3,806,228	3,492,887
370,057	1,076,680	1,745,871	2,162,193	1,949,698	1,918,564
6,537,687	5,471,527	5,700,728	5,920,558	5,556,594	6,061,253
(14,437,669)	(16,426,206)	(17,681,479)	(139,214)	(712,642)	(1,573,210)
<u>31,647,853</u>	<u>29,708,234</u>	<u>26,083,820</u>	<u>46,255,932</u>	<u>45,852,781</u>	<u>45,025,660</u>
43,448,277	42,898,225	41,477,719	40,066,785	39,713,895	39,918,374
7,250,609	5,792,850	7,673,382	13,462,237	14,630,323	15,278,595
<u>50,698,886</u>	<u>48,691,075</u>	<u>49,151,101</u>	<u>53,529,022</u>	<u>54,344,218</u>	<u>55,196,969</u>
77,426,426	78,672,241	74,464,206	74,098,307	74,966,798	75,044,540
12,107,373	10,360,424	10,778,812	12,363,624	11,312,520	11,472,704
(7,187,060)	(10,633,356)	(10,008,097)	13,323,023	13,917,681	13,705,385
<u>\$82,346,739</u>	<u>\$78,399,309</u>	<u>\$75,234,921</u>	<u>\$99,784,954</u>	<u>\$100,196,999</u>	<u>\$100,222,629</u>

City of Sandusky  
Changes in Net Position  
Last Ten Years  
(Accrual Basis of Accounting)

	2020	2019	2018	2017
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$5,848,943	\$704,717	\$6,763,079	\$5,996,216
Fire	7,082,645	(55,072)	7,409,925	7,370,266
Other	266,379	249,647	254,937	257,495
Public Health	376,346	472,398	415,721	396,115
Leisure Time Activities	1,873,122	1,185,201	1,516,778	1,180,710
Community Environment	6,799,287	6,022,217	5,360,451	5,184,333
Transportation	7,487,554	6,308,341	5,364,033	6,750,268
General Government				
Municipal Court	1,212,620	1,509,873	1,281,692	1,358,390
Other	5,479,982	5,631,410	5,391,169	4,797,015
Interest and Fiscal Charges	584,372	537,637	502,722	542,276
Total Governmental Activities Expenses	<u>37,011,250</u>	<u>22,566,369</u>	<u>34,260,507</u>	<u>33,833,084</u>
Business-Type Activities				
Water	6,832,130	7,958,913	7,275,299	6,657,346
Sewer	10,139,102	9,940,111	9,376,853	8,494,172
Total Business-Type Activities Expenses	<u>16,971,232</u>	<u>17,899,024</u>	<u>16,652,152</u>	<u>15,151,518</u>
Total Primary Government Expenses	<u>53,982,482</u>	<u>40,465,393</u>	<u>50,912,659</u>	<u>48,984,602</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	254,443	250,894	327,234	380,770
Fire	831,366	1,134,864	982,273	1,099,349
Public Health	137,698	138,099	153,796	134,752
Leisure Time Activities	289,085	252,538	230,785	289,112
Community Environment	498,300	524,044	598,120	311,765
Transportation	1,134,809	1,242,838	1,198,246	2,310,463
General Government				
Municipal Court	979,365	1,414,774	1,339,349	1,207,191
Other	388,456	296,002	491,978	347,104
Total Charges for Services	<u>4,513,522</u>	<u>5,254,053</u>	<u>5,321,781</u>	<u>6,080,506</u>
Operating Grants, Contributions, and Interest	6,168,257	3,152,917	3,202,380	3,292,700
Capital Grants and Contributions	2,218,148	1,012,091	1,358,887	1,416,703
Total Governmental Activities Program Revenues	<u>12,899,927</u>	<u>9,419,061</u>	<u>9,883,048</u>	<u>10,789,909</u>
Business-Type Activities				
Charges for Services				
Water	6,952,984	7,439,181	7,580,885	7,558,764
Sewer	10,245,024	10,755,891	11,547,199	11,111,125
Total Charges for Services	<u>17,198,008</u>	<u>18,195,072</u>	<u>19,128,084</u>	<u>18,669,889</u>
Capital Grants and Contributions	30,815	0	0	0
Total Business-Type Activities Program Revenues	<u>17,228,823</u>	<u>18,195,072</u>	<u>19,128,084</u>	<u>18,669,889</u>
Total Primary Government Program Revenues	<u>30,128,750</u>	<u>27,614,133</u>	<u>29,011,132</u>	<u>29,459,798</u>

2016	2015	2014	2013	2012	2011
\$6,180,846	\$5,668,020	\$5,347,693	\$5,032,468	\$5,032,700	\$5,402,963
6,765,752	6,368,780	5,940,342	5,953,841	5,905,825	5,527,949
271,686	267,254	271,810	252,367	244,688	252,562
309,402	315,232	308,648	318,872	306,388	283,560
575,513	639,183	542,957	614,010	216,767	508,712
4,109,633	2,968,488	4,315,542	2,538,486	2,476,125	2,893,502
9,168,882	6,192,685	6,107,625	4,848,791	4,470,255	4,445,226
1,014,168	982,558	1,057,957	1,013,065	1,033,017	1,023,043
4,136,866	4,031,549	3,452,889	3,372,415	3,617,806	3,497,520
569,634	886,182	844,566	965,397	1,295,714	1,005,849
33,102,382	28,319,931	28,190,029	24,909,712	24,599,285	24,840,886
6,328,824	5,657,845	5,976,511	5,561,209	5,368,961	5,359,486
7,848,395	7,509,197	7,193,792	6,726,105	6,334,406	8,341,844
14,177,219	13,167,042	13,170,303	12,287,314	11,703,367	13,701,330
47,279,601	41,486,973	41,360,332	37,197,026	36,302,652	38,542,216
471,085	313,471	332,809	354,756	399,331	353,733
1,066,497	943,899	773,862	756,733	754,046	988,659
140,165	133,488	108,974	116,853	84,027	108,618
271,849	275,402	276,929	257,010	269,160	217,068
512,667	151,613	182,696	19,156	86,007	215,830
1,087,071	1,153,575	1,081,882	982,640	913,441	1,019,259
1,313,939	1,113,257	1,091,134	1,134,702	1,215,434	1,070,168
315,526	228,268	246,887	328,020	186,445	247,215
5,178,799	4,312,973	4,095,173	3,949,870	3,907,891	4,220,550
3,273,258	2,947,200	3,789,724	3,144,597	3,711,215	3,742,313
1,619,021	3,262,302	1,512,023	722,483	500,093	1,074,582
10,071,078	10,522,475	9,396,920	7,816,950	8,119,199	9,037,445
6,515,822	5,327,914	5,313,083	5,259,240	5,267,773	5,224,179
9,397,518	7,218,429	5,667,134	5,587,673	5,485,453	6,730,491
15,913,340	12,546,343	10,980,217	10,846,913	10,753,226	11,954,670
19,257	14,000	113,852	275,377	271,057	148,225
15,932,597	12,560,343	11,094,069	11,122,290	11,024,283	12,102,895
26,003,675	23,082,818	20,490,989	18,939,240	19,143,482	21,140,340

(continued)

City of Sandusky  
Changes in Net Position  
Last Ten Years  
(continued)  
(Accrual Basis of Accounting)

	2020	2019	2018	2017
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$24,111,323)	(\$13,147,308)	(\$24,377,459)	(\$23,043,175)
Business-Type Activities	257,591	296,048	2,475,932	3,518,371
Total Primary Government Net Expense	<u>(23,853,732)</u>	<u>(12,851,260)</u>	<u>(21,901,527)</u>	<u>(19,524,804)</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	1,549,298	1,535,855	1,517,753	1,500,070
Property Taxes Levied for Police and Fire Pension	254,688	252,488	249,472	246,576
Property Taxes Levied for Debt Service	394,754	391,335	413,266	410,984
Payment in Lieu of Taxes	537,857	527,531	574,675	611,812
Municipal Income Taxes Levied for General Purposes	10,040,637	11,024,712	11,566,210	10,989,407
Municipal Income Taxes Levied for Debt Service	707,547	731,696	772,972	728,704
Municipal Income Taxes Levied for Capital Projects	566,211	585,358	618,377	582,963
Other Local Taxes	1,170,951	5,688,308	5,687,420	5,576,879
Franchise Taxes	386,707	239,888	340,739	355,291
Grants and Entitlements not Restricted to Specific Programs	873,247	825,313	754,112	745,024
Interest	320,199	679,537	398,082	181,513
Other	3,256,752	1,416,656	1,735,814	1,527,073
Transfers	0	0	0	289,426
Special Item - Asset Donated to Developer	0	0	0	0
Total Governmental Activities	<u>20,058,848</u>	<u>23,898,677</u>	<u>24,628,892</u>	<u>23,745,722</u>
Business-Type Activities				
Interest	3,248	2,193	2,549	2,630
Other	313,820	223,153	766,243	341,723
Transfers	0	0	0	(289,426)
Total Business-Type Activities	<u>317,068</u>	<u>225,346</u>	<u>768,792</u>	<u>54,927</u>
Total Primary Government	<u>20,375,916</u>	<u>24,124,023</u>	<u>25,397,684</u>	<u>23,800,649</u>
<u>Changes in Net Position</u>				
Governmental Activities	(4,052,475)	10,751,369	251,433	702,547
Business-Type Activities	574,659	521,394	3,244,724	3,573,298
Total Primary Government	<u>(\$3,477,816)</u>	<u>\$11,272,763</u>	<u>\$3,496,157</u>	<u>\$4,275,845</u>

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015 and GASB Statement No. 75 beginning in 2018.

2016	2015	2014	2013	2012	2011
(\$23,031,304)	(\$17,797,456)	(\$18,793,109)	(\$17,092,762)	(\$16,480,086)	(\$15,803,441)
1,755,378	(606,699)	(2,076,234)	(1,165,024)	(679,084)	(1,598,435)
(21,275,926)	(18,404,155)	(20,869,343)	(18,257,786)	(17,159,170)	(17,401,876)
1,480,791	1,537,824	1,400,699	1,444,024	1,570,731	1,582,982
243,434	252,790	230,208	237,368	258,206	260,218
405,691	421,325	383,742	395,613	430,340	433,693
557,852	565,102	569,888	591,483	541,236	554,005
11,716,187	9,939,811	6,521,944	7,413,615	7,121,861	6,473,159
780,974	659,492	430,773	494,203	472,199	422,949
624,778	527,591	344,619	395,361	377,758	338,360
5,775,150	4,950,083	3,878,441	4,122,098	3,735,461	3,835,778
371,093	394,181	387,086	379,067	373,856	350,146
759,353	798,901	806,031	1,120,835	1,425,985	1,343,834
128,006	182,148	239,432	(3,698)	161,743	303,999
2,103,291	1,166,975	900,535	782,475	556,285	1,112,606
24,323	25,647	(285,706)	123,469	281,546	161,158
0	0	0	0	0	(2,613,682)
24,970,923	21,421,870	15,807,692	17,495,913	17,307,207	14,559,205
2,022	1,215	948	607	1,532	1,380
274,734	171,105	204,243	472,690	106,347	159,716
(24,323)	(25,647)	285,706	(123,469)	(281,546)	(161,158)
252,433	146,673	490,897	349,828	(173,667)	(62)
25,223,356	21,568,543	16,298,589	17,845,741	17,133,540	14,559,143
1,939,619	3,624,414	(2,985,417)	403,151	827,121	(1,244,236)
2,007,811	(460,026)	(1,585,337)	(815,196)	(852,751)	(1,598,497)
\$3,947,430	\$3,164,388	(\$4,570,754)	(\$412,045)	(\$25,630)	(\$2,842,733)

City of Sandusky  
Fund Balance  
Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017
General Fund				
Nonspendable	\$305,389	\$366,195	\$325,196	\$341,720
Assigned	199,793	1,031,536	796,653	484,708
Unassigned	4,683,139	5,434,227	5,058,701	5,243,605
Total General Fund	<u>5,188,321</u>	<u>6,831,958</u>	<u>6,180,550</u>	<u>6,070,033</u>
All Other Governmental Funds				
Nonspendable	\$170,550	\$301,798	\$193,068	\$152,111
Restricted	7,503,235	8,013,606	8,166,540	7,294,677
Committed	52,523	72,927	56,390	64,437
Unassigned (Deficit)	<u>(4,476,085)</u>	<u>(3,816,636)</u>	<u>(137,817)</u>	<u>(130,335)</u>
Total All Other Governmental Funds	<u>3,250,223</u>	<u>4,571,695</u>	<u>8,278,181</u>	<u>7,380,890</u>
Total Governmental Funds	<u><u>\$8,438,544</u></u>	<u><u>\$11,403,653</u></u>	<u><u>\$14,458,731</u></u>	<u><u>\$13,450,923</u></u>

2016	2015	2014	2013	2012	2011
\$220,944	\$212,012	\$217,967	\$221,127	\$237,393	\$227,348
325,642	146,885	129,626	365,022	100,273	281,308
5,091,348	4,562,646	3,953,112	3,943,022	3,953,717	3,598,766
5,637,934	4,921,543	4,300,705	4,529,171	4,291,383	4,107,422
\$137,304	\$163,996	\$132,158	\$254,806	\$122,143	\$91,871
8,275,192	6,599,702	5,340,354	5,634,163	5,117,809	5,308,988
62,410	87,151	59,800	55,783	61,240	42,338
(200,928)	(243,329)	(314,737)	(157,449)	(3,310,167)	(4,310,201)
8,273,978	6,607,520	5,217,575	5,787,303	1,991,025	1,132,996
<u>\$13,911,912</u>	<u>\$11,529,063</u>	<u>\$9,518,280</u>	<u>\$10,316,474</u>	<u>\$6,282,408</u>	<u>\$5,240,418</u>

City of Sandusky  
Changes in Fund Balance  
Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2020	2019	2018	2017
<u>Revenues</u>				
Property Taxes	\$2,206,219	\$2,213,212	\$2,185,535	\$2,181,279
Payment in Lieu of Taxes	537,857	527,531	574,675	611,812
Municipal Income Taxes	10,402,798	12,965,348	12,728,980	12,601,782
Other Local Taxes	1,539,851	6,090,162	6,132,053	6,019,747
Special Assessments	312,840	248,203	295,410	314,214
Charges for Services	2,377,448	2,514,406	2,446,153	2,457,699
Fees, Licenses, and Permits	1,250,888	1,266,196	1,523,428	1,203,220
Fines and Forfeitures	803,718	1,294,049	1,266,975	1,145,903
Intergovernmental	8,580,623	4,721,619	5,309,668	5,143,061
Interest	322,307	691,057	416,284	189,883
Other	3,363,180	1,815,875	1,884,330	1,734,169
Total Revenues	<u>31,697,729</u>	<u>34,347,658</u>	<u>34,763,491</u>	<u>33,602,769</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,396,349	5,593,131	5,926,291	5,827,286
Fire	6,028,467	6,034,618	6,669,542	6,788,655
Other	266,379	249,647	254,937	257,495
Public Health	316,246	354,883	365,162	348,265
Leisure Time Activities	1,619,527	1,339,162	1,639,560	1,116,125
Community Environment	6,726,674	6,076,151	5,368,399	4,813,221
Transportation	5,112,151	4,339,269	4,254,108	4,460,176
General Government				
Municipal Court	888,497	1,052,886	1,045,944	1,075,569
Other	4,237,101	5,191,780	4,943,624	4,234,648
Other	123,815	165,782	107,248	260,282
Capital Outlay	11,815,804	4,450,255	646,488	2,626,928
Debt Service:				
Principal Retirement	1,750,001	2,108,440	2,098,740	2,115,337
Interest and Fiscal Charges	412,006	475,251	442,725	488,384
Issuance Costs	0	0	0	0
Total Expenditures	<u>44,693,017</u>	<u>37,431,255</u>	<u>33,762,768</u>	<u>34,412,371</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,995,288)</u>	<u>(3,083,597)</u>	<u>1,000,723</u>	<u>(809,602)</u>
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Revenue Bonds Issued	10,010,000	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Premium on Special Assessment Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Sale of Capital Assets	20,179	28,519	7,085	59,187
Inception of Capital Lease	0	0	0	0
Transfers In	6,454,236	5,961,068	5,394,008	5,309,815
Transfers Out	<u>(6,454,236)</u>	<u>(5,961,068)</u>	<u>(5,394,008)</u>	<u>(5,020,389)</u>
Total Other Financing Sources (Uses)	<u>10,030,179</u>	<u>28,519</u>	<u>7,085</u>	<u>348,613</u>
Changes in Fund Balance	<u>(\$2,965,109)</u>	<u>(\$3,055,078)</u>	<u>\$1,007,808</u>	<u>(\$460,989)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.70%	8.70%	8.50%	8.34%



2016	2015	2014	2013	2012	2011
\$2,162,354	\$2,179,144	\$2,165,483	\$2,156,325	\$2,266,548	\$2,290,106
557,852	565,102	569,888	591,483	541,236	554,005
12,129,066	11,159,835	7,815,510	7,961,439	7,679,283	7,240,793
6,214,372	5,391,794	4,319,159	4,542,872	4,176,906	4,287,830
1,209,242	1,194,518	790,084	225,647	263,281	329,360
2,414,694	2,408,821	2,179,994	1,873,124	1,751,080	1,408,172
1,345,243	923,474	994,644	1,050,523	977,026	940,663
1,393,235	1,085,410	992,340	1,072,425	1,129,197	1,027,377
5,359,868	7,232,856	5,982,009	4,853,612	5,802,086	5,717,042
149,715	198,328	259,189	(1,431)	184,401	341,790
2,240,524	1,075,204	1,145,250	973,777	944,060	1,225,758
<u>35,176,165</u>	<u>33,414,486</u>	<u>27,213,550</u>	<u>25,299,796</u>	<u>25,715,104</u>	<u>25,362,896</u>
5,754,747	5,447,833	5,225,064	4,918,939	5,066,185	5,498,666
6,068,768	5,816,249	5,603,879	5,478,660	5,512,695	5,522,370
271,686	267,254	271,810	252,367	244,688	252,562
328,937	292,412	282,640	291,026	310,763	271,130
464,583	520,098	445,443	490,240	455,973	385,373
3,911,191	2,776,759	3,671,076	2,288,489	3,060,559	2,704,414
4,716,823	4,702,816	4,712,716	3,277,176	3,178,728	3,110,557
1,003,382	984,633	1,077,058	1,016,432	981,662	1,038,040
3,398,846	3,245,649	2,618,712	2,566,204	2,829,493	2,863,831
176,294	152,549	181,625	88,357	128,727	92,756
4,134,785	4,174,274	1,164,442	547,247	803,610	1,635,471
2,110,185	2,098,519	2,423,334	1,959,320	1,500,472	5,455,694
518,537	907,334	812,248	930,235	896,912	1,001,860
0	0	0	0	0	115,335
<u>32,858,764</u>	<u>31,386,379</u>	<u>28,490,047</u>	<u>24,104,692</u>	<u>24,970,467</u>	<u>29,948,059</u>
<u>2,317,401</u>	<u>2,028,107</u>	<u>(1,276,497)</u>	<u>1,195,104</u>	<u>744,637</u>	<u>(4,585,163)</u>
0	7,549,069	370,000	0	0	4,090,000
0	180,931	45,000	0	0	0
0	0	0	2,680,000	0	0
0	205,835	0	0	0	120,335
0	5,682	0	0	0	0
0	(7,730,000)	0	0	0	0
16,230	45,512	6,361	35,493	1,161	385,637
24,895	0	0	0	0	0
5,446,133	4,717,900	2,913,091	3,414,520	3,257,469	4,961,338
<u>(5,421,810)</u>	<u>(4,992,253)</u>	<u>(2,856,149)</u>	<u>(3,291,051)</u>	<u>(2,961,277)</u>	<u>(4,800,180)</u>
<u>65,448</u>	<u>(17,324)</u>	<u>478,303</u>	<u>2,838,962</u>	<u>297,353</u>	<u>4,757,130</u>
<u>\$2,382,849</u>	<u>\$2,010,783</u>	<u>(\$798,194)</u>	<u>\$4,034,066</u>	<u>\$1,041,990</u>	<u>\$171,967</u>
8.45%	11.21%	11.70%	12.33%	10.61%	23.43%

City of Sandusky  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility			
2020	\$299,439,120	\$146,339,600	\$1,273,653,485	\$24,480,490	\$27,818,739
2019	298,977,110	144,580,430	1,267,307,257	23,240,630	26,409,807
2018	299,814,860	140,123,460	1,256,966,628	21,783,450	24,753,920
2017	299,623,060	140,052,250	1,256,215,171	20,622,650	23,434,830
2016	299,888,000	140,247,000	1,257,528,571	18,654,000	21,197,727
2015	304,128,000	137,324,000	1,261,291,428	17,826,000	20,256,818
2014	305,909,000	137,297,000	1,266,302,857	16,854,000	19,152,273
2013	307,005,000	138,009,000	1,271,468,571	15,219,000	17,294,318
2012	325,473,000	145,320,000	1,345,122,857	14,018,000	15,929,545
2011	327,604,000	146,862,000	1,355,617,142	13,386,000	15,211,364

Source: Erie County Auditor

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 of actual value for railroad property to 88 percent for electric transmission and distribution property.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed.

Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Tax Rate
Assessed Value	Estimated Actual Value		
\$470,259,210	\$1,301,472,224	36.13%	\$5.18
466,798,170	1,293,717,064	36.08	5.18
461,721,770	1,281,720,548	36.02	5.25
460,297,960	1,279,650,001	35.97	5.25
458,789,000	1,278,726,298	35.88	5.25
459,278,000	1,281,548,246	35.84	5.25
460,060,000	1,285,455,130	35.79	5.25
460,233,000	1,288,762,889	35.71	5.25
484,811,000	1,361,052,402	35.62	5.25
487,852,000	1,370,828,506	35.59	5.25

City of Sandusky  
Property Tax Rates  
Direct and All Overlapping Governments  
Per \$1,000 of Assessed Value  
Last Ten Years

Year	2020	2019	2018	2017
City of Sandusky				
Voted Millage				
1998 Library Bond - 23 Years	\$0.9300	\$0.9300	\$1.0000	\$1.0000
Unvoted Millage				
General	3.6500	3.6500	3.6500	3.6500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	4.2500	4.2500	4.2500	4.2500
Total Millage	5.1800	5.1800	5.2500	5.2500
Erie County	9.1000	9.1000	9.0000	9.1000
Sandusky City School District	84.9500	85.0200	57.9562	85.0650

Source: Erie County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property tax rate can be increased only by a majority vote of the City's residents.

Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City. Property tax rates for all overlapping governments are based upon the original voted levy.

2016	2015	2014	2013	2012	2011
\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
3.6500	3.6500	3.6500	3.6500	3.6500	3.6500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.2500	4.2500	4.2500	4.2500	4.2500	4.2500
5.2500	5.2500	5.2500	5.2500	5.2500	5.2500
9.1000	8.9000	8.8000	8.8000	8.8000	8.8000
80.5250	82.0250	80.5250	80.5250	75.4100	75.4000



City of Sandusky  
Real Property Tax Levies and Collections  
Last Ten Years

Year	Current Tax Levy (1)	Current Collections	Percentage of Current Collections to Current Tax Levy	Delinquent Charges	Delinquent Collections	Total Collections	Percentage of Total Collections to Current Tax Levy
2020	\$3,056,346	\$2,900,753	94.91%	\$188,655	\$132,969	\$3,033,722	99.26%
2019	2,984,353	2,869,057	96.14	232,806	164,907	3,033,964	101.66
2018	3,041,904	2,855,607	93.88	226,275	148,469	3,004,076	98.76
2017	3,068,593	2,901,384	94.55	235,814	131,207	3,032,591	98.83
2016	3,005,680	2,840,752	94.51	260,215	126,964	2,967,716	98.74
2015	3,038,324	2,903,143	95.55	233,276	151,470	3,054,613	100.54
2014	3,038,646	2,895,623	95.29	390,445	148,768	3,044,391	100.19
2013	3,079,702	2,918,017	94.75	404,560	148,793	3,066,810	99.58
2012	3,087,085	2,602,352	84.30	466,638	157,080	2,759,432	89.39
2011	2,569,664	2,396,091	93.25	467,320	166,077	2,562,168	99.71

Source: Erie County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County's current reporting system does not track delinquent tax collections by tax year.  
Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent.  
Penalties and interest are applied to the total outstanding delinquent balance.  
The presentation will be updated as new information becomes available.

City of Sandusky  
Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	2020		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Cedar Fair	Theme Park	\$43,325,790	1	9.21%
Ohio Edison Company	Utility	13,712,830	2	2.93
American Transmissions Systems	Manufacturing	5,945,900	3	1.26
Norfolk & Western Railway	Railroad	5,446,000	4	1.16
Columbia Gas	Utility	4,981,930	5	1.06
Firelands Regional Health System	Hospital	3,756,370	6	0.80
Key Real Estate LTD	Realty	3,213,230	7	0.68
S & S Realty	Realty	2,969,330	8	0.63
K & M Interiors	Interior Design	2,867,150	9	0.61
Sandusky Housing	Realty	1,839,790	10	0.39
CNL Income Sandusky Marina	Port Facilities			
Myers Industries, Inc.	Manufacturing/Assembly			
Columbia Gas	Utility			
Providence Care Center	Nursing Home			
	Total	88,058,320		18.73
	All Other Taxpayers	382,200,890		81.27
	Total Assessed Valuation	\$470,259,210		100.00%

Source: Erie County Auditor



2011		
<u>Total Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$39,793,610	1	8.16%
10,499,620	2	2.15
4,300,480	4	0.88
4,417,440	3	0.90
3,656,490	5	0.76
3,456,310	6	0.71
2,494,360	7	0.51
2,306,800	8	0.47
2,269,230	9	0.47
2,194,100	10	0.44
<u>75,388,440</u>		<u>15.45</u>
<u>412,463,560</u>		<u>84.55</u>
<u><u>\$487,852,000</u></u>		<u><u>100.00%</u></u>

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years

2020				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	452	7.74%	\$83,976,772	31.25%
\$75,001 - \$100,000	430	7.36	37,100,363	13.80
\$50,001 - \$75,000	794	13.60	49,929,570	18.57
\$25,001 - \$50,000	1,939	33.21	70,306,463	26.15
\$25,000 and lower	2,224	38.09	27,499,233	10.23
<b>Total</b>	<b>5,839</b>	<b>100.00%</b>	<b>\$268,812,401</b>	<b>100.00%</b>

2019				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	456	7.78%	\$86,413,835	32.54%
\$75,001 - \$100,000	415	7.08	35,673,870	13.44
\$50,001 - \$75,000	784	13.38	48,013,452	18.08
\$25,001 - \$50,000	1,843	31.45	66,612,085	25.09
\$25,000 and lower	2,362	40.31	28,801,590	10.85
<b>Total</b>	<b>5,860</b>	<b>100.00%</b>	<b>\$265,514,832</b>	<b>100.00%</b>

2018				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	423	7.05%	\$75,950,350	29.73%
\$75,001 - \$100,000	376	6.26	32,359,428	12.67
\$50,001 - \$75,000	814	13.56	49,647,669	19.43
\$25,001 - \$50,000	1,855	30.91	67,651,763	26.48
\$25,000 and lower	2,534	42.22	29,866,384	11.69
<b>Total</b>	<b>6,002</b>	<b>100.00%</b>	<b>\$255,475,594</b>	<b>100.00%</b>

2017				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	391	6.92%	\$71,312,726	29.66%
\$75,001 - \$100,000	391	6.92	33,533,855	13.95
\$50,001 - \$75,000	713	12.62	43,799,646	18.22
\$25,001 - \$50,000	1,775	31.42	64,185,632	26.70
\$25,000 and lower	2,379	42.12	27,583,994	11.47
<b>Total</b>	<b>5,649</b>	<b>100.00%</b>	<b>\$240,415,853</b>	<b>100.00%</b>

(continued)

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years  
 (continued)

2016				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	407	6.76%	\$79,623,854	31.12%
\$75,001 - \$100,000	399	6.62	34,290,499	13.40
\$50,001 - \$75,000	805	13.36	49,284,292	19.26
\$25,001 - \$50,000	1,710	28.39	61,449,700	24.02
\$25,000 and lower	2,703	44.87	31,205,846	12.20
<b>Total</b>	<b>6,024</b>	<b>100.00%</b>	<b>\$255,854,191</b>	<b>100.00%</b>

2015				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	403	6.30%	\$79,822,946	30.91%
\$75,001 - \$100,000	372	5.82	31,939,374	12.37
\$50,001 - \$75,000	837	13.09	51,076,079	19.78
\$25,001 - \$50,000	1,707	26.71	61,288,878	23.74
\$25,000 and lower	3,073	48.08	34,073,481	13.20
<b>Total</b>	<b>6,392</b>	<b>100.00%</b>	<b>\$258,200,758</b>	<b>100.00%</b>

2014				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	388	6.08%	\$76,299,804	29.81%
\$75,001 - \$100,000	374	5.86	32,161,678	12.57
\$50,001 - \$75,000	868	13.60	53,086,760	20.74
\$25,001 - \$50,000	1,689	26.46	61,059,096	23.85
\$25,000 and lower	3,064	48.00	33,363,234	13.03
<b>Total</b>	<b>6,383</b>	<b>100.00%</b>	<b>\$255,970,572</b>	<b>100.00%</b>

2013				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	410	6.40%	\$95,092,764	34.11%
\$75,001 - \$100,000	388	6.06	36,544,019	13.11
\$50,001 - \$75,000	853	13.32	52,244,517	18.74
\$25,001 - \$50,000	1,689	26.37	60,602,011	21.74
\$25,000 and lower	3,065	47.85	34,290,337	12.30
<b>Total</b>	<b>6,405</b>	<b>100.00%</b>	<b>\$278,773,648</b>	<b>100.00%</b>

(continued)

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years  
 (continued)

2012				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	380	6.09%	\$77,823,120	30.78%
\$75,001 - \$100,000	390	6.25	33,788,858	13.36
\$50,001 - \$75,000	790	12.66	47,968,447	18.97
\$25,001 - \$50,000	1,664	26.66	60,546,655	23.95
\$25,000 and lower	3,018	48.34	32,690,204	12.94
Total	<u>6,242</u>	<u>100.00%</u>	<u>\$252,817,284</u>	<u>100.00%</u>

2011				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	360	5.21%	\$69,826,664	26.86%
\$75,001 - \$100,000	394	5.70	34,025,087	13.09
\$50,001 - \$75,000	868	12.55	53,169,757	20.45
\$25,001 - \$50,000	1,799	26.01	64,745,186	24.90
\$25,000 and lower	3,495	50.53	38,203,367	14.70
Total	<u>6,916</u>	<u>100.00%</u>	<u>\$259,970,061</u>	<u>100.00%</u>

Source: Regional Income Tax Agency (RITA)

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years

Type of Customer	2020			2019		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	535,433	\$2,188,687	\$2,120,051	508,089	\$2,129,194	\$2,065,659
Commercial	374,341	1,358,061	1,317,646	564,312	1,955,682	1,917,905
Industrial	48,223	169,963	168,964	37,897	130,173	128,992
Municipal	60,128	0	0	56,731	0	0
<b>Total</b>	<b>1,018,125</b>	<b>\$3,716,711</b>	<b>\$3,606,661</b>	<b>1,167,029</b>	<b>\$4,215,049</b>	<b>\$4,112,556</b>
Monthly Base Rate		\$7.49			\$7.27	
Rate per 100 Cubic Feet		\$3.47			\$3.37	

Source: City Records

(continued)

Note: Rates are based on a 5/8" meter, which is the standard household meter.

Charges to Erie County are not included in payment amounts.

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2018			2017		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	540,405	\$2,184,973	\$2,102,777	521,631	\$2,060,669	\$2,064,447
Commercial	728,184	2,437,005	2,146,846	625,974	2,042,976	2,006,568
Industrial	49,625	165,928	157,503	43,829	141,808	147,642
Municipal	55,576	0	0	56,106	0	0
<b>Total</b>	<b>1,373,790</b>	<b>\$4,787,906</b>	<b>\$4,407,126</b>	<b>1,247,540</b>	<b>\$4,245,453</b>	<b>\$4,218,657</b>
Monthly Base Rate		\$7.06			\$7.06	
Rate per 100 Cubic Feet		\$3.27			\$3.27	

2016			2015		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
550,667	\$2,016,974	\$1,974,036	573,013	\$1,538,263	\$1,494,355
585,476	1,788,569	1,764,504	600,872	1,391,064	1,396,550
45,234	136,837	130,350	31,485	72,806	70,967
67,545	0	0	74,138	0	0
<u>1,248,922</u>	<u>\$3,942,380</u>	<u>\$3,868,890</u>	<u>1,279,508</u>	<u>\$3,002,133</u>	<u>\$2,961,872</u>
	\$6.85			\$6.41	
	\$3.18			\$2.97	

(continued)

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2014			2013		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	596,980	\$1,374,780	\$1,333,595	551,320	\$1,317,439	\$1,329,853
Commercial	593,452	1,158,914	1,158,064	510,084	1,158,926	1,150,794
Industrial	30,094	58,537	59,083	31,712	60,598	59,041
Municipal	62,110	0	0	72,120	0	0
<b>Total</b>	<b>1,282,636</b>	<b>\$2,592,231</b>	<b>\$2,550,742</b>	<b>1,165,236</b>	<b>\$2,536,963</b>	<b>\$2,539,688</b>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	



2012			2011		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
548,757	\$1,414,656	\$1,387,655	615,721	\$1,439,777	\$1,400,365
507,931	1,299,733	1,163,057	521,961	1,190,109	1,179,737
28,074	57,888	56,826	31,093	59,055	57,115
57,723	0	0	52,242	0	0
<u>1,142,485</u>	<u>\$2,772,277</u>	<u>\$2,607,538</u>	<u>1,221,017</u>	<u>\$2,688,941</u>	<u>\$2,637,217</u>
	\$4.10			\$4.10	
	\$1.90			\$1.90	

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years

Type of Customer	2020			2019		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	527,119	\$5,050,703	\$4,902,349	510,399	\$4,916,893	\$4,773,942
Commercial	333,975	3,171,241	3,083,668	484,007	4,327,380	4,236,757
Industrial	46,175	434,824	432,187	36,247	338,725	335,692
Municipal	58,366	0	0	55,490	0	0
<b>Total</b>	<b>965,635</b>	<b>\$8,656,768</b>	<b>\$8,418,204</b>	<b>1,086,143</b>	<b>\$9,582,998</b>	<b>\$9,346,391</b>
Monthly Base Rate		\$15.23			\$14.79	
Rate per 100 Cubic Feet		\$8.64			\$8.39	

Source: City Records

Note: Rates are based on a 5/8" meter, which is the standard household meter.

Charges to Erie County are not included in payment amounts.

2018			2017		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
532,238	\$5,064,423	\$4,801,074	512,049	\$4,658,701	\$4,585,865
625,743	5,362,251	4,734,925	529,248	4,351,923	4,222,673
47,751	425,777	396,341	41,721	355,815	360,092
54,696	0	0	55,296	0	0
<u>1,260,428</u>	<u>\$10,852,451</u>	<u>\$9,932,340</u>	<u>1,138,314</u>	<u>\$9,366,439</u>	<u>\$9,168,630</u>
	\$14.36			\$13.67	
	\$8.14			\$7.75	

(continued)

City of Sandusky  
 Sewer Service by Type of Customer  
 Last Ten Years  
 (continued)

Type of Customer	2016			2015		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	543,712	\$3,933,676	\$3,771,197	564,242	\$3,069,817	\$2,851,418
Commercial	499,593	3,301,521	3,260,717	516,644	2,608,735	2,502,094
Industrial	43,321	295,258	281,684	31,889	167,902	156,509
Municipal	66,957	0	0	72,950	0	0
<b>Total</b>	<b>1,153,583</b>	<b>\$7,530,455</b>	<b>\$7,313,598</b>	<b>1,185,725</b>	<b>\$5,846,454</b>	<b>\$5,510,021</b>
Monthly Base Rate		\$10.94			\$8.75	
Rate per 100 Cubic Feet		\$6.20			\$4.96	

2014			2013		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
585,393	\$2,668,905	\$2,542,241	551,320	\$2,531,256	\$2,532,349
505,059	2,085,709	2,065,514	510,084	2,110,759	2,073,429
30,591	128,868	128,962	31,712	133,237	130,017
60,792	0	0	72,120	0	0
<u>1,181,835</u>	<u>\$4,883,482</u>	<u>\$4,736,717</u>	<u>1,165,236</u>	<u>\$4,775,252</u>	<u>\$4,735,795</u>
	\$7.00			\$7.00	
	\$3.97			\$3.97	

(continued)

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2012			2011		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	548,757	\$2,601,336	\$2,645,519	615,721	\$2,785,808	\$2,657,644
Commercial	507,931	2,106,498	2,095,062	521,961	2,144,778	2,105,590
Industrial	28,074	122,333	126,372	31,093	130,625	126,327
Municipal	57,723	0	0	52,242	0	0
<b>Total</b>	<b>1,142,485</b>	<b>\$4,830,167</b>	<b>\$4,866,953</b>	<b>1,221,017</b>	<b>\$5,061,211</b>	<b>\$4,889,561</b>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

City of Sandusky  
Principal Water Customers  
Last Ten Years

Customer	2020	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$398,452	11.04%
Firelands Regional Health System	122,886	3.41
Sandusky Associates, LLC	55,568	1.54
U. S. Tsubaki, Inc.	51,404	1.43
Sandusky Foundry Machine	49,391	1.37
Tofts Dairy	31,972	0.89
Okamoto Sandusky Manufacturing	21,250	0.59
Sandusky Board of Education	20,174	0.56
North Coast Property Management	15,663	0.43
Westview Estates	14,796	0.41
Total	781,556	21.67
Balance from Other Customers	2,825,105	78.33
Total Water Revenue	\$3,606,661	100.00%

Customer	2019	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$903,261	21.97%
Firelands Regional Health System	117,660	2.86
Sandusky Associates, LLC	50,597	1.23
Radisson Harbour Inn	48,285	1.17
Tofts Dairy	34,421	0.84
Sandusky Board of Education	24,648	0.60
Okamoto Sandusky Manufacturing	18,279	0.44
North Coast Property Management	15,886	0.39
Eastern Realty	13,864	0.34
MHD Corporation	13,676	0.33
Total	1,240,577	30.17
Balance from Other Customers	2,871,979	69.83
Total Water Revenue	\$4,112,556	100.00%

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2018	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$1,166,415	26.46%
Firelands Regional Health System	128,229	2.91
Sandusky Associates, LLC	63,156	1.43
U. S. Tsubaki, Inc.	43,863	1.00
Tofts Dairy	38,958	0.88
Radisson Harbour Inn	29,802	0.68
Sandusky Foundry Machine	25,224	0.57
Okamoto Sandusky Manufacturing	24,603	0.56
Sandusky Board of Education	21,954	0.50
MHD Corporation	20,581	0.47
Total	1,562,785	35.46
Balance from Other Customers	2,844,341	64.54
Total Water Revenue	<u>\$4,407,126</u>	<u>100.00%</u>

Customer	2017	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$970,978	23.02%
Firelands Regional Health System	124,064	2.94
Sandusky Associates, LLC	62,372	1.48
U. S. Tsubaki, Inc.	39,794	0.94
Tofts Dairy	37,886	0.90
A & L Metal Processing	22,304	0.53
Sandusky Board of Education	21,986	0.52
MHD Corporation	21,954	0.52
Radisson Harbour Inn	21,668	0.51
Okamoto Sandusky Manufacturing	21,127	0.50
Total	1,344,133	31.86
Balance from Other Customers	2,874,524	68.14
Total Water Revenue	<u>\$4,218,657</u>	<u>100.00%</u>

(continued)



City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2016	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$841,343	21.74%
Firelands Regional Health System	110,228	2.84
Sandusky Associates, LLC	60,629	1.57
Tofts Dairy	36,869	0.95
U. S. Tsubaki, Inc.	33,899	0.88
Okamoto Sandusky Manufacturing	25,435	0.66
A & L Metal Processing	19,940	0.52
MHD Corporation	19,376	0.50
Sandusky Board of Education	19,346	0.50
North Coast Property Management	14,594	0.38
Total	1,181,659	30.54
Balance from Other Customers	2,687,231	69.46
Total Water Revenue	<u>\$3,868,890</u>	<u>100.00%</u>

Customer	2015	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$688,371	23.25%
Firelands Regional Health System	78,628	2.66
U. S. Tsubaki, Inc.	33,811	1.14
MHD Corporation	24,085	0.81
A & L Metal Processing	18,109	0.61
Sandusky Board of Education	15,541	0.52
Okamoto Sandusky Manufacturing	12,198	0.41
North Coast Property Management	11,069	0.37
Erie County	9,702	0.33
Greentree Inn	8,063	0.27
Total	899,577	30.37
Balance from Other Customers	2,062,295	69.63
Total Water Revenue	<u>\$2,961,872</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2014	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$541,507	21.23%
Firelands Regional Health System	63,486	2.49
Sandusky Associates, LLC	39,166	1.54
U. S. Tsubaki, Inc.	25,486	1.00
MHD Corporation	13,744	0.54
Sandusky Board of Education	12,946	0.51
Norfolk-Southern Corporation	11,219	0.44
Okamoto Sandusky Manufacturing	10,552	0.41
North Coast Property Management	9,908	0.38
Greentree Inn	9,165	0.36
Total	737,179	28.90
Balance from Other Customers	1,813,563	71.10
Total Water Revenue	\$2,550,742	100.00%

Customer	2013	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$530,669	20.89%
Firelands Regional Health System	59,116	2.33
Sandusky Associates, LLC	40,686	1.60
MHD Corporation	23,280	0.92
U. S. Tsubaki, Inc.	22,446	0.88
Sandusky Board of Education	11,996	0.47
Westwood Management	10,202	0.40
North Coast Property Management	10,096	0.40
Greentree Inn	9,811	0.39
A & L Metal Processing	9,393	0.37
Total	727,695	28.65
Balance from Other Customers	1,811,993	71.35
Total Water Revenue	\$2,539,688	100.00%

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2012	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$519,759	19.92%
Firelands Regional Health System	61,966	2.38
Sandusky Associates, LLC	34,226	1.31
U. S. Tsubaki, Inc.	27,006	1.04
MHD Corporation	12,338	0.47
Greentree Inn	10,115	0.39
Westwood Management	9,697	0.37
Erie Metro Housing	9,526	0.37
Sandusky Board of Education	9,336	0.36
Providence Care Center	9,127	0.35
Total	703,096	26.96
Balance from Other Customers	1,904,442	73.04
Total Water Revenue	<u>\$2,607,538</u>	<u>100.00%</u>

Customer	2011	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$507,358	19.24%
Firelands Regional Health System	58,166	2.22
Sandusky Associates, LLC	32,516	1.23
U. S. Tsubaki, Inc.	31,946	1.21
Sandusky Board of Education	19,976	0.76
MHD Corporation	15,587	0.59
Sandusky Foundry	11,619	0.44
Greentree Inn	9,982	0.38
Providence Care Center	9,906	0.37
Erie Metro Housing	9,526	0.35
Total	706,582	26.79
Balance from Other Customers	1,930,635	73.21
Total Water Revenue	<u>\$2,637,217</u>	<u>100.00%</u>

Source: City Utility Department

City of Sandusky  
Principal Sewer Customers  
Last Ten Years

Customer	2020	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$984,521	11.69%
Firelands Regional Health System	300,162	3.57
Sandusky Associates, LLC	141,359	1.68
Sandusky Foundry Machine	127,427	1.51
Tofts Dairy	60,061	0.71
Okamoto Sandusky Manufacturing	53,298	0.63
Sandusky Board of Education	41,672	0.50
North Coast Property Management	41,999	0.50
Westview Estates	37,668	0.45
Radisson Harbour Inn	33,414	0.40
Total	1,821,581	21.64
Balance from Other Customers	6,596,623	78.36
Total Sewer Revenue	\$8,418,204	100.00%

Customer	2019	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,911,477	20.46%
Firelands Regional Health System	282,667	3.02
Sandusky Associates, LLC	128,879	1.38
Radisson Harbour Inn	123,022	1.32
Tofts Dairy	70,195	0.75
Okamoto Sandusky Manufacturing	49,761	0.53
Sandusky Board of Education	52,334	0.56
North Coast Property Management	42,462	0.45
Eastern Realty	34,897	0.37
MHD Corporation	34,516	0.37
Total	2,730,210	29.21
Balance from Other Customers	6,616,181	70.79
Total Sewer Revenue	\$9,346,391	100.00%

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2018	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$2,340,991	23.58%
Firelands Regional Health System	312,997	3.15
Sandusky Associates, LLC	160,046	1.61
Tofts Dairy	79,852	0.80
Radisson Harbour Inn	75,554	0.76
Okamoto Sandusky Manufacturing	67,882	0.68
Sandusky Foundry Machine	65,622	0.66
MHD Corporation	52,014	0.52
A & L Metal Processing	51,948	0.52
Sandusky Board of Education	<u>51,296</u>	<u>0.52</u>
Total	3,258,202	32.80
Balance from Other Customers	<u>6,674,138</u>	<u>67.20</u>
Total Sewer Revenue	<u><u>\$9,932,340</u></u>	<u><u>100.00%</u></u>

Customer	2017	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,493,791	16.30%
Firelands Regional Health System	217,987	2.38
Sandusky Associates, LLC	128,583	1.40
Tofts Dairy	63,927	0.70
Okamoto Sandusky Manufacturing	57,828	0.63
A & L Metal Processing	42,599	0.46
MHD Corporation	41,004	0.45
Sandusky Board of Education	33,165	0.36
North Coast Property Management	32,483	0.35
Radisson Harbour Inn	<u>31,439</u>	<u>0.34</u>
Total	2,142,806	23.37
Balance from Other Customers	<u>7,025,824</u>	<u>76.63</u>
Total Sewer Revenue	<u><u>\$9,168,630</u></u>	<u><u>100.00%</u></u>

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2016	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,493,791	20.43%
Firelands Regional Health System	217,987	2.99
Sandusky Associates, LLC	128,583	1.76
Tofts Dairy	63,927	0.87
Okamoto Sandusky Manufacturing	57,828	0.79
A & L Metal Processing	42,599	0.58
MHD Corporation	41,004	0.56
Sandusky Board of Education	33,165	0.45
North Coast Property Management	32,483	0.44
Radisson Harbour Inn	31,439	0.43
Total	2,142,806	29.30
Balance from Other Customers	5,170,792	70.70
Total Sewer Revenue	<u>\$7,313,598</u>	<u>100.00%</u>

Customer	2015	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,212,006	21.99%
Firelands Regional Health System	159,245	2.89
MHD Corporation	50,655	0.92
A & L Metal Processing	38,296	0.70
Okamoto Sandusky Manufacturing	28,189	0.51
Sandusky Board of Education	26,427	0.48
North Coast Property Management	24,243	0.44
Erie County	20,780	0.38
Greentree Inn	17,127	0.31
Providence Care Center	15,204	0.28
Total	1,592,172	28.90
Balance from Other Customers	3,917,849	71.10
Total Sewer Revenue	<u>\$5,510,021</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2014	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$943,181	19.91%
Firelands Regional Health System	127,169	2.69
Sandusky Associates, LLC	82,348	1.74
MHD Corporation	28,851	0.61
Okamoto Sandusky Manufacturing	23,314	0.49
North Coast Property Management	21,259	0.45
Greentree Inn	19,283	0.41
Sandusky Board of Education	19,272	0.40
Erie Metro Housing	16,176	0.34
Myers Industries, Inc.	2,152	0.05
Total	1,283,005	27.09
Balance from Other Customers	3,453,712	72.91
Total Sewer Revenue	<u>\$4,736,717</u>	<u>100.00%</u>

Customer	2013	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$926,309	19.55%
Firelands Regional Health System	89,811	1.90
Sandusky Associates, LLC	85,524	1.81
MHD Corporation	48,833	1.03
Sandusky Board of Education	25,330	0.53
North Coast Property Management	21,607	0.46
Westwood Management	21,332	0.45
Greentree Inn	20,454	0.43
A & L Metal Processing	19,760	0.42
Providence Care Center	16,028	0.34
Total	1,274,988	26.92
Balance from Other Customers	3,460,807	73.08
Total Sewer Revenue	<u>\$4,735,795</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2012	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$920,514	18.92%
Firelands Regional Health System	96,084	1.98
Sandusky Associates, LLC	69,247	1.42
MHD Corporation	25,913	0.53
Westwood Management	20,287	0.42
Erie Metro Housing	20,146	0.41
Sandusky Board of Education	20,019	0.41
North Coast Property Management	19,621	0.40
Providence Care Center	19,203	0.39
Greentree Inn	15,631	0.32
Total	1,226,665	25.20
Balance from Other Customers	3,640,288	74.80
Total Sewer Revenue	<u>\$4,866,953</u>	<u>100.00%</u>

Customer	2011	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$901,372	18.43%
Firelands Regional Health System	93,821	1.92
Sandusky Associates, LLC	68,453	1.40
Sandusky Board of Education	41,981	0.86
MHD Corporation	32,702	0.67
Providence Care Center	20,832	0.43
Erie Metro Housing	20,146	0.41
A & L Metal Processing	19,283	0.39
Sandusky Foundry	18,828	0.38
Greentree Inn	16,429	0.34
Total	1,233,847	25.23
Balance from Other Customers	3,655,714	74.77
Total Sewer Revenue	<u>\$4,889,561</u>	<u>100.00%</u>

Source: City Utility Department



City of Sandusky  
 Number of Water and Sewer Customers by Type  
 Last Ten Years

Year	Water		Sewer		Total	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
2020	8,412	1,035	8,370	1,011	16,782	2,046
2019	8,247	1,015	8,224	993	16,471	2,008
2018	8,382	1,030	8,340	1,004	16,722	2,034
2017	8,316	1,035	8,280	1,012	16,596	2,047
2016	8,375	1,041	8,324	1,018	16,699	2,059
2015	8,340	1,039	8,294	1,018	16,634	2,057
2014	8,208	1,168	8,166	1,143	16,374	2,311
2013	8,345	1,036	8,319	1,020	16,664	2,056
2012	8,389	1,027	8,357	1,014	16,746	2,041
2011	8,357	1,006	8,329	989	16,686	1,995

Source: City Utility Department



City of Sandusky  
 Water Produced and Consumed and Wastewater Treated  
 Last Ten Years

Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water City Usage	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2020	3,203,741,200	2,405,440,616	754,306,388	86,428,426	23.37%	7,284,652,000
2019	3,380,801,200	2,703,997,407	828,597,748	157,683,603	20.02	7,444,353,000
2018	3,602,715,200	2,828,658,972	940,660,864	173,732,596	21.49	7,025,804,000
2017	3,500,746,100	2,806,477,070	940,989,236	139,969,270	19.83	5,997,373,000
2016	3,322,261,545	2,642,588,574	921,968,344	142,446,326	20.46	5,150,653,000
2015	3,298,592,130	2,635,860,027	921,046,060	240,900,163	20.12	5,131,900,000
2014	3,304,447,404	2,489,943,910	841,352,644	153,627,237	5.81	4,625,400,000
2013	3,323,608,000	2,336,032,624	724,070,810	324,043,324	12.18	4,696,100,000
2012	3,420,350,900	2,509,011,164	806,177,308	43,260,580	1.69	4,400,500,000
2011	3,477,491,000	2,478,440,404	860,098,299	38,144,266	25.76	5,865,100,000

Source: City Utility Department

City of Sandusky  
Ratios of Outstanding Debt by Type  
Last Ten Years

Governmental Activities					
Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Loans Payable	Capital Leases
2020	\$3,212,017	\$10,010,000	\$1,421,342	\$0	\$0
2019	4,829,910	0	1,569,791	0	0
2018	6,374,928	410,000	1,738,654	0	0
2017	7,884,798	810,000	1,934,288	0	8,299
2016	9,314,227	1,200,000	2,125,599	110,599	16,597
2015	10,713,509	1,580,000	2,356,309	216,646	0
2014	12,148,290	1,950,000	2,627,833	318,327	0
2013	13,443,350	2,310,000	2,903,175	415,821	0
2012	14,677,706	0	3,183,334	509,301	0
2011	15,803,424	0	3,486,729	598,932	0

Source: City Records

(1) See schedule on S-56 for population and personal income.

Business-Type Activities

General Obligation Revenue Bonds	OWDA Loans	Loans Payable	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$1,110,000	\$47,203,145	\$0	\$62,956,504	\$2,508.73	10.73%
1,195,000	39,394,393	0	46,989,094	1,821.78	7.94
1,275,000	42,144,494	0	51,943,076	2,013.84	9.11
1,350,000	45,262,928	0	57,250,313	2,219.61	10.67
1,425,000	46,379,503	68,723	60,640,248	2,351.04	10.73
1,500,000	41,713,399	134,616	58,214,479	2,256.99	10.39
1,570,000	44,107,382	197,796	62,919,628	2,439.41	11.23
1,588,285	46,436,047	258,374	67,355,052	2,611.37	13.06
1,649,180	48,063,420	316,459	68,399,400	2,651.86	13.02
1,753,994	46,725,607	372,152	68,740,838	2,665.10	13.91

City of Sandusky  
Ratio of General Bonded Debt to  
Estimated Actual Value and General Bonded Debt Per Capita  
Last Ten Years

Year	Population	Estimated Actual Value	Gross Bonded Debt	Bonded Debt Per Capita	Ratio of Bonded Debt to Estimated Actual Value
2020	25,095	\$1,301,472,224	\$4,322,017	\$172.23	0.33%
2019	25,793	1,293,717,064	6,024,910	233.59	0.47
2018	25,793	1,281,720,548	7,649,928	296.59	0.60
2017	25,793	1,279,650,001	9,234,798	358.04	0.72
2016	25,793	1,278,726,298	10,739,227	416.36	0.84
2015	25,793	1,281,548,246	12,213,509	473.52	0.95
2014	25,793	1,285,455,130	13,718,290	531.86	1.07
2013	25,793	1,288,762,889	15,031,635	582.78	1.17
2012	25,793	1,361,052,402	16,326,886	633.00	1.20
2011	25,793	1,370,828,506	17,557,418	680.70	1.28

Source: City Records

Erie County Auditor

(1) See schedule on S-13 for estimated actual value.

Note: Resources have not been externally restricted for the repayment of debt.

City of Sandusky  
 Computation of Direct and Overlapping Debt for Governmental Activities  
 December 31, 2020

	Debt Outstanding	Percent Applicable to City of Sandusky (1)	Amount Applicable to City of Sandusky
City of Sandusky			
2001 Various Purpose	\$15,000	100.00%	\$15,000
2011 Library Refunding	1,214,717	100.00	1,214,717
2014 Various Purpose Refunding	70,000	100.00	70,000
2015 Police Pension Bonds Refunding	187,564	100.00	187,564
2015 Fire Pension Bonds Refunding	252,436	100.00	252,436
2015 Various Purpose Bonds Refunding	1,472,300	100.00	1,472,300
2020 Urban Renewal	7,700,000	100.00	7,700,000
2020 Economic Development	2,310,000	100.00	2,310,000
Special Assessment Bonds	<u>1,421,342</u>	100.00	<u>1,421,342</u>
 Total City of Sandusky	 <u>14,643,359</u>		 <u>14,643,359</u>
 Erie County	 6,822,545	 19.61	 1,337,901
Sandusky City School District	<u>31,871,160</u>	100.00	<u>31,871,160</u>
 Total Overlapping	 <u>38,693,705</u>		 <u>33,209,061</u>
 Total	 <u><u>\$53,337,064</u></u>		 <u><u>\$47,852,420</u></u>

Source: City Records and Erie County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision. The valuations used were for the 2020 collection year.

City of Sandusky  
Computation of Legal Debt Margin  
Last Ten Years

	2020	2019	2018
Total Assessed Valuation	<u>\$470,259,210</u>	<u>\$466,798,170</u>	<u>\$461,721,770</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	49,377,217	49,013,808	48,480,786
Gross Indebtedness	70,933,144	55,679,393	56,763,934
Less Debt Outside Limitation			
Revenue Bonds	10,010,000	0	410,000
Special Assessment Bonds	1,362,699	1,505,399	1,668,972
General Obligation Revenue Bonds	1,110,000	1,195,000	1,275,000
OWDA Loans	<u>47,203,145</u>	<u>39,394,393</u>	<u>42,144,494</u>
Net Indebtedness	11,247,300	13,584,601	11,265,468
Less Fund Balance in Debt Service Fund	<u>37,232</u>	<u>139,195</u>	<u>155,899</u>
Net Debt Within 10.5 Percent Limitation	<u>11,210,068</u>	<u>13,445,406</u>	<u>11,109,569</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$38,167,149</u>	<u>\$35,568,402</u>	<u>\$37,371,217</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	77.30%	72.57%	77.08%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$25,864,257	\$25,673,899	\$25,394,697
Gross Indebtedness	70,933,144	55,679,393	56,763,934
Less Debt Outside Limitation			
Revenue Bonds	10,010,000	0	410,000
Special Assessment Bonds	1,362,699	1,505,399	1,668,972
General Obligation Revenue Bonds	1,110,000	1,195,000	1,275,000
OWDA Loans	<u>47,203,145</u>	<u>39,394,393</u>	<u>42,144,494</u>
Net Indebtedness	11,247,300	13,584,601	11,265,468
Less Fund Balance in Debt Service Fund	<u>37,232</u>	<u>139,195</u>	<u>155,899</u>
Net Debt Within 5.5 Percent Limitation	<u>11,210,068</u>	<u>13,445,406</u>	<u>11,109,569</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$14,654,189</u>	<u>\$12,228,493</u>	<u>\$14,285,128</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	56.66%	47.63%	56.25%

Source: City Records



2017	2016	2015	2014	2013	2012	2011
<u>\$460,297,960</u>	<u>\$458,789,000</u>	<u>\$459,278,000</u>	<u>\$460,060,000</u>	<u>\$460,233,000</u>	<u>\$484,811,000</u>	<u>\$487,852,000</u>
48,331,286	48,172,845	48,224,190	48,306,300	48,324,465	50,905,155	51,224,460
60,001,809	63,739,824	60,044,560	64,847,881	69,424,886	73,103,099	73,755,127
810,000	1,200,000	1,580,000	1,950,000	2,310,000	0	0
1,859,546	2,046,119	2,272,092	2,539,063	2,810,036	3,086,009	3,384,549
1,350,000	1,425,000	1,500,000	1,570,000	1,565,000	1,625,000	1,729,000
<u>45,262,928</u>	<u>46,379,503</u>	<u>41,713,399</u>	<u>44,107,382</u>	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>
10,719,335	12,689,202	12,979,069	14,681,436	16,303,803	20,328,670	21,915,971
<u>167,788</u>	<u>152,986</u>	<u>129,875</u>	<u>45,366</u>	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>
<u>10,551,547</u>	<u>12,536,216</u>	<u>12,849,194</u>	<u>14,636,070</u>	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>
<u>\$37,779,739</u>	<u>\$35,636,629</u>	<u>\$35,374,996</u>	<u>\$33,670,230</u>	<u>\$32,077,792</u>	<u>\$30,605,619</u>	<u>\$29,341,242</u>
78.17%	73.98%	73.36%	69.70%	66.38%	60.12%	57.28%
\$25,316,388	\$25,233,395	\$25,260,290	\$25,303,300	\$25,312,815	\$26,664,605	\$26,831,860
60,001,809	63,739,824	60,044,560	64,847,881	69,424,886	73,103,099	73,755,127
810,000	1,200,000	1,580,000	1,950,000	2,310,000	0	0
1,859,546	2,046,119	2,272,092	2,539,063	2,810,036	3,086,009	3,384,549
1,350,000	1,425,000	1,500,000	1,570,000	1,565,000	1,625,000	1,729,000
<u>45,262,928</u>	<u>46,379,503</u>	<u>41,713,399</u>	<u>44,107,382</u>	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>
10,719,335	12,689,202	12,979,069	14,681,436	16,303,803	20,328,670	21,915,971
<u>167,788</u>	<u>152,986</u>	<u>129,875</u>	<u>45,366</u>	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>
<u>10,551,547</u>	<u>12,536,216</u>	<u>12,849,194</u>	<u>14,636,070</u>	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>
<u>\$14,764,841</u>	<u>\$12,697,179</u>	<u>\$12,411,096</u>	<u>\$10,667,230</u>	<u>\$9,066,142</u>	<u>\$6,365,069</u>	<u>\$4,948,642</u>
58.32%	50.32%	49.13%	42.16%	35.82%	23.87%	18.44%



City of Sandusky  
Revenue Supported - Bond Coverage  
Governmental Activities  
Last Eight Years

Year	Payment in Lieu of Taxes Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2020	\$503,438	\$0	\$0	\$0	n/a
2019	527,531	410,000	20,336	430,336	1.23
2018	571,170	400,000	31,137	431,137	1.32
2017	575,201	390,000	40,470	430,470	1.34
2016	523,299	380,000	49,597	429,597	1.22
2015	532,265	370,000	59,525	429,525	1.24
2014	537,159	360,000	69,005	429,005	1.25
2013	558,906	370,000	133,603	503,603	1.11

Source: City Records

(1) Includes only payment in lieu of taxes revenue from the Urban Renewal Debt Retirement debt service fund.

City of Sandusky  
 General Obligation - Revenue Supported - Debt Coverage  
 Water Enterprise Fund  
 Last Ten Years

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$7,106,278	\$6,282,856	\$823,422	\$5,000	\$3,203	\$8,203	100.38
2019	7,536,475	7,309,180	227,295	5,000	3,355	8,355	27.20
2018	7,673,836	6,838,235	835,601	5,000	3,508	8,508	98.21
2017	7,608,677	6,625,048	983,629	5,000	3,660	8,660	113.58
2016	6,563,905	5,576,045	987,860	5,000	3,813	8,813	112.09
2015	5,402,733	4,985,761	416,972	10,000	4,118	14,118	29.53
2014	5,395,434	5,100,326	295,108	140,000	9,140	149,140	1.98
2013	5,330,875	4,681,292	649,583	5,000	5,641	10,641	61.05
2012	5,301,855	4,537,221	764,634	5,000	5,898	10,898	70.16
2011	5,296,814	4,770,271	526,543	85,000	10,523	95,523	5.51

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

City of Sandusky  
 General Obligation - Revenue Supported - Debt Coverage  
 Sewer Enterprise Fund  
 Last Ten Years

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$10,399,975	\$9,109,188	\$1,290,787	\$80,000	\$33,245	\$113,245	11.40
2019	10,881,750	8,793,839	2,087,911	75,000	35,533	110,533	18.89
2018	12,220,491	8,433,003	3,787,488	70,000	37,668	107,668	35.18
2017	11,359,516	7,705,045	3,654,471	70,000	39,803	109,803	33.28
2016	9,620,724	6,964,106	2,656,618	70,000	41,938	111,938	23.73
2015	7,311,210	6,338,635	972,575	60,000	43,768	103,768	9.37
2014	5,789,026	5,836,218	(47,192)	1,485,000	108,913	1,593,913	(0.03)
2013	5,981,063	5,316,839	664,224	55,000	59,739	114,739	5.79
2012	5,552,003	4,829,487	722,516	99,000	64,335	163,335	4.42
2011	6,816,622	6,343,763	472,859	92,000	68,641	160,641	2.94

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

City of Sandusky  
Demographic Statistics  
Last Ten Years

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Dwelling Units (1)	Occupied Dwelling Units Households (1)
2020	25,095	\$586,946,955	\$23,389	13,586	10,941
2019	25,793	591,639,834	22,938	13,416	10,913
2018	25,793	569,947,921	22,097	13,455	11,052
2017	25,793	536,313,849	20,793	13,600	11,264
2016	25,793	565,408,353	21,921	13,617	11,333
2015	25,793	560,352,925	21,725	13,706	11,432
2014	25,793	538,635,219	20,883	13,447	11,155
2013	25,793	515,679,449	19,993	13,536	11,138
2012	25,793	525,222,859	20,363	13,386	11,082
2011	25,793	494,116,501	19,157	13,386	11,082

Source: (1) U.S. Bureau of the Census

(2) U.S. Department of Labor: Bureau of Labor Statistics

(3) Computation of per capita personal income multiplied by population.

Persons Per Household (1)	Owner Occupied Units (1)	Median Family Income (1)	Unemployment Rate (2)
2.23	5,512	\$47,139	8.3%
2.25	5,577	36,448	5.6
2.25	5,856	42,495	6.2
2.12	5,854	41,296	6.9
2.15	5,810	42,928	6.0
2.15	5,965	44,441	5.9
2.25	5,786	45,208	7.0
2.27	5,906	43,723	7.9
2.28	5,916	44,615	7.6
2.28	5,916	44,270	9.2

City of Sandusky  
Principal Employers  
Current Year and Nine Years Ago

Employer	Type of Business	2020		
		Number of Employees	Rank	Percentage of Total Employment
Magnum Management Corp.	Entertainment	4,228	1	34.58%
Firelands Regional Health System	Hospital	2,264	2	18.52
Ventra Sandusky LLC	Manufacturing	1,522	3	12.45
Sandusky Board of Education	Education	698	4	5.71
Erie County	Government	629	5	5.15
Providence Care Center	Nursing Home	378	6	3.09
City of Sandusky	Government	320	7	2.62
John Bean Technology Corp.	Manufacturing	240	8	1.96
Lewco, Inc.	Manufacturing	226	9	1.85
Civista Bank	Bank	184	10	1.51
Stein Hospice Service	Hospice			
Kyklos Bearings International	Automotive			
FMC Food Tech	Service			
Ford Motor Company	Automotive			
Cedar Fair	Entertainment			
	Total	<u>10,689</u>		<u>87.44%</u>
	Total City Employment	<u>12,225</u>		

Source: Regional Income Tax Agency (RITA)



2011		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
5,627	1	46.88%
2,043	2	17.02
806	3	6.72
590	4	4.92
248	6	2.07
339	5	2.83
215	7	1.79
200	8	1.67
150	9	1.25
118	10	0.98
<u>10,336</u>		<u>86.13%</u>
<u>12,000</u>		

City of Sandusky  
Full Time Equivalent City Government Employees by Function/Program  
Last Ten Years

Function/Program	2020	2019	2018
Security of Persons and Property-Police			
Police Patrol	43.0	48.0	48.0
Police Records	2.0	2.0	2.0
Police Reserve	2.5	2.5	4.5
Security of Persons and Property-Fire			
Fire Suppression	45.0	48.0	48.0
Public Health			
Oakland Cemetery	2.5	3.5	3.0
Leisure Time Activities			
Golf Course	5.5	0.0	0.0
Recreation	7.5	12.5	3.5
Community Environment			
Community Development	10.0	17.5	17.0
Building	4.0	5.0	5.0
Horticultural Services	9.0	11.0	10.5
Transportation			
Streets	10.5	12.5	11.0
Traffic and Electrical Maintenance	2.0	2.0	2.0
General Government-Municipal Court			
Court-Criminal	16.0	16.5	16.0
General Government-Other			
City Manager	3.0	3.0	3.0
Personnel Labor Relations	3.5	5.5	5.0
Finance	2.0	3.0	3.0
Law Director	3.5	4.5	3.5
City Commission	8.0	8.0	8.0
Municipal Buildings and Lands	3.5	5.0	5.0
Engineering	6.0	7.0	7.0
Fleet	4.0	5.0	5.0
Basic Utility Services			
Water/Sewer Office	4.0	5.0	4.0
Waterworks Filtration	14.0	15.0	15.0
Waterworks Distribution	11.0	11.0	10.5
Water Pollution Control	17.0	18.0	18.0
Sewer Maintenance	10.0	11.0	11.0
Total	249.0	282.0	268.5

Source: City Records

Method: Using 1.0 for each full-time employee and .5 for each part-time employee as of December 31 of each year.

2017	2016	2015	2014	2013	2012	2011
48.0	47.0	47.0	45.0	45.0	45.0	47.0
2.0	2.0	2.0	1.0	1.0	1.0	4.5
4.5	4.0	3.0	0.0	4.0	4.0	2.0
48.0	48.0	48.0	48.0	53.0	53.0	54.0
3.5	2.5	2.5	2.0	2.5	2.5	2.5
0.0	0.0	0.5	0.0	0.0	0.5	0.0
2.0	1.0	1.5	1.0	1.0	1.0	2.0
17.0	16.0	10.0	6.0	7.0	6.0	6.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	10.5	9.0	7.0	7.5	8.0	8.5
10.0	11.5	11.5	11.0	10.5	10.5	9.5
2.0	2.0	1.0	2.0	2.0	2.0	2.0
16.5	17.0	17.0	14.0	17.0	17.5	17.0
3.0	3.0	2.0	1.0	1.0	1.0	1.5
6.0	4.0	4.0	2.0	3.0	3.0	4.0
3.0	3.0	3.0	3.0	3.0	3.0	2.0
4.5	4.5	5.5	4.0	4.5	4.5	4.5
8.0	8.0	8.0	8.0	8.0	8.0	8.0
5.5	4.0	4.0	2.0	2.5	3.5	3.5
7.0	11.5	10.0	8.0	8.0	7.0	7.0
5.0	5.0	4.0	4.0	4.0	4.0	4.0
4.0	4.0	3.0	3.0	3.0	3.0	3.0
15.0	14.0	13.0	13.0	12.0	13.0	13.0
10.5	10.0	10.0	9.0	9.0	8.0	8.0
17.0	17.0	15.0	15.0	15.0	17.0	18.0
11.0	9.0	10.0	9.0	9.0	9.0	8.0
<u>264.5</u>	<u>258.5</u>	<u>244.5</u>	<u>218.0</u>	<u>232.5</u>	<u>235.0</u>	<u>239.5</u>

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years

Function/Program	2020	2019	2018
<b>Security of Persons and Property-Police</b>			
Number of Calls for Service	21,980	33,848	34,430
Number of Traffic Citations and Arrests	1,191	2,285	2,314
Number of Parking Tickets Issued	495	454	495
<b>Accident Severity Breakdown</b>			
Fatalities	1	0	1
Injury	107	119	114
Property Damage	562	551	533
Number of Criminal Arrests	2,730	3,628	4,198
Number of DUI Arrests	169	178	185
Square Miles Served	14.9	14.9	14.9
Original Department Operating Budget (General Fund)	\$5,441,750	\$5,674,591	\$5,557,415
<b>Security of Persons and Property-Fire</b>			
Number of EMS Calls	5,204	5,398	4,837
Number of Fire Calls	1,145	902	1,456
Net Ambulance Billing Collections	\$936,556	\$1,063,211	\$1,012,586
EMS Response Time (in seconds)	214	194	181
Fire Reponse Time (in seconds)	229	218	367
Number of Times Mutual Aid Given	8	35	30
Number of Times Mutual Aid Received	7	53	29
Square Miles Served	14.9	14.9	14.9
Number of Stations	3	3	3
Original Department Operating Budget (General Fund)	\$5,058,850	\$5,203,565	\$5,160,045
<b>Public Health</b>			
Cemetery Burials	144	126	136
Cemetery Cremations	60	47	50
Cemetery Sale of Lots	80	111	136
Cemetery Charges for Services Receipts	\$118,416	\$114,271	\$127,480
<b>Leisure Time Activities</b>			
<b>Recreation</b>			
Boat Ramp Receipts	\$0	\$125	\$0
Golf Course Receipts	\$225,724	\$156,218	\$161,363
Recreation Receipts	\$63,235	\$107,818	\$62,011
Sandusky Bay Pavilion Receipts	\$0	\$0	\$0
Paper District Marina Receipts	\$49,640	\$44,500	\$37,200
Reimbursements/Donations	\$0	\$5,666	\$11,250
Golf Course-Daily Pay Rounds	9,983	5,770	5,771
Golf Course-Daily Pass Rounds	5,036	4,740	5,177
Golf Course-Annual Pass Sales	111	87	85
Boat Ramp-Number of Daily Passes Sold	0	0	0
Boat Ramp-Number of Season Passes Sold	0	0	0
Boat Ramp-Number of Tournament Days	9	17	11
Paper District Marina-3-Hour Docks	3,724	3,037	2,749
Paper District Marina-Overnight Boat	337	513	410
Paper District Marina-Weekly Boat	0	0	0
Paper District Marina-Jetski Day	0	0	0
Paper District Marina-Jetski Overnight	0	27	3
Paper District Marina-Jetski 10-Day	0	0	0
Paper District Marina-Seasonal Dock (Boat)	27	24	22
Paper District Marina-Seasonal Dock (Jetski)	8	6	8

2017	2016	2015	2014	2013	2012	2011
28,957	28,533	34,386	25,192	43,330	36,934	37,071
2,642	3,174	2,050	2,785	4,281	3,922	3,452
612	757	426	349	396	445	557
0	1	1	0	0	2	0
167	122	120	125	100	127	138
487	475	539	568	514	577	574
4,030	4,135	4,256	6,026	6,391	6,094	5,881
240	223	173	255	237	184	185
14.9	14.9	14.9	14.9	14.9	14.9	14.9
\$5,509,581	\$5,328,569	\$5,042,948	\$4,665,990	\$4,727,118	\$4,951,507	\$4,686,741
5,014	4,771	4,962	4,904	4,542	4,495	4,312
1,533	1,539	1,241	1,059	897	855	791
\$980,106	\$999,773	\$907,778	\$850,165	\$780,893	\$864,791	\$622,476
186	189	101	186	175	178	191
239	241	237	255	226	251	288
62	35	31	29	32	23	26
36	32	33	23	23	17	29
14.9	14.9	14.9	14.9	14.9	14.9	14.9
3	3	3	3	3	3	3
\$4,983,891	\$4,688,936	\$4,666,999	\$4,508,719	\$4,294,596	\$4,176,776	\$4,105,936
151	154	124	138	138	108	128
47	47	35	38	48	34	34
117	82	93	62	75	74	66
\$120,544	\$117,474	\$106,665	\$90,118	\$96,550	\$74,340	\$90,515
\$0	\$5,150	\$300	\$0	\$28,763	\$21,369	\$938
\$183,747	\$172,769	\$188,674	\$183,990	\$162,553	\$204,010	\$211,717
\$59,479	\$62,676	\$42,286	\$46,700	\$40,456	\$30,954	\$30,958
\$750	\$0	\$1,000	\$790	\$10,540	\$0	\$5,000
\$9,000	\$36,667	\$50,848	\$44,738	\$36,975	\$21,369	\$6,033
\$2,145	\$1,317	\$1,211	\$3,048	\$3,483	\$3,262	\$760
13,915	6,870	7,638	7,707	7,150	9,801	6,935
6,685	5,076	5,489	6,487	5,983	6,952	6,880
130	106	102	110	113	120	119
0	0	0	0	2,932	2,501	0
0	0	0	0	80	65	0
6	20	19	22	19	12	14
3,015	2,757	1,795	1,811	1,722	722	186
497	420	255	299	334	109	89
0	0	0	0	0	0	11
0	0	14	15	38	17	39
4	6	5	0	6	0	2
0	0	2	0	0	0	2
20	22	10	6	1	0	0
8	8	8	8	5	0	0

(continued)

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years  
 (continued)

Function/Program	2020	2019	2018
<b>Horticulture Services</b>			
Trees Planted	92	310	65
Trees Removed	253	320	134
Trees Trimmed	375	415	166
Stumps Removed	130	305	107
Loads of Wood and Chips to Residents	350	600	20
<b>Number of Regularly Scheduled Work Hours Related to</b>			
Trees Planted	100	400	260
Trees Removed	1,750	3,000	804
Trees Trimmed	1,250	1,680	249
Stumps Removed	400	1,000	642
Storm Cleanup	800	120	220
Plant Propagation	1,500	1,650	1,700
Plant Installation	200	1,325	1,300
Landscape Maintenance	2,000	2,500	2,750
Fountain and Irrigation Maintenance	630	400	2,750
Playground Equipment Maintenance	1,469	1,531	2,620
Nursery Maintenance	0	0	0
Baseball Field Maintenance	336	610	610
Public Restroom Maintenance	577	700	700
Holiday Decorations	800	750	800
Christmas Tree Pickup	120	120	150
<b>Transportation</b>			
Cost of Salt Purchased	\$34,576	\$68,822	\$94,549
Number of Regularly Scheduled Work Hours Related to Snow Removal	623	358	220
Sign Department Hours	2,098	1,750	2,355
Guardrail Repair Hours	0	12	76
Street Improvements-Asphalt Overlay (linear feet)	1,935	5,488	6,100
Pavement Marking Hours	307	860	0
Cold Patch Hours	377	348	1,486
Street Sweeping Hours	1,212	1,464	839
<b>General Government-Court</b>			
<b>Municipal Court</b>			
Number of Civil Cases	1,982	3,137	3,006
Number of Criminal Cases	5,622	8,127	9,919
<b>General Government-Other</b>			
<b>Finance</b>			
Agency Ratings-Moody's Financial Services	A1	Aa3	Aa3
<b>Income Tax</b>			
Number of Individual Returns	16,904	15,293	16,073
Number of Business Returns	3,800	2,652	3,538
Number of Business Withholding Accounts	18,028	18,984	18,595
Amount of Interest and Penalties Collected	250,484	123,635	121,670
Tax Revenue	\$11,314,395	\$12,341,766	\$12,957,559
<b>City Commission</b>			
Number of Ordinances Passed	200	225	248
Number of Resolutions Passed	46	46	55

2017	2016	2015	2014	2013	2012	2011
99	110	40	58	56	65	52
55	136	129	136	113	153	143
88	150	102	235	250	232	223
6	50	62	136	98	177	132
25	25	30	132	132	135	128
276	276	0	135	143	244	18
456	624	0	818	827	688	939
110	40	0	427	476	375	430
633	360	32	137	149	144	119
100	100	350	336	297	491	220
1,300	1,200	1,060	1,172	1,112	1,350	1,055
1,000	1,000	700	565	499	731	465
2,200	2,000	1,500	1,575	1,521	1,945	1,260
350	400	200	143	164	174	92
316	316	225	103	102	120	87
0	0	0	327	371	16	593
610	610	400	117	106	125	120
700	700	680	295	289	286	309
700	206	224	793	732	715	931
225	225	40	87	81	122	57
\$37,946	\$34,652	\$9,847	\$45,472	\$50,460	\$25,307	\$60,650
205	491	0	996	1,110	694	1,185
2,128	2,414	2,180	1,561	1,600	1,503	1,581
80	10	48	3	8	0	0
1,863	1,942	4,084	896	1,241	1,331	115
208	1,072	256	555	654	520	492
936	1,187	2,512	1,090	1,245	839	1,185
1,456	1,376	1,160	1,502	1,484	1,425	1,598
2,839	2,865	2,383	2,375	2,622	2,749	2,502
10,179	10,401	10,519	11,716	12,843	11,597	9,879
Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
16,305	15,619	14,938	15,827	13,682	15,306	15,050
3,104	3,195	3,019	3,382	2,927	2,748	2,460
17,046	15,626	13,979	14,381	14,168	13,387	12,168
128,529	120,705	115,775	\$149,107	\$97,234	\$100,984	\$122,404
\$12,301,074	\$13,121,939	\$11,126,894	\$7,297,336	\$8,303,179	\$7,971,818	\$7,234,468
234	236	201	160	146	141	143
59	73	57	54	50	39	52

(continued)

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years  
 (continued)

Function/Program	2020	2019	2018
<b>Municipal Buildings and Lands</b>			
Number of Construction Permits Issued (building, electric, plumbing)	814	841	917
Estimated Value of Construction	\$19,044,269	\$24,617,876	\$14,551,131
Amount of Revenue Generated from Building Department	\$310,737	\$255,792	\$383,056
<b>Civil Service</b>			
Number of Police Entry Tests Administered	1	1	1
Number of Fire Entry Tests Administered	0	1	0
Number of Police Promotional Tests Administered	1	1	1
Number of Fire Promotional Tests Administered	0	2	0
Number of Hires of Police Officers from Certified Lists	1	2	4
Number of Hires of Fire/Medics from Certified Lists	2	2	0
Number of Promotions from Police Certified Lists	5	3	1
Number of Promotions from Fire Certified Lists	1	3	0
<b>Water Department</b>			
Water Base Rate (1)	\$7.49	\$7.27	\$7.06
<b>Sewer Department</b>			
Sewer Base Rate (1)	\$15.23	\$14.79	\$14.36
Total Flow of Wastewater Treatment Plant	7,285	7,444	7,026
Average Daily Flow (millions of gallons per day)	19.90	20.40	19.25
Tons of Dry Sludge Removed	1,527	926	1,413

Source: City Records

(1) Based on 5/8" meter (base rate)



2017	2016	2015	2014	2013	2012	2011
929	900	803	772	842	927	1,060
\$24,530,634	\$16,932,873	\$8,096,977	\$15,478,633	\$55,106,730	\$16,070,557	\$11,484,665
\$242,967	\$218,303	\$192,458	\$170,621	\$290,930	\$188,287	\$146,647
1	0	1	0	0	0	1
1	0	1	0	1	0	1
1	0	0	0	1	0	2
1	0	1	0	2	1	2
5	2	4	0	0	7	5
0	2	3	0	0	4	6
2	0	2	2	0	5	4
0	0	2	4	0	6	2
\$7.06	\$6.85	\$6.41	\$4.10	\$4.10	\$4.10	\$4.10
\$13.67	\$10.94	\$8.75	\$7.00	\$7.00	\$7.00	\$7.00
5,997	5,151	5,132	4,625	4,696	4,401	5,865
16.43	14.10	14.10	12.70	12.90	12.01	16.10
1,141	1,369	1,189	1,211	1,210	1,272	1,017

City of Sandusky  
Capital Assets by Function/Program  
Last Ten Years

Function/Program	2020	2019	2018
Security of Persons and Property-Police			
Stations	1	1	1
Vehicles	24	24	23
Security of Persons and Property-Fire			
Stations	3	3	3
Vehicles	14	14	14
Public Health			
Vehicles	3	3	3
Leisure Time Activities			
Number of Parks	22	22	22
Number of Piers/Pavilions/Plazas	7	7	7
Number of Boat Launch Ramps	1	1	1
Number of Golf Courses	1	1	1
Number of Baseball/Softball Diamonds	17	17	17
Number of Skateboarding Areas	1	1	1
Community Environment			
Vehicles	51	51	50
Transportation			
Bridges	2	2	2
Streets (miles)	113.8	113.8	113.8
Vehicles	21	21	20
General Government-Other			
City Manager Vehicles	1	1	1
Mechanic Vehicles	5	5	4
Engineering Vehicles	6	6	6
Water			
Water Lines (miles)	135.88	135.88	135.88
Vehicles	17	17	16
Sewer			
Sewer Lines (miles)	165.92	165.92	165.92
Vehicles	17	17	17

Source: City Records

2017	2016	2015	2014	2013	2012	2011
1 24	1 26	1 26	1 24	1 22	1 27	1 26
3 15	3 15	3 15	3 15	3 15	3 16	3 15
3	3	2	2	2	3	3
22 7 1 1 17 1	20 3 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1
55	42	50	50	46	46	46
2 113.8 19	2 113.8 19	1 113.8 17	1 113.7 17	1 113.7 17	1 113.7 29	1 113.7 29
1 5 3	1 4 3	0 4 3	0 4 3	0 4 3	5 4 10	6 4 10
135.88 14	135.88 14	134.88 14	134.88 12	134.88 11	134.88 18	134.88 18
165.92 16	165.92 13	164.44 15	164.15 16	163.69 14	163.69 20	163.69 20



# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF SANDUSKY**

**ERIE COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 2/22/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

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