



**Auditor of State
Betty Montgomery**

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number
UNITED STATES DEPARTMENT OF AGRICULTURE		
<i>Passed through the Ohio Department of Education</i>		
<u>Nutrition Cluster:</u>		
Food Distribution	n/a	10.550
School Breakfast Program	05-PU-2002 05-PU-2003	10.553
Total - School Breakfast Program		
National School Lunch Program	LL P1 2002 LLP1 2003 LLP4-2002 LLP4-2003	10.555
Total - National School Lunch Program		
Total Department of Agriculture- Nutrition Cluster		
UNITED STATES DEPARTMENT OF EDUCATION		
<i>Direct Program</i>		
Adult Education Pell Grant	n/a	84.063
<i>Passed through the Ohio Department of Education</i>		
<u>Special Education Cluster:</u>		
Special Education - Grants to States	6B-SF 2002 P 6B-SF 2003 P	84.027
Total - Special Education Grants to States		
Special Education - Preschool Grant	PG-S1 2002 P PG-S1 2003 P	84.173
Total - Preschool Grant		
Total - Special Education Cluster		
Adult Education State Grant Program	AB-S1 2002 AB-S1 2002 C AB-S1 2003	84.002
Total - Adult Basic Education		
Title I Grants to Local Educational Agencies	C1-S1 2001-C C1-S1 2002 C1-S1 2003 C1-SK 2003	84.010
Total - Title I Grants to Local Educational Agencies		
Title I Accountability Grants	AK-SI 2002	84.348
Total - Title I Accountability Grants		

Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
	\$74,201		\$74,201
\$39,385		\$39,385	
104,637		104,637	
144,022		144,022	
1,724		1,724	
8,575		8,575	
182,586		182,586	
516,068		516,068	
708,953		708,953	
852,975	74,201	852,975	74,201
52,450		52,450	
8,738		101,365	
479,713		429,728	
488,451		531,093	
1,844		9,462	
37,366		32,236	
39,210		41,698	
527,661		572,791	
		22,584	
20,098		26,334	
45,304		37,356	
65,402		86,274	
		4,929	
206,735		113,381	
981,034		976,012	
49,464		91,753	
1,237,233		1,186,075	
45,630			
45,630			

(Continued)

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number
Vocational Education - Basic Grants to States	20-A0 2002 20-C1 2002 20-C1 2003 20-C2 2002 20-C2 2003	84.048
Total - Vocational Education Basic Grants to States		
Safe and Drug Free Schools and Communities - State Grants	DR-S1 2002 DR-S1 2003	84.186
Total - Safe and Drug Free Schools and Communities - State Grants		
Goals 2000 - State and Local Education Systemic Improvement	G2-S2 2001 G2-S1 2001 G2-S9 2001	84.276
Total - Goals 2000 - State & Local Education Systemic Imp.		
Eisenhower Professional Development State Grant	MG-S1 2002	84.281
Total - Eisenhower Professional Development State Grant		
Innovative Education Program Strategies	C2-S1 2002 C2-S1 2003	84.298
Total - Innovative Education Program Strategies		
Technology Literacy Challenge Fund Grants	TJS1-2003	84.318
Total - Technology Literacy Challenge Fund Grants		
Class Size Reduction	CR-S1 2002	84.340
Total - Class Size Reduction		
School Renovation Grants	AT-S2-2002 AT-S3-2002	84.352A
Total - School Renovation Grants		
Improving Teacher Quality State Grants	TR-S1-2003	84.367
Total - Improving Teacher Quality State Grants		
Total Department of Education		
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
<i>Passed through the Ohio Department of Education</i>		
Learn and Serve America School and Community Based Program	SV-S1 2003	94.004
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i>		
Title XIX (Medicaid)		93.778
TOTALS		

The accompanying notes are an integral part of this schedule.

Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
2,999		22,039	
71,611		14,638	
38,887		122,498	
57,717		346	
26,283		80,947	
197,497		240,468	
		3,342	
38,452		20,609	
38,452		23,951	
		9,675	
		4,207	
18,741		57,224	
18,741		71,106	
		4,675	
		4,675	
		1,188	
32,302		31,041	
32,302		32,229	
32,992		26,046	
32,992		26,046	
32,612		53,304	
32,612		53,304	
6,250		5,830	
8,152			
14,402		5,830	
255,285		252,490	
255,285		252,490	
2,550,659		2,607,689	
12,427		11,407	
194,758		194,758	
\$3,610,819	\$74,201	\$3,666,829	\$74,201

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2003

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE D – ENVIRONMENTAL PROTECTION AGENCY GRANT

The District received an interest free loan in 1988 from the U.S. Environmental Protection Agency under the Asbestos Removal Grant Program (CFDA 66.702). As of June 30, 2003, the District owed \$276,605 on this loan. This loan is subject to certain compliance requirements imposed by the U.S. Environmental Protection Agency. The initial expenditure of these loan proceeds were reported on the Schedule of Federal Awards expenditures in the year funds were disbursed. No additional financial activity has been incurred other than the District's repayment of the loan. Such activity is not required to be reported in this Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

We have audited the financial statements of the Sandusky City School District, Erie County, Ohio (the District), as of and for the year ended June 30, 2003, and have issued our report thereon dated December 31, 2003, in which we noted that the District changed the fund type classification of several of its private purpose trust funds. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 31, 2003.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 31, 2003.

Sandusky City School District
Erie County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 31, 2003



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

Compliance

We have audited the compliance of the Sandusky City School District, Erie County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. We noted a certain instance of noncompliance that did not require inclusion in this report that we have reported to management of the District in a separate letter dated December 31, 2003.

Internal Control over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 31, 2003, in which we noted that the District changed the fund type classification of several of its private purpose trust funds. We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 31, 2003

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
JUNE 30, 2003

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster (CFDA #10.550, 10.553, and 10.555) Special Education Cluster (CFDA #84.027 and 84.173)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

SANDUSKY CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2003

PREPARED BY
TREASURER'S DEPARTMENT
A. TROY BOUTS, TREASURER

407 DECATUR STREET

SANDUSKY, OHIO 44870

INTRODUCTORY SECTION

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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SANDUSKY CITY SCHOOLS

407 DECATUR STREET
SANDUSKY, OHIO 44870
(419) 626-6940

December 31, 2003

Members of the Board of Education and Residents of the
Sandusky City School District

The Comprehensive Annual Financial Report (CAFR) of the Sandusky City School District (the "District") for the fiscal year ended June 30, 2003 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in three sections as follows:

1. **Introductory Section** - This section contains a Table of Contents, Letter of Transmittal, List of Principal Officers, Organizational Chart of the District, Certificate of Achievement for Excellence in Financial Reporting and Certificate of Excellence in Financial Reporting.
2. **Financial Section** - This section begins with the Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.
3. **Statistical Section** - This section presents selected financial and demographic information, generally presented on a multi-year basis.

General Introduction to the District

The District ranks as 91st largest by total enrollment among the 740 public and community school districts in the state and is the largest in Erie County. As of the current school year (2002-03), the average daily membership (ADM) was 4,262 students. Most of these students attend one of the District's thirteen schools, while a number of handicapped students are served by Erie County special education units outside the District. District enrollment is expected to remain at the current level over the next several years.

The District has 604 full and part time employees. The District employs 359 certified staff members and 32 administrators. Additionally, the District employs 11 adult education instructors and 202 full-time and part-time non-teaching staff members.

The District offers a wide variety of educational programs for all segments of the community. Sandusky High School is one of the few comprehensive high schools in Ohio, containing sixteen (16) vocational programs as well as a wide range of college preparatory offerings. Additionally, the adult continuing education program serves more than 5,000 adults each year. The District provides extensive special education services, which exceeds 47 units of special education, and offers a kindergarten through twelfth grade accelerated and gifted program. All District kindergarten students attend all-day, everyday kindergarten classes and benefit from a full day of instruction.

A full range of extracurricular programs and activities is available to students beginning with the elementary grades. All District schools have libraries, special purpose rooms, including computer labs and unique curricular offerings designed by the individual building staff and administration.

An active Council of local neighborhood Parent Councils provides for articulation, cooperation, and communication and partnership between parents, community members, and school officials.

The District cooperates with the City of Sandusky Recreation and Parks Department, churches and a number of community and civic organizations in making school facilities available for athletic, recreational and enrichment activities.

Classroom teachers at all levels are supported by specialists in media, guidance, art, instrumental and vocal music, physical education and curriculum development. A comprehensive interscholastic and intramural sports program is offered to students at select grade levels of the District. All elementary schools have full-time media aides and secondary schools are staffed by certified media specialists. Three school nurses, three psychologists, one media coordinator, nine counselors, specific coordinators for Title I (a federally funded reading and mathematics program), and gifted programs offer direction, support and coordination of services for all students.

Reporting Entity

The District has reviewed its reporting entity definition to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "**The Financial Reporting Entity**." In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. A complete discussion of the District's reporting entity is provided in Note 2.A. to the basic financial statements.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap the territory of the District are listed below. The stated percentage is that percentage of the tax valuation of the overlapping entity that is located within the District.

1. A portion (26.5%) of Erie County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial).
2. The City of Sandusky (100%) (municipal corporation responsibilities).

Each of these entities operates independently, with its own separate budget, taxing power, and sources of revenue. Both Erie County and the City of Sandusky levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills). The District also acts as fiscal agent for local tax revenues distributed to the Sandusky Library, located within the District's boundaries, with this revenue reported in the agency funds.

The District is an active member of the Enterprise Zone Negotiating Committee, along with the City of Sandusky and Erie County. The Enterprise Zone offers tax abatements for real and personal property improvements and additions to businesses located within the city. A number of local companies have been granted partial tax abatements on additions made during the last several years. The City of Sandusky and the District have also benefited from these expansions through additional tax revenues from the unabated portion of valuation increases on the property and from improved economic conditions resulting from growth in employment of city residents.

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2002-03 school year) for a teacher with a bachelor's degree is \$28,152, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$60,319.

The District's certificated staff, excluding administration, are members of the Sandusky Education Association (S.E.A.), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the S.E.A. expires August 31, 2004.

All of the District's support staff employees, including secretarial, custodial, maintenance, transportation, and aides, are represented for bargaining purposes by the Sandusky Non-Teaching Employees Association (S.N.T.E.A.), a labor organization affiliated with the Ohio Education Association. The current S.N.T.E.A. contract expires June 30, 2005.

The District has never experienced any work stoppage or job actions. In the judgment of the Board and administration, labor relations between the District and its employees remain excellent.

Facilities

The District's classroom and other facilities are as follows:

<u>Facility</u>	<u>Dates of Construction and Addition and/or Major Improvement</u>	<u>Number of Classrooms</u>	<u>Capacity (a)</u>	<u>ADM as of June 2003 (b)</u>	<u>Sound Insurable Value (c)</u>
<u>Elementary Schools</u>					
Campbell	1884/1991	10	250	195	\$ 1,565,524
Hancock	1923/'28/'31/'49/'66	21	525	335	1,702,997
Madison	1939/1991	10	250	229	1,350,435
Mills	1954/1991	19	475	301	1,945,873
Monroe	1894/1903/1991	13	325	203	2,131,630
Ontario	1952/1968	20	500	345	2,115,356
Osborne	1890/1991	15	375	306	2,301,995
Venice Hts.	1970	22	550	362	2,643,859
<u>Junior High Schools</u>					
Adams	1867/1914/1977	20	500	318	5,026,902
Jackson	1898/1927/1937	20	500	281	4,136,878
<u>High School</u>					
Sandusky High	1957/'67/'70/'73	90	2,250	1,288	16,539,764
<u>Alternative Schools</u>					
Barker	1874	7	175	52	871,836
Barker Annex	1924	4	100	N/A	377,732
<u>Non-Classroom Facilities</u>					
Administration	1926	N/A	N/A	N/A	1,548,115
Bus Garage	Unknown	N/A	N/A	N/A	547,337
Stadium	1935	N/A	N/A	N/A	1,422,637
Bonn Bldg.	Unknown	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>84,184</u>
Total		<u>271</u>	<u>6,775</u>	<u>4,215</u>	<u>\$46,313,054</u>

N/A - "Not applicable"

- (a) Capacity of these buildings is based on an average pupil/teacher ratio of 25 to 1.
- (b) Figures shown do not include students with special needs placed outside the District.
- (c) District property is exempt from ad valorem taxation. Source of the estimated value is the "sound insurance value" of each building or structure and the contents.

Parochial Schools

The District acts as fiscal agent for state funds distributed to parochial schools, with revenue reported in special revenue funds. The following four (4) parochial schools, located within the District, serve students who reside both inside and outside the District. As of June, 2003, approximately 61.7% of the students reside within the District.

<u>Parochial School</u>	2002-03 Enrollment		
	<u>District</u>	<u>Outside</u>	<u>Total</u>
St. Mary's Elementary (Grades 4 - 8)	222	127	349
Sts. Peter & Paul Elementary (Grades K - 3)	183	107	290
Holy Angels Elementary (Pre-School)	48	35	83
St. Mary's Central Catholic High School	<u>134</u>	<u>96</u>	<u>230</u>
	<u>587</u>	<u>365</u>	<u>952</u>

Economic Conditions and Outlook

The District is located in Erie County, in Northwest Ohio, approximately sixty miles west of Cleveland and sixty miles east of Toledo. All of the District is located within Erie County and falls entirely within the corporate boundaries of the City of Sandusky, which lies on the shores of Sandusky Bay and Lake Erie.

The District is served by diversified transportation facilities including immediate access to four State highways and Interstate 80 (Ohio Turnpike). The District is served by Conrail, Norfolk and Southern, and Amtrak Rail Services. Griffing Airport (Commuter Services) is located within the District's boundaries.

Major commercial banks with offices within the District include National City Bank, US Bank, Key Bank, Fifth Third Bank and The Citizens Banking Company.

Two daily newspapers serve the District. The District falls within the broadcast area of seven television stations and numerous AM/FM radio stations. One television station is located within the city limits as are two AM/FM radio stations. The District has a cable television license and broadcasts school information on cable Channel 27.

Within commuting distance of the District are numerous public and private two and four-year colleges and universities including Firelands College, Ashland University, Cleveland State University, Toledo University, Bowling Green State University, and Lorain Community College. Ashland University and Bowling Green State University utilize District facilities and staff for course offerings to District staff members and other interested residents and students.

The District is served with a wide range of recreational offerings through school and City recreation and park programs. One of the things that makes the District an attractive place to live is its unique location. It is located on both Sandusky Bay and Lake Erie with over twenty-two (22) miles of shoreline within the city limits. The close association with the water and the inherent access to boating, sailing, fishing, and swimming, etc. give this District an atmosphere of a coastal city. Lake freighters, ferry boats, commercial fishing boats and pleasure boats are commonplace. The lake and bay along with Cedar Point Amusement Park, many fine golf courses, restaurants, motels, shops, and business enterprises have resulted in a booming tourist trade and have given the District's area the reputation of being one of the premier places in the country to live. The District offers the advantages of a small town, a reasonable cost of living, and excellent medical facilities (including Firelands Regional Medical Center in Sandusky).

Major Initiatives for the Year

The District implemented several significant programs during the past year to meet student and community needs.

The District made a significant investment in technology in the 2002-03 school year. Completed upgrades in technology include the installation of an integrated fiber-optic cable network and an IP telephone system, as well as the purchase of new hardware and software to replace many outdated computers throughout the District. The District also hired two computer technicians to provide District wide support for software installation, computer repair and maintenance.

The District also conducted a thorough review of all of its school buildings in the 2002-03 school year, in conjunction with the Ohio School Facilities Commission. A first draft of a master plan for future facility needs was developed following the building survey.

Major Initiatives for the Future

The District will continue to upgrade all areas of technology in the 2003-04 school year and beyond. Plans include the replacement of outdated computer software and hardware annually, as well as providing all staff with regularly scheduled in-service training in technology.

The District will continue to refine its master plan for future facility needs in concert with the Ohio School Facilities Commission. Public meetings will be scheduled for community discussion and direction, prior to presenting the final master plan to the board of education for approval.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from their implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Legal Compliance/Independent Audit

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with auditing standards generally accepted in the United States of America including a review of internal controls and tests of compliance with Federal and State laws and regulations. The Report of Independent Accountants is included in this CAFR.

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2003 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

In addition to the internal control structure mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in Note 2.E. to the basic financial statements.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The general fund balance was \$2,982,083 at June 30, 2003.

Financial Condition

This is the third year the District has prepared financial statements following GASB Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB No. 34 creates new basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is also responsible for preparing a Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2003 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain non major funds of the District.

Financial Highlights

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self-Insurance fund. The internal service fund had net assets of \$787,979 at June 30, 2002 and net assets of \$776,132 at June 30, 2003, reflecting a decrease of \$11,847.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for individuals, other district organizations or other funds. The District maintains two private purpose trust funds and two agency funds. The private purpose trust funds had net assets of \$5,418,996 at June 30, 2003 and the agency funds had net assets of \$430,881 at June 30, 2003.

Cash Management

Cash temporarily idle during the year was invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), demand deposits, mutual funds and stocks (all of which were donated to the district for scholarship funds), obligations of the U.S. Treasury and repurchase agreements. The average yield on investments was 1.2 percent. The District earned interest revenue of \$302,891 on all investments for the fiscal year. The District's investment policy is to minimize credit and market risks, while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the financial institution's trust department in the District's name. As required under Ohio law, pooled securities have been pledged in an amount equal to 105% of the total deposits, to secure the repayment of all public monies deposited in a financial institution.

Risk Management

The District has joined a group rating program for workers' compensation. As a result, District savings in workers' compensation rates exceed \$40,000 per year. In addition, various risk control techniques, including an employee wellness program and joining a preferred provider organization (PPO), have been implemented to help contain health care costs. The District has previously established a health benefits self-insurance fund as part of the overall risk management program.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sandusky City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2002. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 2002. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

Use of this Report

The report is published to provide to the Board of Education, as well as to our citizens and other interested persons, detailed information concerning the financial condition of the District, with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report will serve as a guide in formulating policies and in conducting the District's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports be prepared in accordance with GAAP, and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating.


Use of this report by the various departments of the District is encouraged when furnishing information. Copies of this report are being placed in the public library for use by the general public.

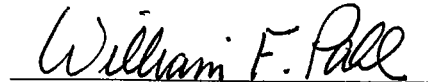
Acknowledgments

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's office staff. In addition, we acknowledge the outstanding services of our data processing department in meeting the vast informational requirements. Our consultant, Trimble, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Erie County Auditor's office in providing information is also appreciated. Finally, we wish to acknowledge the cooperation of the team from the Ohio Auditor of State's office, who conducted a thorough audit of our finances.

In closing, without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible.

Sincerely,


A. Troy Bouts, Treasurer


William F. Pahl, Superintendent

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 LIST OF PRINCIPAL OFFICERS
 JUNE 30, 2003**

Board of Education

<u>Name</u>	Began Service as a Board Member <u>January 1</u>	Present Term Expires <u>December 31</u>	Vocation in Private <u>Life</u>
Mrs. Faith A. Denslow**	1999 (appointed 5/99)	2003	Homemaker
Mr. Clinton Bennett, Jr.	1994	2005	Retired School Fireman
Mr. King Baer	2000	2003	Retired Fireman
Mr. Jeffrey Krabill	2000	2003	Businessman
Mr. Thomas C. Patterson*	2002	2005	Businessman

** President
 * Vice President

Superintendent

Mr. William F. Pahl

Treasurer

Mr. A. Troy Bouts

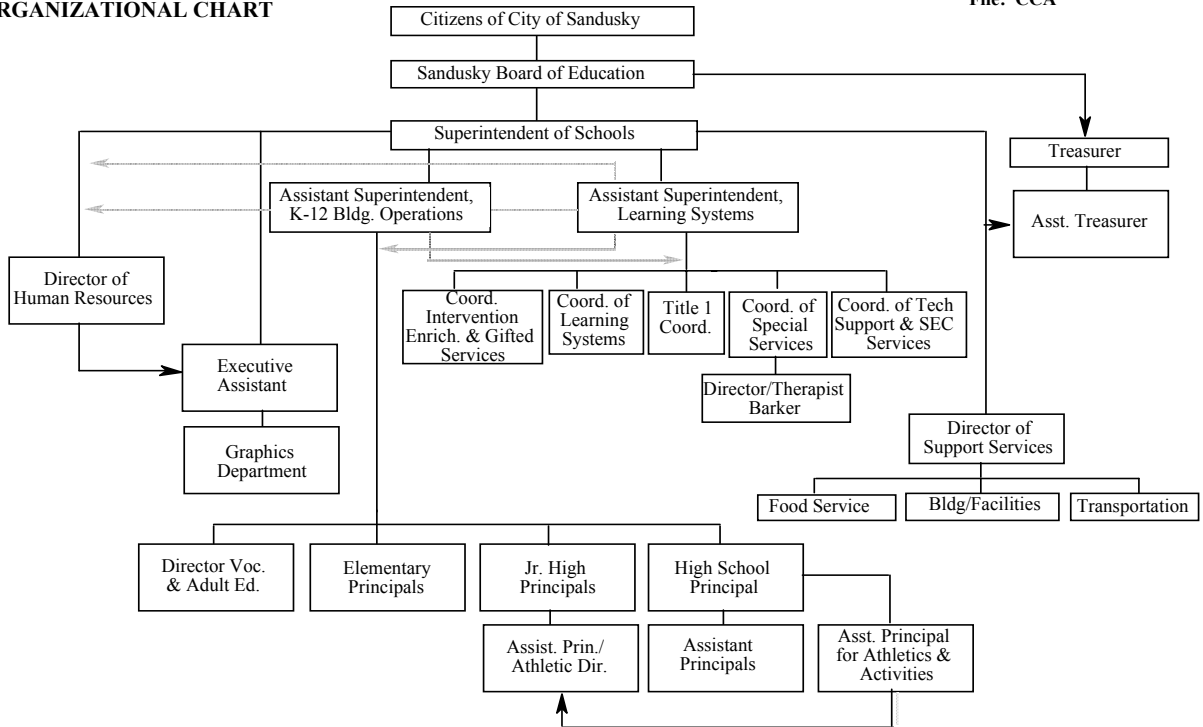
Central Office Administrative Staff

Mr. Craig Bickley	Director of Human Resources
Ms. Stephanie Cutlip	Coordinator of Intervention, Enrichment & Gifted Services
Mr. DeWayne Howard	Director of Support Services
Mr. Edward Jones	Director of Adult & Vocational Education
Mrs. Heather Kantola	Assistant Supt., Learning Systems
Mr. John Kaszonyi	Assistant Supt., Operations
Ms. Joy Kear	Coordinator, Title I
Ms. Patricia King	Administrative Assistant
Mr. Brett Kluiber	Coordinator of Network Technology
Ms. Cece Mees	Assistant Treasurer
Ms. Bonnie Pigman	Coordinator of Special Services
Mr. Ted Peters	Transportation Supervisor
Mr. Kevin Toms	Supervisor of Building Services
Mr. Frank Vidmar	Coordinator of Curricular Technology

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 ORGANIZATIONAL CHART
 JUNE 30, 2003**

ORGANIZATIONAL CHART

File: CCA



Adoption date: November 19, 2001

CROSS REF.: CCB, Staff Relations and Lines of Authority

Sandusky City School District, Sandusky, Ohio

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandusky City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

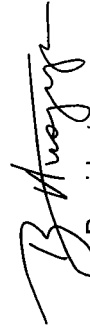


This Certificate of Excellence in Financial Reporting is presented to

SANDUSKY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program


President


Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

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 Sandusky City School District, Erie County, (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the 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 Sandusky City School District, Erie County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the District changed the fund type classification of several of its private purpose trust funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 31, 2003

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

The discussion and analysis of Sandusky City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- In total, net assets increased \$66,807. Net assets of governmental activities decreased \$143,117, which represents a 1.02% decrease from 2002. Net assets of business-type activities increased \$209,924 or 372.89% from 2002.
- General revenues accounted for \$35,293,002 in revenue or 80.03% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,804,489 or 19.97% of total revenues of \$44,097,491.
- The District had \$41,306,134 in expenses related to governmental activities; only \$5,902,203 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$35,293,002 were not adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$35,320,169 in revenues and other financing sources and \$35,049,646 in expenditures and other financing uses. The general fund's fund balance increased from \$2,758,454 to \$2,982,083.
- Net assets for the District's two major enterprise funds increased significantly. This increase resulted from increased revenues related to the new computerized cafeteria collection system implemented during fiscal year 2003 and a tighter control over expenses relating to materials and supplies and purchased services in the enterprise funds.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's adult education programs and food service operations are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund and two major enterprise funds begins on page F10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F28 and F29. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2003 compared to fiscal 2002.

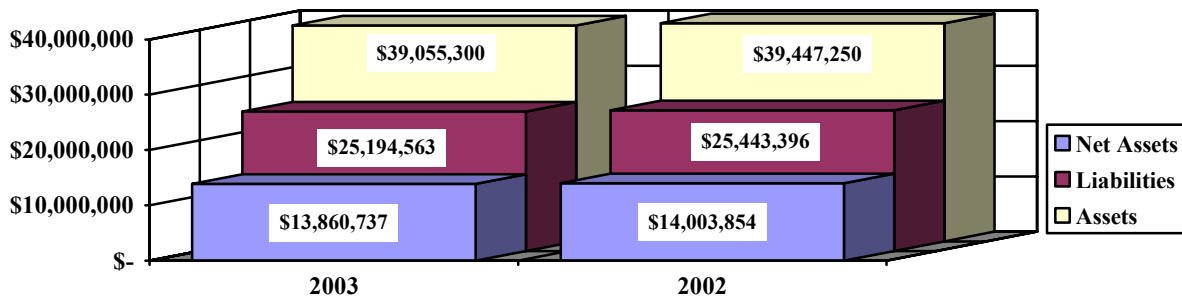
	Net Assets			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2003</u>	(Restated) <u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Assets</u>				
Current assets	\$ 28,592,143	\$ 29,976,388	\$ 544,103	\$ 313,583
Capital assets	<u>10,463,157</u>	<u>9,470,862</u>	<u>115,191</u>	<u>105,959</u>
Total assets	<u>39,055,300</u>	<u>39,447,250</u>	<u>659,294</u>	<u>419,542</u>
<u>Liabilities</u>				
Current liabilities	19,919,041	21,328,922	264,637	252,404
Long-term liabilities	<u>5,275,522</u>	<u>4,114,474</u>	<u>128,437</u>	<u>110,842</u>
Total liabilities	<u>25,194,563</u>	<u>25,443,396</u>	<u>393,074</u>	<u>363,246</u>
<u>Net Assets</u>				
Invested in capital assets, net of debt	8,076,773	7,737,789	115,191	105,959
Restricted	2,468,545	3,195,380	-	-
Unrestricted	<u>3,315,419</u>	<u>3,070,685</u>	<u>151,029</u>	<u>(49,663)</u>
Total net assets	<u>\$ 13,860,737</u>	<u>\$ 14,003,854</u>	<u>\$ 266,220</u>	<u>\$ 56,296</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

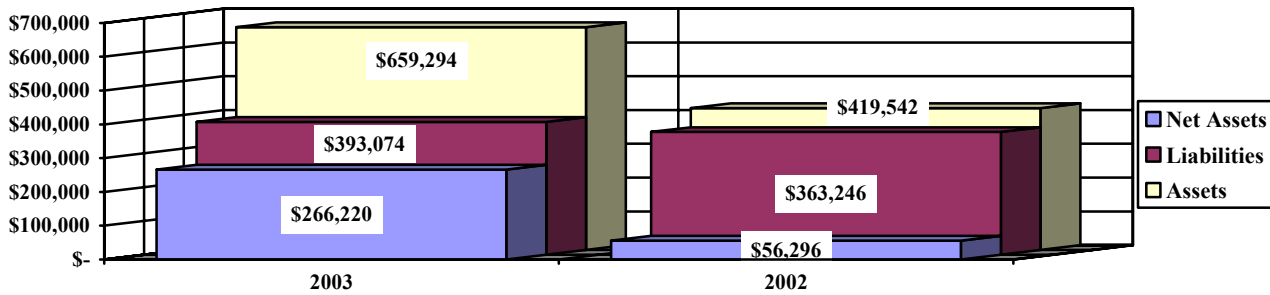
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Total assets decreased by \$152,198 due primarily from a decrease in cash and cash equivalents of \$1,245,025. During fiscal year 2003, expenses increased by 7.56% which were offset by only a 0.28% increase in revenues. The total net assets of the District increased \$66,807, primarily due to an increase in capital assets.

Governmental - Net Assets



Business-Type - Net Assets



**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

The table below shows the changes in net assets for governmental activities and business-type activities for fiscal year 2003 compared to fiscal year 2002.

	Change in Net Assets			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2003</u>	(Restated) <u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Revenues</u>				
Program revenues:				
Charges for services and sales	\$ 516,324	\$ 871,026	\$ 1,644,767	\$ 1,141,597
Operating grants and contributions	4,934,226	4,870,600	1,257,519	1,626,078
Capital grants and contributions	451,653	1,546,950	-	-
General revenues:				
Property taxes	18,155,780	17,368,082	-	-
Grants and entitlements	16,693,155	16,209,085	-	-
Other	<u>444,067</u>	<u>293,435</u>	-	<u>49,628</u>
Total revenues	<u>41,195,205</u>	<u>41,159,178</u>	<u>2,902,286</u>	<u>2,817,303</u>
<u>Expenses</u>				
Program expenses:				
Instruction:				
Regular	16,782,965	16,420,485	-	-
Special	6,377,680	6,152,427	-	-
Vocational	1,413,514	1,473,087	-	-
Other	169,770	146,898	-	-
Support services:				
Pupil	1,699,311	1,484,322	-	-
Instructional staff	1,698,801	1,538,623	-	-
Board of Education	202,519	187,936	-	-
Administration	3,082,433	2,916,382	-	-
Fiscal	679,525	674,661	-	-
Business	245,576	216,076	-	-
Operations and maintenance	5,474,006	3,743,299	-	-
Pupil transportation	1,375,321	1,269,200	-	-
Central	296,428	146,152	-	-
Operation of non-instructional services	217,417	226,371	-	-
Extracurricular activities	1,006,609	1,114,411	-	-
Intergovernmental	501,876	454,538	-	-
Interest and fiscal charges	82,383	106,047	-	-
Food service	-	-	1,753,978	1,722,271
Adult education	-	-	<u>970,572</u>	<u>941,647</u>
Total expenses	<u>41,306,134</u>	<u>38,270,915</u>	<u>2,724,550</u>	<u>2,663,918</u>
Excess (deficiency) before transfers	(110,929)	2,888,263	177,736	153,385
Transfers	<u>(32,188)</u>	<u>(101,352)</u>	<u>32,188</u>	<u>101,352</u>
Changes in net assets	(143,117)	2,786,911	209,924	254,737
Net assets, beginning of year (restated)	<u>14,003,854</u>	<u>11,216,943</u>	<u>56,296</u>	<u>(198,441)</u>
Net assets, end of year	<u>\$ 13,860,737</u>	<u>\$ 14,003,854</u>	<u>\$ 266,220</u>	<u>\$ 56,296</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

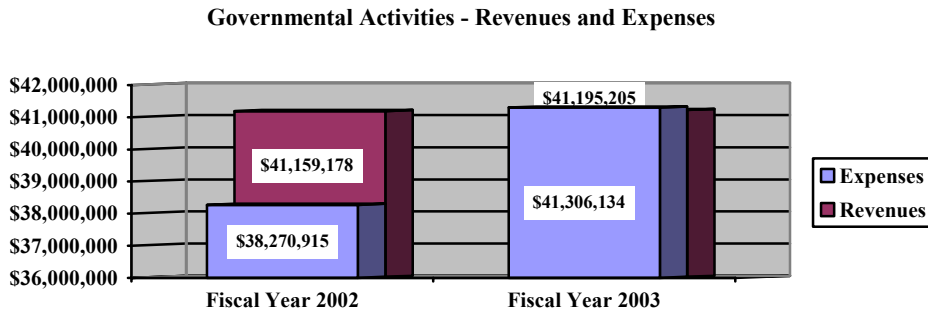
Governmental Activities

Net assets of the District's governmental activities decreased by \$143,117. Total governmental expenses of \$41,306,134 were offset by program revenues of \$5,902,203 and general revenues of \$35,293,002. Program revenues supported 14.29% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 84.59% of total governmental revenue. Real estate property is reappraised every six years. Erie County underwent a triennial update during 2003. Although recent growth has had a positive effect on the District's tax base, the full tax revenue impact has not been realized due to H.B. 920. This state law, enacted in 1976, does not allow for revenue increases caused by inflationary growth of real property values. Increases in valuation prompt corresponding annual reductions in the "effective millage", the tax rates applied to real property. Thus, although District tax valuation continues to grow, this built-in revenue limitation requires the District to request additional school operating revenue by placing a levy on the ballot periodically (every three to five years, on average).

The 4.9 mill school operating levy passed by voters in March, 1996, which generated approximately \$1.8 million per year, provided adequate revenue for general fund operating expenses through the year 2003. In November, 2003, voters approved a 5.9 mill school operating levy which is expected to generate approximately \$2.65 million annually beginning in 2004.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2002 and 2003.



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2003. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

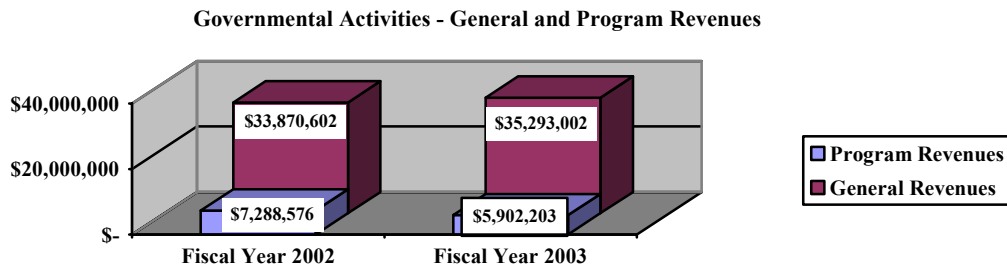
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Governmental Activities

	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>	Total Cost of Services <u>2002</u>	Net Cost of Services <u>2002</u>
Program expenses:				
Instruction:				
Regular	\$ 16,782,965	\$ 15,106,988	\$ 16,420,485	\$ 14,397,393
Special	6,377,680	4,700,487	6,152,427	4,841,070
Vocational	1,413,514	1,351,785	1,473,087	1,139,820
Other	169,770	5,124	146,898	124,502
Support services:				
Pupil	1,699,311	1,456,776	1,484,322	1,308,789
Instructional staff	1,698,801	1,361,812	1,538,623	1,185,924
Board of Education	202,519	202,519	187,936	187,936
Administration	3,082,433	2,957,927	2,916,382	2,788,808
Fiscal	679,525	663,415	674,661	658,503
Business	245,576	245,576	216,076	216,076
Operations and maintenance	5,474,006	4,994,187	3,743,299	2,091,869
Pupil transportation	1,375,321	1,354,086	1,269,200	1,243,767
Central	296,428	251,096	146,152	42,090
Operation of non-instructional services	217,417	12,299	226,371	71,402
Extracurricular activities	1,006,609	627,179	1,114,411	617,140
Intergovernmental	501,876	30,292	454,538	(38,797)
Interest and fiscal charges	<u>82,383</u>	<u>82,383</u>	<u>106,047</u>	<u>106,047</u>
Total expenses	<u>\$ 41,306,134</u>	<u>\$ 35,403,931</u>	<u>\$ 38,270,915</u>	<u>\$ 30,982,339</u>

The dependence upon tax revenues during fiscal year 2003 for governmental activities is apparent, as 85.53% of 2003 instruction activities are supported through taxes and other general revenues. All governmental activities, general revenue support is 85.71% in 2003. The District's taxpayers, as a whole, is by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2002 and 2003.



**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Business-Type Activities

Business-type activities include adult education and the food service operation. These programs had revenues of \$2,902,286 and expenses of \$2,724,550 for fiscal year 2003. During fiscal year 2003, the District took steps to reduce expenses, including renegotiating vendor agreements. In addition, a computerized cafeteria collection system was implemented in fiscal year 2003. This system increased the efficiency of collections in the food service operation. In fiscal 2003, the adult education program increased overall expenses by \$28,925 or 3.07% from 2002 expenses. The District's business activities receive no support from tax revenues.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F19) reported a combined fund balance of \$5,540,420, which is below last year's total of \$5,878,379. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2003 and 2002.

	Fund Balance <u>June 30, 2003</u>	Fund Balance <u>June 30, 2002</u>	Increase <u>(Decrease)</u>
General	\$ 2,982,083	\$ 2,758,454	\$ 223,629
Other Governmental	<u>2,558,337</u>	<u>3,119,925</u>	<u>(561,588)</u>
Total	<u>\$ 5,540,420</u>	<u>\$ 5,878,379</u>	<u>\$ (337,959)</u>

General Fund

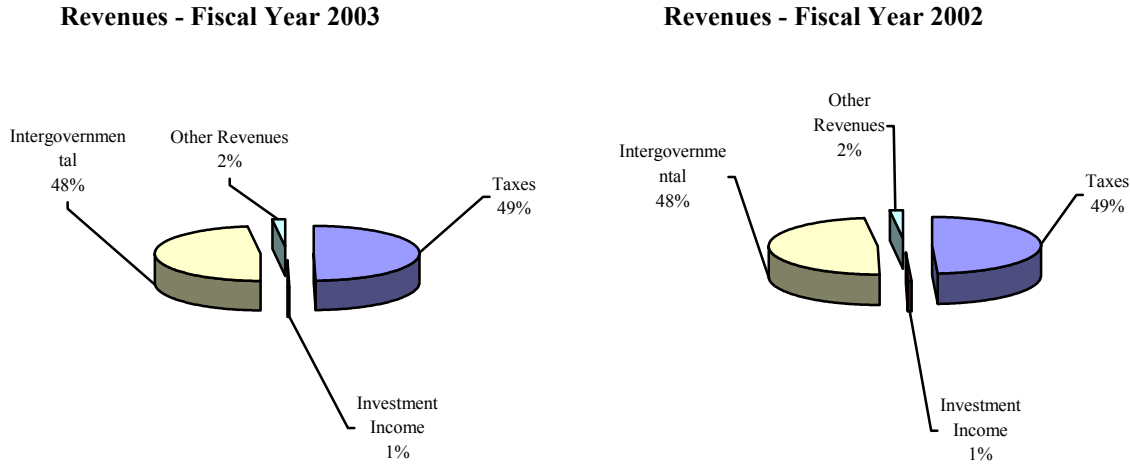
The District's general fund balance increased by \$223,629, due to an increase in tax and intergovernmental revenue and a tighter control on spending during 2003. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2003 <u>Amount</u>	2002 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 17,005,428	\$ 16,278,068	4.47%
Interest earnings	154,908	235,415	(34.20)
Intergovernmental	16,446,850	15,993,818	2.83
Other revenues	<u>640,335</u>	<u>644,070</u>	(.58)
Total	<u>\$ 34,247,521</u>	<u>\$ 33,151,371</u>	3.31

Intergovernmental revenue increased \$453,032 or 2.83% from the prior year. This increase is attributed to an increase in the number of grants the district received in 2003. The decrease in investment income is due to drastic cuts in interest rates by the Federal Reserve Bank throughout the year. All other revenue remained comparable to 2002.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED



The table that follows assists in illustrating the expenditures of the general fund.

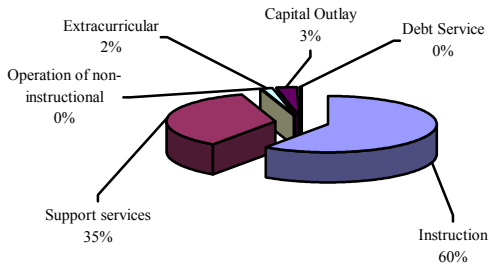
	2003 <u>Amount</u>	2002 <u>Amount</u>	Percentage <u>Change</u>
<u>Expenditures</u>			
Instruction	\$ 20,931,252	\$ 20,064,818	4.32%
Support services	12,326,755	11,284,983	9.23
Operation of non-instructional services	1,064	88,411	(98.80)
Extracurricular activities	622,506	711,523	(12.51)
Capital outlay	1,068,959	-	100.00
Debt service	74,110	-	100.00
Total	<u>\$ 35,024,646</u>	<u>\$ 32,149,735</u>	8.94

Total expenditures of the District increased by 8.94% in fiscal year 2003 and 0.97% in fiscal year 2002. The primary increases occurred in instruction, support services, capital outlay and debt service expenditures. Instruction expenditures increased as a result of general salary increases and step increases. Support services expenditures increased due to non-certified salary increases and costs to support the District's new fiber optic equipment and hardware. The increase in capital outlay and debt service expenditures are related to the leases the District entered into during fiscal year 2003 for fiber optic equipment and a new telephone system. The leases are being paid out of the general fund.

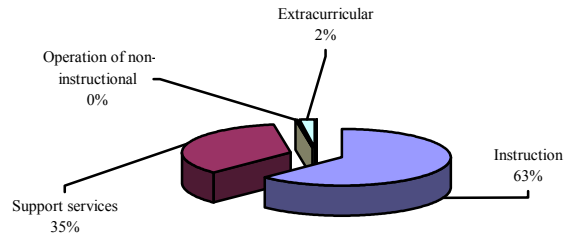
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Expenditures - Fiscal Year 2003



Expenditures - Fiscal Year 2002



General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2003, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$33,225,000, below original budget estimates of \$33,325,000. Of this \$100,000 difference, most was due to conservative tax and intergovernmental estimates in the original budget.

General fund original appropriations of \$34,574,156 were increased to \$35,070,918 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2003 totaled \$34,459,649, which was \$611,269 less than the final budget appropriations, primarily because salary costs proved to be lower than anticipated in the original and final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003, the District had \$10,578,348 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. Of this total, \$10,463,157 was reported in governmental activities and \$115,191 was reported in business-type activities. Refer to Note 8 to the basic financial statements for detail on the District's capital assets. The following table shows fiscal 2003 balances compared to 2002:

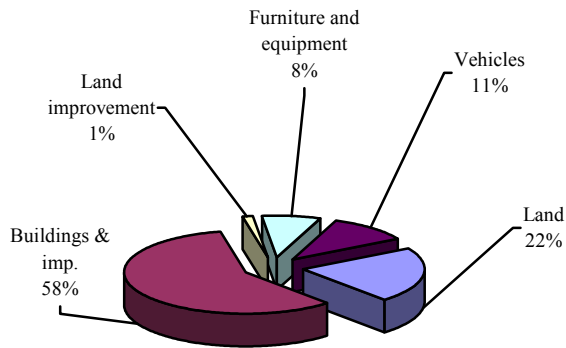
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

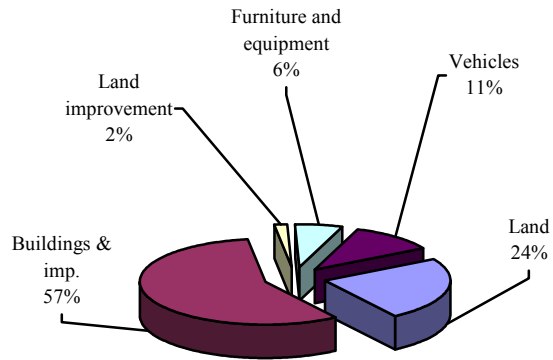
**Capital Assets at June 30
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Land	\$ 2,280,969	\$ 2,280,969	\$ -	\$ -	\$ 2,280,969	\$ 2,280,969
Land improvements	155,327	163,978	-	-	155,327	163,978
Building and improvements	6,170,418	5,474,194	-	-	6,170,418	5,474,194
Furniture and equipment	708,959	490,367	115,191	105,959	824,150	596,326
Vehicles	1,147,484	1,061,354	-	-	1,147,484	1,061,354
Total	\$ 10,463,157	\$ 9,470,862	\$ 115,191	\$ 105,959	\$ 10,578,348	\$ 9,576,821

**Capital Assets - Governmental Activities
2003**



**Capital Assets - Governmental Activities
2002**



**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED

Debt Administration

At June 30, 2003 the District had \$1,366,605 in general obligation bonds and a loan outstanding. Of this total, \$266,468 is due within one year and \$1,100,137 is due within greater than one year. See Note 10 to the basic financial statements for detail on the District's long-term obligations. The following table summarizes the bonds and loan outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2003</u>	<u>Governmental Activities 2002</u>
General obligation bonds:		
Elementary building addition	\$ 1,090,000	\$ 1,395,000
Asbestos abatement loan	<u>276,605</u>	<u>338,073</u>
Total	<u>\$ 1,366,605</u>	<u>\$ 1,733,073</u>

The asbestos abatement loan was received in 1988 from the U.S. Environmental Agency for an asbestos project at Sandusky High School. This loan is scheduled to mature in fiscal year 2008 and is interest free as long as the District remains current on repayment.

On March 3, 2003, the District issued general obligation bonds to currently refund the callable portion of the Series 1991 Elementary building addition general obligation bonds. The general obligation bonds are scheduled to mature in fiscal year 2009 and bear an annual interest rate of 4.450%.

At June 30, 2003 the District's overall legal debt margin was \$39,579,416 with an unvoted debt margin of \$450,029.

Current Financial Related Activities

As the preceding information shows, the District relies heavily upon grants and entitlements and property taxes. The increase in tax revenue and intergovernmental revenue combined with a tighter control of operating expenses allowed the District to end fiscal year 2003 financially strong. The additional tax revenue from the 5.9 mill operating levy passed by voters in November 2003 will provide the District with the necessary funds to meet its operating expenses in fiscal year 2004 and beyond. However, the future financial stability of the District is not without challenges.

One challenge is that the District's Management must continue to provide the resources necessary to meet student needs while diligently planning expenses, staying within the five-year plan. The five-year plan is utilized by management to manage resources effectively and efficiently. Additional revenues should not be treated as a windfall to expand programs but as an opportunity to extend the life of the five-year plan.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

The next challenge facing the District is the future of state funding. The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the state has directed its tax revenue growth toward school districts with little property tax wealth. On May 16, 2003, the Ohio Supreme Court emphatically clarified that jurisdiction of the DeRolph case had ended. The Ohio Coalition for Equity and Adequacy of School Funding filed a petition with the U.S. Supreme Court for permission to file an appeal. The court is likely to either accept or reject the petition before the end of 2003. The District does not anticipate growth in state revenue, as in the ten years prior to the DeRolph decision; no state revenue growth was realized.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact A. Troy Bouts, treasurer at Sandusky City School District, 407 Decatur Street, Sandusky, Ohio, 44870.

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents. . .	\$ 9,337,629	\$ 456,187	\$ 9,793,816
Receivables:			
Taxes	17,919,716	-	17,919,716
Accounts	7,814	52,922	60,736
Intergovernmental	826,164	116,263	942,427
Accrued interest	7	-	7
Internal loan	102,515	(102,515)	-
Prepayments	120,341	2,175	122,516
Materials and supplies inventory	238,362	19,071	257,433
Unamortized bond issue costs	39,595	-	39,595
Capital assets:			
Land	2,280,969	-	2,280,969
Depreciable capital assets, net	8,182,188	115,191	8,297,379
Capital assets, net.	<u>10,463,157</u>	<u>115,191</u>	<u>10,578,348</u>
 Total assets.	 <u>39,055,300</u>	 <u>659,294</u>	 <u>39,714,594</u>
Liabilities:			
Accounts payable.	400,862	30,051	430,913
Accrued wages and benefits	4,176,881	148,787	4,325,668
Pension obligation payable.	792,536	79,806	872,342
Intergovernmental payable	214,788	5,993	220,781
Deferred revenue	13,870,565	-	13,870,565
Accrued interest payable	14,551	-	14,551
Claims payable	448,858	-	448,858
Long-term liabilities:			
Due within one year.	848,227	11,502	859,729
Due within more than one year	4,427,295	116,935	4,544,230
Total liabilities	<u>25,194,563</u>	<u>393,074</u>	<u>25,587,637</u>
Net Assets:			
Invested in capital assets, net of related debt.	8,076,773	115,191	8,191,964
Restricted for:			
Capital projects	1,958,470	-	1,958,470
Debt service.	193,491	-	193,491
Perpetual care:			
Expendable	66,864	-	66,864
Nonexpendable	23,129	-	23,129
Other purposes	226,591	-	226,591
Unrestricted.	<u>3,315,419</u>	<u>151,029</u>	<u>3,466,448</u>
Total net assets	<u>\$ 13,860,737</u>	<u>\$ 266,220</u>	<u>\$ 14,126,957</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 16,782,965	\$ 148,786	\$ 1,527,191	\$ -
Special	6,377,680	-	1,677,193	-
Vocational	1,413,514	31,507	30,222	-
Other	169,770	54	164,592	-
Support services:				
Pupil	1,699,311	63	242,472	-
Instructional staff	1,698,801	2,985	334,004	-
Board of education	202,519	-	-	-
Administration	3,082,433	-	124,506	-
Fiscal	679,525	-	16,110	-
Business	245,576	-	-	-
Operations and maintenance	5,474,006	28,166	-	451,653
Pupil transportation	1,375,321	-	21,235	-
Central	296,428	-	45,332	-
Operation of non-instructional services	217,417	-	205,118	-
Extracurricular activities	1,006,609	304,763	74,667	-
Intergovernmental	501,876	-	471,584	-
Interest and fiscal charges	82,383	-	-	-
Total governmental activities	<u>41,306,134</u>	<u>516,324</u>	<u>4,934,226</u>	<u>451,653</u>
Business-type activities:				
Food service	1,753,978	949,670	980,964	-
Adult education	<u>970,572</u>	<u>695,097</u>	<u>276,555</u>	<u>-</u>
Total business-type activities	<u>2,724,550</u>	<u>1,644,767</u>	<u>1,257,519</u>	<u>-</u>
Totals	<u>\$ 44,030,684</u>	<u>\$ 2,161,091</u>	<u>\$ 6,191,745</u>	<u>\$ 451,653</u>

General Revenues:

Property taxes levied for:	
General purposes	
Debt service	
Capital projects	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Miscellaneous	
Total general revenues	
Transfers	
Change in net assets	
Net assets at beginning of year (restated)	
Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (15,106,988)	\$ -	\$ (15,106,988)
(4,700,487)	-	(4,700,487)
(1,351,785)	-	(1,351,785)
(5,124)	-	(5,124)
(1,456,776)	-	(1,456,776)
(1,361,812)	-	(1,361,812)
(202,519)	-	(202,519)
(2,957,927)	-	(2,957,927)
(663,415)	-	(663,415)
(245,576)	-	(245,576)
(4,994,187)	-	(4,994,187)
(1,354,086)	-	(1,354,086)
(251,096)	-	(251,096)
(12,299)	-	(12,299)
(627,179)	-	(627,179)
(30,292)	-	(30,292)
(82,383)	-	(82,383)
<u>(35,403,931)</u>	<u>-</u>	<u>(35,403,931)</u>
-	176,656	176,656
-	1,080	1,080
-	177,736	177,736
<u>(35,403,931)</u>	<u>177,736</u>	<u>(35,226,195)</u>
17,247,472	-	17,247,472
279,572	-	279,572
628,736	-	628,736
16,693,155	-	16,693,155
181,966	-	181,966
262,101	-	262,101
<u>35,293,002</u>	<u>-</u>	<u>35,293,002</u>
(32,188)	32,188	-
(143,117)	209,924	66,807
<u>14,003,854</u>	<u>56,296</u>	<u>14,060,150</u>
<u>\$ 13,860,737</u>	<u>\$ 266,220</u>	<u>\$ 14,126,957</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 4,743,703	\$ 3,368,936	\$ 8,112,639
Receivables:			
Taxes	17,041,672	878,044	17,919,716
Accounts	6,723	1,091	7,814
Intergovernmental	74,672	751,492	826,164
Accrued interest	7	-	7
Interfund loans	252,915	-	252,915
Prepayments	120,276	65	120,341
Materials and supplies inventory	238,362	-	238,362
	<u>\$ 22,478,330</u>	<u>\$ 4,999,628</u>	<u>\$ 27,477,958</u>
Total assets	\$ 22,478,330	\$ 4,999,628	\$ 27,477,958
Liabilities:			
Accounts payable	\$ 236,568	\$ 164,294	\$ 400,862
Accrued wages and benefits	3,641,138	535,743	4,176,881
Future retirement obligation	218,522	-	218,522
Pension obligation payable	461,273	88,424	549,697
Intergovernmental payable	196,508	18,280	214,788
Interfund loan payable	-	150,400	150,400
Deferred revenue	14,742,238	1,484,150	16,226,388
	<u>19,496,247</u>	<u>2,441,291</u>	<u>21,937,538</u>
Total liabilities	19,496,247	2,441,291	21,937,538
Fund Balances:			
Reserved for encumbrances	272,652	527,713	800,365
Reserved for materials and supplies inventories	238,362	-	238,362
Reserved for prepayments	120,276	65	120,341
Reserved for property tax unavailable for appropriation	2,299,434	110,489	2,409,923
Reserved for perpetual care	-	23,129	23,129
Unreserved, undesignated, reported in:			
General fund	51,359	-	51,359
Special revenue funds	-	229,694	229,694
Debt service fund	-	135,109	135,109
Capital projects funds	-	1,465,274	1,465,274
Permanent fund	-	66,864	66,864
	<u>2,982,083</u>	<u>2,558,337</u>	<u>5,540,420</u>
Total fund balances	2,982,083	2,558,337	5,540,420
Total liabilities and fund balances	\$ 22,478,330	\$ 4,999,628	\$ 27,477,958

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

Total governmental fund balances		\$	5,540,420
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			10,463,157
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	1,639,228	
Intergovernmental revenue		716,595	
Total			2,355,823
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.			776,132
Long-term liabilities, including bonds, loans and capital leases payable are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		261,359	
Future retirement obligation		2,369,662	
Pension obligation payable		242,839	
Capital lease obligation		1,019,779	
General obligation bonds payable		1,090,000	
Asbestos abatement loan payable		276,605	
Accrued interest payable		14,551	
Total			(5,274,795)
Net assets of governmental activities		\$	13,860,737

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 17,005,428	\$ 896,037	\$ 17,901,465
Tuition	15,138	-	15,138
Earnings on investments	154,908	10,926	165,834
Extracurricular	12,044	289,229	301,273
Other local revenues	474,962	554,087	1,029,049
Intergovernmental - State	16,446,850	2,185,983	18,632,833
Intergovernmental - Federal	138,191	2,574,615	2,712,806
Total revenue	<u>34,247,521</u>	<u>6,510,877</u>	<u>40,758,398</u>
Expenditures:			
Current:			
Instruction:			
Regular	14,798,255	1,616,708	16,414,963
Special	4,793,177	1,529,918	6,323,095
Vocational	1,339,820	46,792	1,386,612
Other	-	169,924	169,924
Support Services:			
Pupil	1,448,064	245,556	1,693,620
Instructional staff	1,226,083	429,387	1,655,470
Board of education	202,519	-	202,519
Administration	2,894,813	117,207	3,012,020
Fiscal	646,108	15,784	661,892
Business	216,747	14,859	231,606
Operations and maintenance	3,922,833	-	3,922,833
Pupil transportation	1,405,507	19,820	1,425,327
Central	364,081	100,159	464,240
Other non-instructional services	1,064	163,193	164,257
Extracurricular activities	622,506	395,283	1,017,789
Facilities acquisition and construction	-	1,290,770	1,290,770
Capital outlay	1,068,959	-	1,068,959
Intergovernmental pass through	-	501,876	501,876
Debt service:			
Principal retirement	49,180	216,468	265,648
Interest and fiscal charges	24,930	50,917	75,847
Bond issuance costs	-	42,032	42,032
Total expenditures	<u>35,024,646</u>	<u>6,966,653</u>	<u>41,991,299</u>
Excess of revenues under expenditures	<u>(777,125)</u>	<u>(455,776)</u>	<u>(1,232,901)</u>
Other financing sources:			
Transfers (out)	(25,000)	-	(25,000)
Accrued interest on sale of bonds	-	2,156	2,156
Premium on bonds sold	-	79,749	79,749
Proceeds from sale of bonds	-	1,090,000	1,090,000
Payment to refunding bond escrow agent	-	(1,277,717)	(1,277,717)
Proceeds from sale of capital assets	3,689	-	3,689
Proceeds from capital lease transaction	1,068,959	-	1,068,959
Total other financing sources	<u>1,047,648</u>	<u>(105,812)</u>	<u>941,836</u>
Net change in fund balances	270,523	(561,588)	(291,065)
Fund balances at beginning of year (restated).	2,758,454	3,119,925	5,878,379
Increase in reserve for inventory	<u>(46,894)</u>	<u>-</u>	<u>(46,894)</u>
Fund balances at end of year	<u>\$ 2,982,083</u>	<u>\$ 2,558,337</u>	<u>\$ 5,540,420</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Net change in fund balances - total governmental funds	\$	(291,065)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		1,006,608
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(14,313)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(46,894)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		414,805
Deferred charges are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		37,717
Proceeds of capital lease transactions are recorded as revenue in the funds however, on the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets.		(1,068,959)
Premiums on debt issuances are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		(79,749)
Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		42,032
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		415,648
Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.		(6,536)
Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(540,564)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(11,847)
Change in net assets of governmental activities	\$	(143,117)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT IN REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
Revenues:				
From local sources:				
Taxes	\$15,750,000	\$15,446,000	\$15,444,380	\$ (1,620)
Tuition	53,500	41,000	23,386	(17,614)
Earnings on investments	150,000	175,000	154,926	(20,074)
Extracurricular	11,700	12,600	11,972	(628)
Other local revenues	402,330	556,780	481,834	(74,946)
Other revenue	5,000	5,000	-	(5,000)
Intergovernmental - State	16,413,470	16,319,620	16,372,178	52,558
Intergovernmental - Federal	100,000	200,000	194,758	(5,242)
Total revenue	<u>32,886,000</u>	<u>32,756,000</u>	<u>32,683,434</u>	<u>(72,566)</u>
Expenditures:				
Current:				
Instruction:				
Regular	14,898,959	14,843,395	14,679,833	163,562
Special	4,692,229	4,859,829	4,796,715	63,114
Vocational	1,387,092	1,468,602	1,424,319	44,283
Support services:				
Pupil	1,391,914	1,481,042	1,440,819	40,223
Instructional staff	1,261,563	1,340,665	1,248,635	92,030
Board of education	278,945	281,345	244,182	37,163
Administration	2,909,524	2,943,064	2,869,262	73,802
Fiscal	677,250	670,020	644,416	25,604
Business	220,416	223,485	216,513	6,972
Operations and maintenance	4,371,820	4,130,440	3,964,784	165,656
Pupil transportation	1,495,318	1,465,617	1,413,851	51,766
Central	81,882	631,607	567,086	64,521
Operation of non-instructional services	2,100	4,375	3,946	429
Extracurricular activities	680,144	699,932	664,873	35,059
Total expenditures	<u>34,349,156</u>	<u>35,043,418</u>	<u>34,179,234</u>	<u>864,184</u>
Excess of revenues over (under) expenditures	<u>(1,463,156)</u>	<u>(2,287,418)</u>	<u>(1,495,800)</u>	<u>791,618</u>
Other financing sources (uses):				
Refund of prior year's expenditures	10,000	40,000	35,516	(4,484)
Transfers in	14,000	14,000	-	(14,000)
Transfers (out)	(225,000)	(25,000)	(25,000)	-
Advances in	410,000	410,000	410,000	-
Advances (out)	-	(2,500)	(255,415)	(252,915)
Proceeds from sale of capital assets	5,000	5,000	3,689	(1,311)
Total other financing sources (uses)	<u>214,000</u>	<u>441,500</u>	<u>168,790</u>	<u>(272,710)</u>
Net change in fund balance	(1,249,156)	(1,845,918)	(1,327,010)	518,908
Fund balance at beginning of year	5,494,883	5,494,883	5,494,883	-
Prior year encumbrances appropriated	182,313	182,313	182,313	-
Fund balance at end of year	<u>\$ 4,428,040</u>	<u>\$ 3,831,278</u>	<u>\$ 4,350,186</u>	<u>\$ 518,908</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 72,865	\$ 383,322	\$ 456,187	\$ 1,224,990
Receivables:			-	
Accounts	7,630	45,292	52,922	-
Intergovernmental	115,213	1,050	116,263	-
Prepayments	2,175	-	2,175	-
Materials and supplies inventory	19,071	-	19,071	-
Total current assets	<u>216,954</u>	<u>429,664</u>	<u>646,618</u>	<u>1,224,990</u>
Noncurrent assets:				
Capital assets, net.	<u>106,819</u>	<u>8,372</u>	<u>115,191</u>	<u>-</u>
Total assets	<u>323,773</u>	<u>438,036</u>	<u>761,809</u>	<u>1,224,990</u>
Liabilities:				
Accounts payable.	4,572	25,479	30,051	-
Accrued wages and benefits	112,976	35,811	148,787	-
Pension obligation payable.	57,888	21,918	79,806	-
Interfund loan payable	-	102,515	102,515	-
Intergovernmental payable	3,284	2,709	5,993	-
Claims payable	-	-	-	448,858
Total liabilities	<u>178,720</u>	<u>188,432</u>	<u>367,152</u>	<u>448,858</u>
Long-term liabilities:				
Compensated absences.	2,454	9,048	11,502	-
Future retirement obligation	116,935	-	116,935	-
Total liabilities	<u>298,109</u>	<u>197,480</u>	<u>495,589</u>	<u>448,858</u>
Net assets:				
Invested in capital assets	106,819	8,372	115,191	-
Unrestricted.	(81,155)	232,184	151,029	776,132
Total net assets	<u>\$ 25,664</u>	<u>\$ 240,556</u>	<u>\$ 266,220</u>	<u>\$ 776,132</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Operating revenues:				
Tuition and fees	\$ -	\$ 380,882	\$ 380,882	\$ -
Sales/charges for services	724,913		724,913	4,601,162
Other	224,757	314,215	538,972	
Total operating revenues	<u>949,670</u>	<u>695,097</u>	<u>1,644,767</u>	<u>4,601,162</u>
Operating expenses:				
Personal services	962,998	765,070	1,728,068	-
Purchased services	5,765	115,058	120,823	3,766,012
Materials and supplies	778,887	90,251	869,138	-
Depreciation	6,328	193	6,521	-
Other	-	-	-	863,154
Total operating expenses	<u>1,753,978</u>	<u>970,572</u>	<u>2,724,550</u>	<u>4,629,166</u>
Operating loss	<u>(804,308)</u>	<u>(275,475)</u>	<u>(1,079,783)</u>	<u>(28,004)</u>
Nonoperating revenues (expenses):				
Federal donated commodities	74,201	-	74,201	-
Interest revenue	-	-	-	16,157
Grants and subsidies	906,763	276,555	1,183,318	-
Total nonoperating revenues (expenses)	<u>980,964</u>	<u>276,555</u>	<u>1,257,519</u>	<u>16,157</u>
Income before contributions and transfers	176,656	1,080	177,736	(11,847)
Transfers in	-	25,000	25,000	
Capital contributions	7,188	-	7,188	-
Change in net assets	183,844	26,080	209,924	(11,847)
Net assets at beginning of year	<u>(158,180)</u>	<u>214,476</u>	<u>56,296</u>	<u>787,979</u>
Net assets at end of year	<u>\$ 25,664</u>	<u>\$ 240,556</u>	<u>\$ 266,220</u>	<u>\$ 776,132</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Cash flows from operating activities:				
Cash received from tuition and fees	\$ -	\$ 383,968	\$ 383,968	\$ -
Cash received from sales/charges for services.	717,318	-	717,318	4,601,162
Cash received from other operations.	224,757	314,215	538,972	-
Cash payments for personal services	(948,132)	(771,576)	(1,719,708)	-
Cash payments for purchased services.	(5,886)	(96,493)	(102,379)	(3,697,154)
Cash payments for materials and supplies.	(706,177)	(85,320)	(791,497)	-
Cash payments for other expenses.	-	-	-	(863,154)
Net cash provided by (used in) operating activities	<u>(718,120)</u>	<u>(255,206)</u>	<u>(973,326)</u>	<u>40,854</u>
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies	904,512	272,946	1,177,458	-
Cash received from transfers in.	-	25,000	25,000	-
Cash received from interfund loans.	-	102,515	102,515	-
Cash used in repayment of interfund loans	<u>(114,000)</u>	<u>(44,000)</u>	<u>(158,000)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>790,512</u>	<u>356,461</u>	<u>1,146,973</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.	<u>-</u>	<u>(8,565)</u>	<u>(8,565)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(8,565)</u>	<u>(8,565)</u>	<u>-</u>
Cash flows from investing activities:			-	
Interest received	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,157</u>
Net cash provided by investing activities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,157</u>
Net increase in cash and cash equivalents.	72,392	92,690	165,082	57,011
Cash and cash equivalents at beginning of year . . .	473	290,632	291,105	1,167,979
Cash and cash equivalents at end of year	<u>\$ 72,865</u>	<u>\$ 383,322</u>	<u>\$ 456,187</u>	<u>\$ 1,224,990</u>

(Continued)

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF CASH FLOWS - (CONTINUED)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Adult Education</u>	<u>Total</u>	
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (804,308)	\$ (275,475)	\$ (1,079,783)	\$ (28,004)
Adjustments:				
Depreciation	6,328	193	6,521	-
Federal donated commodities.	74,201	-	74,201	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(7,595)	3,086	(4,509)	-
Decrease in materials and supplies inventory.	537	-	537	-
Increase in prepayments.	(121)	-	(121)	-
Increase (decrease) in accounts payable.	(2,028)	23,496	21,468	-
Increase (decrease) in accrued wages and benefits . .	8,113	(12,074)	(3,961)	-
Increase in pension obligation payable	(4,802)	2,105	(2,697)	-
Decrease in intergovernmental payable	(701)	(1,876)	(2,577)	-
Increase in compensated absences payable	649	5,339	5,988	-
Increase in future retirement obligation.	11,607	-	11,607	-
Increase in claims payable	-	-	-	68,858
Net cash provided by (used in) operating activities	<u>\$ (718,120)</u>	<u>\$ (255,206)</u>	<u>\$ (973,326)</u>	<u>\$ 40,854</u>
Noncash investing, capital and financing activities				
Federal donated commodities.	\$ 74,201	\$ -	\$ 74,201	\$ -
Contributions of capital assets from other funds	7,188	-	7,188	-

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003

	Private Purpose Trust	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 2,180,427	\$ 89,774
Investments	3,230,075	-
Receivables:		
Taxes	-	340,915
Accounts	5,639	192
Accrued interest	2,914	-
Total assets	5,419,055	430,881
Liabilities:		
Accounts payable	59	529
Intergovernmental payable	-	343,116
Due to students	-	87,236
Total liabilities	59	\$ 430,881
Net Assets:		
Held in trust for scholarships	5,418,996	
Total net assets	\$ 5,418,996	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Private Purpose Trust
Additions:	
Interest	\$ 120,900
Gifts and contributions.	347,557
Total additions.	468,457
Deductions:	
Scholarships awarded	206,763
Change in net assets	261,694
Net assets at beginning of year (restated).	5,157,302
Net assets at end of year	\$ 5,418,996

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Sandusky City School District (the "District") is located in northern Erie County and is within the corporate boundaries of the City of Sandusky, which lies on the shores of Sandusky Bay and Lake Erie. The District serves an area of approximately 15 square miles.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District ranks as the 91st largest by total enrollment among the 740 public and community school districts in the state. It currently operates 8 elementary schools, 2 alternative schools, 2 junior high schools, and 1 comprehensive high school. The District employs 202 non-certified employees, 359 certified employees and 32 administrators, to provide services to approximately 4,262 students in grades K through 12, more than 5,000 adult education students, and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activity and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The government has elected not to follow subsequent private-sector guidance. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". When applying GASB Statement No. 14, management has considered all potential component units. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits or provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Based upon the application of this criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATION

Northern Ohio Educational Computer Association (NOECA)

The District is a participant in the Northern Ohio Educational Computer Association (NOECA), which is a computer consortium. NOECA is an association of 41 public school districts formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The NOECA Board of Directors consists of two representatives from each county in which participating school districts are located, the chairman of each of the operating committees, and a representative from the fiscal agent. The District paid \$89,458 to NOECA in fiscal year 2003 for services. Financial information can be obtained from Betty Schwiefert, who serves as Controller, 2900 South Columbus Avenue, Sandusky, Ohio 44870.

PUBLIC ENTITY RISK POOL

Workers' Compensation

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (the "Plan") was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Plan. Each year, the participating school district pays an enrollment fee to the Plan to cover the costs of administering the program

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes 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 is reported as fund balance. The following is the District's major governmental fund:

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

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's major proprietary funds:

Enterprise Funds - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District's major enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the District.

Adult Education Fund - This fund accounts for educational opportunities offered on a tuition basis to preschoolers, youths and adults living within the community.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical, dental and vision benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for sales and services. Operating expenses for internal service funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a 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 to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as donated commodities revenue.

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.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2003 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Erie County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2003.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.)

Board adopted appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations at the legal level of control.

5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions within a fund must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2003.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end (not already recorded in accounts payable) are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2003, investments were limited to U.S. government securities, shares of common stock, a repurchase agreement, investments in the State Asset Treasury Reserve of Ohio (STAR Ohio) and open-ended mutual funds.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2003. 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2003.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$154,908, which includes \$68,750 assigned from other District funds.

While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with a gift of stock to its private-purpose trust fund. No public funds were used to acquire the stock. At the time the common stock was endowed to the District its value was \$3,373,011. Due to changes in fair market value, at June 30, 2003, the common stock has decreased in value by \$142,936. The amount of common stock available for expenditure is reported in net assets available in trust for scholarships on the statement of fiduciary net assets. A committee has been created to authorize the spending of the investment income.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year-end is provided in Note 4.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. 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. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives (with an estimated 10% salvage value):

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	20 years	N/A
Buildings/improvements	25 - 50 years	N/A
Furniture/equipment	5 - 20 years	5 - 20 years
Vehicles	6 - 10 years	N/A

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal loans.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is based on a policy whereby an employee is compensated for sixty (60) days of severance pay regardless of the employee's sick leave balance. This liability exists for employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future and is reported as a component of "future retirement obligation" in the basic financial statements.

The District has entered into a First Opportunity Retirement Incentive (FORI) whereby, upon election, an employee reaching their first year of retirement eligibility (with a minimum age of 60 years or 30 or more years of service) is entitled to receive an additional 30 days of severance pay or 12% of their unused sick leave balance, whichever is greater. The corresponding liability for the FORI has been recorded for employees who have elected to retire under the terms of the FORI and is reported as a component of "future retirement obligation" in the governmental fund balance sheet and as a component of long-term liabilities in the statement of net assets.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2003, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "future retirement obligation" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

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

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, claims and judgments, compensated absences and future retirement obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability in the fund financial statements when due.

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, prepayments, property taxes unavailable for appropriation, and perpetual care. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

O. Parochial Schools

Within the District boundaries, St. Mary's, Sts. Peter and Paul, and Holy Angels Elementaries and St. Mary's Central Catholic High School are operated through the Toledo Catholic Diocese. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. These activities are reported as a governmental activity of the District.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Sandusky Public Library

The Sandusky Public Library (the "Library") is a private not for profit organization governed by a board of trustees. The Library provides the community with various educational and literary resources. The District serves as the taxing authority for the Library, but has no ongoing financial responsibility. The District does not appoint a voting majority of the Board and is not involved in the management or operations of the Library. The fiduciary responsibility of collecting and disbursing tax monies for the Library is reflected in an agency fund for financial reporting purposes.

Q. Estimates

The preparation of the financial statements in conformity with GAAP 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.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult education classes, sales for food service and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund.

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

T. Interfund Activity

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

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

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principle

For fiscal year 2003, the District has implemented GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences" which allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the District not being able to present budgetary comparisons for the general fund. At June 30, 2002, there was no effect on fund balance as a result of implementing GASB Statement No. 41.

B. Fund Reclassification and Restatement of Fund Balance and Net Assets

A fund reclassification is required to properly report funds previously reported in the private purpose trust fund as a nonmajor special revenue fund and nonmajor permanent fund. This fund reclassification had the following effect on the District's governmental fund balances as previously reported:

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund balance at June 30, 2002	\$ 2,758,454	\$ 3,016,100	\$ 5,774,554
Fund reclassification	-	103,825	103,825
Restated fund balance at July 1, 2002	<u>\$ 2,758,454</u>	<u>\$ 3,119,925</u>	<u>\$ 5,878,379</u>

The fund reclassification had the following effect on the governmental activities and fiduciary net assets as previously reported:

	<u>Governmental Activities</u>	<u>Private Purpose Trust</u>
Net assets at June 30, 2002	\$ 13,900,029	\$ 5,261,127
Fund reclassification	103,825	(103,825)
Restated net assets at July 1, 2002	<u>\$ 14,003,854</u>	<u>\$ 5,157,302</u>

C. Deficit Fund Balances

Fund balances at June 30, 2003 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Funds</u>	
Post Secondary Education	\$ 1,846
Disadvantaged Pupil Impact Aid	3,366
Vocational Education Enhancements	1,527
Adult Education	5,832
Title VI-B	36,543
Vocational Education	141,736
Title I	151,201
Improving Teacher Quality	47,679

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents". Statutes require the classification of monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District 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 Board of Education 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.

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 accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities 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, Government National Mortgage Association, and Student Loan Marketing 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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, 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 Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the District's deposits was \$(62,698) and the bank balance was \$15,861. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" nature of the District's bank accounts. The negative carrying amount of deposits is due to the sweeping of monies into overnight repurchase agreements which are reported as "investments". The entire bank balance was covered by federal depository insurance.

Collateral is required for demand deposits and certificates of deposit in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at fiscal year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name. Investments in STAR Ohio and mutual funds are not categorized as they are not evidenced by securities that exist in physical or book entry form.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

	<u>Category 1</u>	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ -	\$ 3,425,000	\$ 3,425,000	\$ 3,425,000
U.S. Government securities	41,500	-	41,500	41,500
Stock	<u>3,230,075</u>	-	3,230,075	3,230,075
Total	<u>\$ 3,271,575</u>	<u>\$ 3,425,000</u>		
Investment in STAR Ohio			8,523,130	8,523,130
Mutual funds			<u>137,085</u>	<u>137,085</u>
Total investments			<u>\$ 15,356,790</u>	<u>\$ 15,356,790</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 12,064,017	\$ 3,230,075
Investments of the cash management pool:		
Repurchase agreements	(3,425,000)	3,425,000
Investment in STAR Ohio	(8,523,130)	8,523,130
U.S. Government securities	(41,500)	41,500
Mutual funds	<u>(137,085)</u>	<u>137,085</u>
GASB Statement No. 3	<u>\$ (62,698)</u>	<u>\$15,356,790</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2003, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 150,400
	Adult Education	<u>102,515</u>
Total		<u>\$ 252,915</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund transfers for the year ended June 30, 2003, consisted of the following, as reported on the fund statements:

Transfers to Adult Education fund from:

General Fund	<u>\$ 25,000</u>
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Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Erie County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date tax bills are sent.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003 was \$2,299,434 in the general fund, \$31,738 in the debt service fund and \$78,751 in the capital projects funds. These amounts have been recorded as revenue. The amount available as an advance at June 30, 2002 was \$738,386 in the general fund, \$15,542 in the debt service fund, and \$28,817 in the capital projects funds.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2003 First Half Collections		2002 Second Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 361,711,830	80.38	\$ 357,159,460	79.24
Public utility personal	17,798,430	3.95	17,532,410	3.89
Tangible personal property	<u>70,518,286</u>	<u>15.67</u>	<u>76,042,536</u>	<u>16.87</u>
Total	<u>\$ 450,028,546</u>	<u>100.00</u>	<u>\$ 450,734,406</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 66.00		\$ 66.00	

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 7 - RECEIVABLES

Receivables at June 30, 2003 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, internal loans and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities

Taxes - current and delinquent	\$ 17,919,716
Accounts	7,814
Intergovernmental	826,164
Accrued interest	7
Internal loans	102,515

Business-Type Activities

Accounts	52,922
Intergovernmental	<u>116,263</u>

Total receivables \$ 19,025,401

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2003</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,280,969	\$ -	\$ -	\$ 2,280,969
Total capital assets, not being depreciated	<u>2,280,969</u>	<u>-</u>	<u>-</u>	<u>2,280,969</u>
Capital assets, being depreciated:				
Land improvements	192,255	-	-	192,255
Building/improvements	12,508,540	931,515	-	13,440,055
Furniture/equipment	1,431,184	292,240	(43,727)	1,679,697
Vehicles	<u>1,907,960</u>	<u>237,350</u>	<u>(58,135)</u>	<u>2,087,175</u>
Total capital assets, being depreciated	<u>16,039,939</u>	<u>1,461,105</u>	<u>(101,862)</u>	<u>17,399,182</u>
Less: accumulated depreciation				
Land improvements	(28,277)	(8,651)	-	(36,928)
Building/improvements	(7,034,346)	(235,291)	-	(7,269,637)
Furniture/equipment	(940,817)	(65,148)	35,227	(970,738)
Vehicles	<u>(846,606)</u>	<u>(145,407)</u>	<u>52,322</u>	<u>(939,691)</u>
Total accumulated depreciation	<u>(8,850,046)</u>	<u>(454,497)</u>	<u>87,549</u>	<u>(9,216,994)</u>
Governmental activities capital assets, net	<u>\$ 9,470,862</u>	<u>\$ 1,006,608</u>	<u>\$ (14,313)</u>	<u>\$ 10,463,157</u>
Business-Type Activities				
Capital assets, being depreciated:				
Furniture/equipment	\$ 263,335	\$ 15,753	\$ -	\$ 279,088
Less: accumulated depreciation	<u>(157,376)</u>	<u>(6,521)</u>	<u>-</u>	<u>(163,897)</u>
Business-type activities capital assets, net	<u>\$ 105,959</u>	<u>\$ 9,232</u>	<u>\$ -</u>	<u>\$ 115,191</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 121,040
Special	10,257
Vocational	33,592
Support Services:	
Pupil	7,758
Instructional staff	7,903
Administration	12,787
Business	969
Operations and maintenance of plant	42,116
Pupil transportation	147,987
Central	4,472
Operation of non-instructional services	31,405
Extracurricular activities	<u>34,211</u>
Total depreciation expense	<u>\$ 454,497</u>

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal 2003, the District entered into capitalized leases for fiber optic and telephone equipment. These lease agreements meet the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital fixed assets consisting of building improvements and equipment have been capitalized in the amount of \$1,068,959. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2003 totaled \$49,180 paid by the general fund.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future long-term minimum lease payments required under capital lease and the present value of the future minimum lease payments as of June 30, 2003:

<u>Fiscal Year Ending June 30.</u>	<u>Amount</u>
2004	\$ 148,222
2005	148,222
2006	148,222
2007	148,222
2008	148,222
2009 - 2013	<u>506,723</u>
Total minimum lease payments	1,247,833
Less amount representing interest	<u>(228,054)</u>
Total	<u>\$1,019,779</u>

NOTE 10 - LONG-TERM OBLIGATIONS

- A. On March 3, 2003, the District issued general obligation bonds (Series 2003 School Improvement Refunding Bonds) to currently refund the callable portion of the Series 1991 School Improvement General Obligation Bonds (principal \$1,395,000; interest rate 7.088%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest bonds, par value \$1,090,000. The annual interest rate on the bonds is 4.450%.

The reacquisition price exceeded the net carrying amount of the old debt by \$37,717. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next 6 years by \$407,931 and resulted in an economic gain of \$332,744.

The refunding bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from a current 0.65 mill bonded debt tax levy.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a description of the District's bonds outstanding as of June 30, 2003:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2003</u>
Elementary building additions - 1991	7.088%	07/01/90	07/31/08	\$ 1,395,000	\$ -	\$ (1,395,000)	\$ -
Elementary building additions - 2003	4.450%	03/03/03	12/01/08	-	1,090,000	-	1,090,000
Total				<u>\$ 1,395,000</u>	<u>\$ 1,090,000</u>	<u>\$ (1,395,000)</u>	<u>\$ 1,090,000</u>

- B.** In 1988, the District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project at Sandusky High School. The loan is interest free as long as the District remains current on repayment. Payments relating to the loan are recorded as expenditures in the debt service fund. The following schedule describes the loan:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Loan Maturity Date</u>	<u>Outstanding June 30, 2002</u>	<u>Reductions</u>	<u>Outstanding June 30, 2003</u>
Asbestos Abatement	None	03/01/88	07/31/08	\$ 338,073	\$ (61,468)	\$ 276,605

- C.** The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds and the EPA loan:

<u>Year Ending June 30</u>	<u>Principal on Bonds/EPA Loan</u>	<u>Interest on Bonds/EPA Loan</u>	<u>Total</u>
2004	\$ 266,468	\$ 56,070	\$ 322,538
2005	251,468	35,155	286,623
2006	251,468	26,700	278,168
2007	246,468	18,356	264,824
2008	215,733	10,124	225,857
2009	135,000	3,004	138,004
Total	<u>\$ 1,366,605</u>	<u>\$ 149,409</u>	<u>\$ 1,516,014</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

D. The changes in the District's long-term obligations during the year consist of the following:

	Balance <u>June 30, 2002</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2003</u>	Amounts Due in <u>One Year</u>
Governmental Activities					
Future retirement obligation	\$ 2,234,295	\$ 671,276	\$ (317,387)	\$ 2,588,184	\$ 218,522
Compensated absences payable	147,106	315,490	(201,237)	261,359	261,359
General obligation bonds payable	1,395,000	1,090,000	(1,395,000)	1,090,000	205,000
Asbestos loan payable	338,073	-	(61,468)	276,605	61,468
Capital lease obligation	<u>-</u>	<u>1,068,959</u>	<u>(49,180)</u>	<u>1,019,779</u>	<u>101,878</u>
Total governmental activities long-term liabilities	<u>\$ 4,114,474</u>	<u>\$ 3,145,725</u>	<u>\$ (2,024,272)</u>	5,235,927	<u>\$ 848,227</u>
Less: Unamortized deferred charge on refunding				(35,531)	
Add: Unamortized premium of refunding				<u>75,126</u>	
Total on statement of net assets				<u>\$ 5,275,522</u>	
Business-Type Activities					
Compensated absences payable	\$ 5,514	\$ 21,525	\$ (15,537)	\$ 11,502	\$ 11,502
Future retirement obligation	<u>105,328</u>	<u>21,848</u>	<u>(10,241)</u>	<u>116,935</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 110,842</u>	<u>\$ 43,373</u>	<u>\$ (25,778)</u>	<u>\$ 128,437</u>	<u>\$ 11,502</u>

Compensated absences and the future retirement obligation will be paid from the fund from which the employee is paid. Further detail on the future retirement obligation is provided in Note 2.J.

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2003 are a voted debt margin of \$39,579,416 (including available funds of \$166,847) and an unvoted debt margin of \$450,029.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District 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 fiscal year 2003, the District has contracted with Indiana Insurance Company to provide insurance coverage in the following amounts:

<u>Limits of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General liability:		
Each occurrence	\$ 1,000,000	\$ 2,500
Aggregate	2,000,000	0
Fleet:		
Comprehensive/collision	1,000,000	250/500
Umbrella liability and fleet	3,000,000	10,000
Building and contents	86,298,335	2,500
Boiler and machinery		

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

B. Health Benefits

The District has established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$125,000 for each health benefits claim. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the District participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$448,858 reported in the basic financial statements at June 30, 2003, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the current and previous fiscal year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2002-2003	\$ 380,000	\$ 3,766,012	\$ (3,697,154)	\$ 448,858
2001-2002	305,000	3,245,836	(3,170,836)	380,000

C. Workers' Compensation Rating Program

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the state based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control, assistance with safety programs, and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, or by calling (614) 222-5853.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$430,319, \$278,587, and \$195,172, respectively; 49.59% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$216,920, represents the unpaid contribution for fiscal year 2003.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2003, 13% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 9.5% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,524,868, \$1,791,959, and \$1,718,914, respectively; 83.26% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$422,581, represents the unpaid contribution for fiscal year 2003.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2003, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$194,221 during fiscal 2003.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$3.011 billion at June 30, 2002 (the latest information available). For the fiscal year ended June 30, 2002 (the latest information available), net health care costs paid by STRS were \$354.697 million and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2002 (the latest information available) were \$182.947 million and the target level was \$274.4 million. At June 30, 2002, (the latest information available) SERS had net assets available for payment of health care benefits of \$335.2 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$348,907 during the 2003 fiscal year.

NOTE 14 - 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 and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP) and Actual presented 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:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

	<u>General Fund</u>
Budget basis	\$ (1,327,010)
Net adjustment for revenue accruals	1,564,087
Net adjustment for expenditure accruals	(1,238,929)
Net adjustment for other sources/uses	878,858
Adjustment for encumbrances	<u>393,517</u>
GAAP basis	<u>\$ 270,523</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no current or pending litigation as either plaintiff or defendant.

C. State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the state's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future state funding and its financial operations.

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2003, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2002	\$ (593,901)	\$ -	\$ 176,753
Current year set-aside requirement	613,193	613,193	-
Current year offsets	-	(570,461)	-
Qualifying disbursements	<u>(532,479)</u>	<u>(337,151)</u>	<u>(176,753)</u>
Total	<u>\$ (513,187)</u>	<u>\$ (294,419)</u>	<u>\$ -</u>
Balance carried forward to FY 2004	<u>\$ (513,187)</u>	<u>\$ -</u>	<u>\$ -</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

NOTE 17 - SIGNIFICANT SUBSEQUENT EVENTS

The Districts electorate approved an additional operating levy in November, 2003. The levy is expected to generate \$2.65 million annually in new local tax revenues, beginning in 2004.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

**SANDUSKY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Special Trust

A fund which is used to account for trust agreements in which the principal and income is used to support District programs.

Public School Support

Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grant

Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Venture Capital

Section 3302.07 Revised Code

A fund used to account for professional development activities.

District Managed Student Activity

Section 3313.062

A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services (NPSS)

AM SUB H.B. 291

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Career Development

Current Budget Bill, appropriation line item 200-522

A fund provided to account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, the Ohio Department of Education, and the Division of Vocational Education.

Post Secondary Vocational Education

Current Budget Bill
appropriation line item 200-514

A fund provided to account for receipts and expenditures incurred in providing opportunities for adults.

Teacher Development

Current Budget Bill
appropriation line item 200-527

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Management Information Systems

Am Sub H B 111

A fund used to account for funds associated with the state-wide requirements of the Education Management System (EMIS).

**SANDUSKY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds - (Continued)

Disadvantaged Pupil Impact Aid

Current Budget Bill

A fund used to account for monies received for disadvantaged pupil impact aid.

Data Communications

Section 5705.09, Revised Code

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development

Section 5705.09, Revised Code

A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Grant

Current Budget Bill
appropriation line item 200-566 and 200-455

A fund intended to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention

Current Budget Bill
appropriation line item 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Education Enhancement

Current Budget Bill
appropriation line item 200-545

A fund used to account for the Vocational Education Enhancements that expand the number of students enrolled in tech prep programs, enable students to develop career plans and replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Education Grant

Current Budget Bill
appropriation line item 200-520

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

Able/Jobs Grant

State of Ohio (4P1 200-629)

A fund established to provide assistance to welfare recipients to fund employment. The school district collaborates with the Department of Human Services in preparing participants for the work force by providing them with skills, development, work experience and placement.

**SANDUSKY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds - (Continued)

Adult Basic Education

P L Law 91-230, Title III

This fund accounts for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

Education for Economic Security

National Defense Education Act, 1958

This fund is to account for Federal monies received through the Ohio Department of Education for the purpose of improving the skills of teachers, (science, foreign languages, and computer learning) and increasing the access of all students to that instruction.

Title VI-B

Education; of the Handicapped Act, P L 91-230

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education

Carl D. Perkins Vocational Education Act
of 1984, Public Law 98-524

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Basic Educational Opportunity Grant

Higher Education amendments of
1972, Title IV, part A, section 411;
Public Law 92-318; 20 USC 1070a.

Provision of funds to assist in making available the benefits of post-secondary education to qualified students.

Title I

P L 97-35; Title I ESEA 1965

To account for funds which are to: 1) establish or improve programs designed to meet the special educational need of migratory children of migratory agricultural workers or migratory fishers' and 2) enable State education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records of other information about migratory children.

Title VI

P L 97-35; ESEA 1965

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug-Free School Grant

Catalog of Federal Domestic Assistance #84-166

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

**SANDUSKY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds - (Continued)

EHA Preschool Grant Education of the Handicapped Act, Amendments, P.L. 99-457
Catalog of Federal Domestic Assistance #84.173

The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for the handicapped children ages three (3) through five (5) years.

GOALS 2000 Catalog of Federal Domestic Assistance #84.276

A fund used to account for monies to support a broad range of education improvement goals. Competitive grants are used to establish a network of schools that have developed a systematic improvement plan. Funding is targeted at school districts where student performance on the fourth and ninth grade State Proficiency test are significantly below the State average. Competitive grants are used to support partnerships between school districts and colleges of education to improve teacher education and school instruction simultaneously.

Improving Teacher Quality Catalog of Federal Domestic Assistance #84.340

A fund used to account for monies to hire additional classroom teachers in grades one through three so that the number of students per teacher will be reduced.

Youth Involvement Head Start - Follow Through Act, P.L. 93-644
Title V, Part B; 42 U.S.C. 2929

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Nonmajor Debt Service Fund

A fund provided for the retirement of serial bonds and short term loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans, are paid into this fund. The District maintains only one debt service fund, therefore, combining statements and schedules are not required.

Nonmajor Capital Projects Funds

Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement Section 5705.10, Revised Code

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by chapter 5705, Revised Code.

Replacement Section 3314.11, Revised Code

A fund provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause. Such property may have become unfit for use necessitating its demolition in whole or in part, and may require repair or restoration before it can again be used.

**SANDUSKY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Capital Projects Funds - (Continued)

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Nonmajor Permanent Fund

A fund used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund
Assets:				
Equity in pooled cash and cash equivalents. . . .	\$ 1,257,848	\$ 135,109	\$ 1,885,986	\$ 89,993
Receivables:				
Property taxes	-	247,033	631,011	-
Accounts	1,091	-	-	-
Intergovernmental	751,492	-	-	-
Prepayments	65	-	-	-
Total assets.	<u>\$ 2,010,496</u>	<u>\$ 382,142</u>	<u>\$ 2,516,997</u>	<u>\$ 89,993</u>
Liabilities:				
Accounts payable.	\$ 100,232	\$ -	\$ 64,062	\$ -
Accrued wages and benefits	535,743	-	-	-
Pension obligation payable.	88,424	-	-	-
Intergovernmental payable	18,280	-	-	-
Interfund loan payable	150,400	-	-	-
Deferred revenue.	716,595	215,295	552,260	-
Total liabilities.	<u>1,609,674</u>	<u>215,295</u>	<u>616,322</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	171,063	-	356,650	-
Reserved for prepayments.	65	-	-	-
Reserved for property tax unavailable for appropriation	-	31,738	78,751	-
Reserved for perpetual care.	-	-	-	23,129
Unreserved, undesignated, reported in:				
Special revenue funds	229,694	-	-	-
Debt service fund	-	135,109	-	-
Capital projects funds	-	-	1,465,274	-
Permanent fund.	-	-	-	66,864
Total fund balances.	<u>400,822</u>	<u>166,847</u>	<u>1,900,675</u>	<u>89,993</u>
Total liabilities and fund balances	<u>\$ 2,010,496</u>	<u>\$ 382,142</u>	<u>\$ 2,516,997</u>	<u>\$ 89,993</u>

**Total
Nonmajor
Governmental
Funds**

\$ 3,368,936
878,044
1,091
751,492
65
\$ 4,999,628

\$ 164,294
535,743
88,424
18,280
150,400
1,484,150

2,441,291

527,713
65

110,489
23,129

229,694
135,109
1,465,274
66,864

2,558,337

\$ 4,999,628

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Nonmajor Permanent Fund</u>
Revenues:				
From local sources:				
Taxes	\$ -	\$ 275,642	\$ 620,395	\$ -
Earnings on investments	9,503	-	-	1,423
Extracurricular	289,229	-	-	-
Other local revenues	81,642	4,714	467,731	-
Intergovernmental - state	2,077,869	32,185	75,929	-
Intergovernmental - federal	2,574,615	-	-	-
	<u>5,032,858</u>	<u>312,541</u>	<u>1,164,055</u>	<u>1,423</u>
Total revenue				
Expenditures:				
Current:				
Instruction:				
Regular	1,616,708	-	-	-
Special	1,529,918	-	-	-
Vocational	46,792	-	-	-
Other	169,924	-	-	-
Support services:				
Pupil	245,556	-	-	-
Instructional staff	364,501	-	64,886	-
Administration	117,207	-	-	-
Fiscal	-	4,902	10,882	-
Business	-	-	-	14,859
Pupil transportation	19,820	-	-	-
Central	100,159	-	-	-
Operation of non-instructional services	163,193	-	-	-
Extracurricular activities	395,283	-	-	-
Facilities acquisition and construction	18,180	-	1,272,590	-
Intergovernmental pass through	501,876	-	-	-
Debt service:				
Principal retirement	-	216,468	-	-
Interest and fiscal charges	-	50,917	-	-
Bond issuance cost	-	42,032	-	-
	<u>5,289,117</u>	<u>314,319</u>	<u>1,348,358</u>	<u>14,859</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>(256,259)</u>	<u>(1,778)</u>	<u>(184,303)</u>	<u>(13,436)</u>
Other financing sources (uses):				
Accrued interest on sale of bonds	-	2,156	-	-
Premium on sale of bonds	-	79,749	-	-
Proceeds from sale of bonds	-	1,090,000	-	-
Payment to refunding bond escrow agent	-	(1,277,717)	-	-
	<u>-</u>	<u>(105,812)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	(256,259)	(107,590)	(184,303)	(13,436)
Fund balances at beginning of year (restated).	<u>657,081</u>	<u>274,437</u>	<u>2,084,978</u>	<u>103,429</u>
Fund balances at end of year	<u>\$ 400,822</u>	<u>\$ 166,847</u>	<u>\$ 1,900,675</u>	<u>\$ 89,993</u>

**Total
Nonmajor
Governmental
Funds**

\$ 896,037
10,926
289,229
554,087
2,185,983
2,574,615

6,510,877

1,616,708
1,529,918
46,792
169,924

245,556
429,387
117,207
15,784
14,859
19,820
100,159
163,193
395,283
1,290,770
501,876

216,468
50,917
42,032

6,966,653

(455,776)

2,156
79,749
1,090,000
(1,277,717)

(105,812)

(561,588)

3,119,925

\$ 2,558,337

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003

	Special Trust	Public School Support	Other Grant	District Managed Student Activity
Assets:				
Equity in pooled cash and cash equivalents.	\$ 439,651	\$ 136,745	\$ 1,002	\$ 61,365
Receivables:				
Accounts.	-	440	-	651
Intergovernmental	-	-	-	-
Prepayments	-	-	-	-
Total assets.	\$ 439,651	\$ 137,185	\$ 1,002	\$ 62,016
Liabilities:				
Accounts payable.	\$ -	\$ 3,206	\$ 71	\$ 15,818
Accrued wages and benefits	-	-	-	-
Pension obligation payable.	-	-	-	-
Intergovernmental payable	-	-	-	-
Interfund loan payable	-	-	-	10,500
Deferred revenue.	-	-	-	-
Total liabilities.	-	3,206	71	26,318
Fund Balances:				
Reserved for encumbrances.	-	9,745	-	8,455
Reserved for prepayments	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	439,651	124,234	931	27,243
Total fund balances (deficits).	439,651	133,979	931	35,698
Total liabilities and fund balances	\$ 439,651	\$ 137,185	\$ 1,002	\$ 62,016

<u>Auxiliary Services</u>	<u>Post Secondary Vocational Education</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>
\$ 85,373	\$ 164	\$ 40,380	\$ 259,019	\$ 7,527	\$ 4,600
-	-	-	-	-	-
-	2,700	-	-	-	-
65	-	-	-	-	-
<u>\$ 85,438</u>	<u>\$ 2,864</u>	<u>\$ 40,380</u>	<u>\$ 259,019</u>	<u>\$ 7,527</u>	<u>\$ 4,600</u>
\$ 15,818	\$ 2,010	\$ -	\$ 2,158	\$ -	\$ -
34,783	-	-	216,063	-	-
5,482	-	-	37,004	-	-
944	-	-	7,160	-	-
-	-	-	-	-	-
-	2,700	-	-	-	-
<u>57,027</u>	<u>4,710</u>	<u>-</u>	<u>262,385</u>	<u>-</u>	<u>-</u>
16,099	674	2,520	447	-	-
65	-	-	-	-	-
<u>12,247</u>	<u>(2,520)</u>	<u>37,860</u>	<u>(3,813)</u>	<u>7,527</u>	<u>4,600</u>
<u>28,411</u>	<u>(1,846)</u>	<u>40,380</u>	<u>(3,366)</u>	<u>7,527</u>	<u>4,600</u>
<u>\$ 85,438</u>	<u>\$ 2,864</u>	<u>\$ 40,380</u>	<u>\$ 259,019</u>	<u>\$ 7,527</u>	<u>\$ 4,600</u>

-- Continued

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2003

	<u>Ohio Reads Grant</u>	<u>Vocational Education Enhancement</u>	<u>Alternative Education Grant</u>	<u>Able/Jobs Grant</u>
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 1,923	\$ 11	\$ 7,057	\$ 64,985
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	2,145	-	-
Prepayments	-	-	-	-
Total assets.	<u>\$ 1,923</u>	<u>\$ 2,156</u>	<u>\$ 7,057</u>	<u>\$ 64,985</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	11,113	-
Pension obligation payable.	-	-	1,352	-
Intergovernmental payable	-	38	424	45
Interfund loan payable	-	1,500	-	-
Deferred revenue.	-	2,145	-	-
Total liabilities.	<u>-</u>	<u>3,683</u>	<u>12,889</u>	<u>45</u>
Fund Balances:				
Reserved for encumbrances.	-	-	-	-
Reserved for prepayments	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	1,923	(1,527)	(5,832)	64,940
Total fund balances (deficits).	<u>1,923</u>	<u>(1,527)</u>	<u>(5,832)</u>	<u>64,940</u>
Total liabilities and fund balances	<u>\$ 1,923</u>	<u>\$ 2,156</u>	<u>\$ 7,057</u>	<u>\$ 64,985</u>

<u>Adult Basic Education</u>	<u>Title VI-B</u>	<u>Vocational Education</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free School Grant</u>
\$ 11,176	\$ 49,985	\$ 124	\$ 43,614	\$ 1,261	\$ 17,844
-	-	-	-	-	-
34,897	125,973	152,063	327,249	-	4,648
-	-	-	-	-	-
<u>\$ 46,073</u>	<u>\$ 175,958</u>	<u>\$ 152,187</u>	<u>\$ 370,863</u>	<u>\$ 1,261</u>	<u>\$ 22,492</u>
\$ 30,175	\$ 6,463	\$ 1,209	\$ 11,979	\$ 1,245	\$ 1,015
4,298	66,969	971	154,591	-	-
3,058	11,058	1,032	22,826	-	-
398	2,038	248	5,419	-	20
-	-	138,400	-	-	-
-	125,973	152,063	327,249	-	4,648
<u>37,929</u>	<u>212,501</u>	<u>293,923</u>	<u>522,064</u>	<u>1,245</u>	<u>5,683</u>
159	79,985	-	33,821	7	18,826
-	-	-	-	-	-
<u>7,985</u>	<u>(116,528)</u>	<u>(141,736)</u>	<u>(185,022)</u>	<u>9</u>	<u>(2,017)</u>
<u>8,144</u>	<u>(36,543)</u>	<u>(141,736)</u>	<u>(151,201)</u>	<u>16</u>	<u>16,809</u>
<u>\$ 46,073</u>	<u>\$ 175,958</u>	<u>\$ 152,187</u>	<u>\$ 370,863</u>	<u>\$ 1,261</u>	<u>\$ 22,492</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2003

	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Youth Involvement</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 5,129	\$ 2,795	\$ 16,118	\$ 1,257,848
Receivables:				
Accounts.	-	-	-	1,091
Intergovernmental	4,117	95,964	1,736	751,492
Prepayments	-	-	-	65
Total assets.	<u>\$ 9,246</u>	<u>\$ 98,759</u>	<u>\$ 17,854</u>	<u>\$ 2,010,496</u>
Liabilities:				
Accounts payable.	\$ 100	\$ 58	\$ 8,907	\$ 100,232
Accrued wages and benefits	3,941	43,014	-	535,743
Pension obligation payable.	598	6,014	-	88,424
Intergovernmental payable	77	1,388	81	18,280
Interfund loan payable	-	-	-	150,400
Deferred revenue.	4,117	95,964	1,736	716,595
Total liabilities.	<u>8,833</u>	<u>146,438</u>	<u>10,724</u>	<u>1,609,674</u>
Fund Balances:				
Reserved for encumbrances.	45	17	263	171,063
Reserved for prepayments	-	-	-	65
Unreserved, undesignated, reported in:				
Special revenue funds	368	(47,696)	6,867	229,694
Total fund balances (deficits).	<u>413</u>	<u>(47,679)</u>	<u>7,130</u>	<u>400,822</u>
Total liabilities and fund balances	<u>\$ 9,246</u>	<u>\$ 98,759</u>	<u>\$ 17,854</u>	<u>\$ 2,010,496</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grant</u>	<u>District Managed Student Activity</u>
Revenues:				
From local sources:				
Earnings on investments	\$ 7,338	\$ -	\$ -	\$ -
Extracurricular	-	115,255	-	173,974
Other local revenues	613	38,497	6,000	35,596
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
 Total revenue.	 <u>7,951</u>	 <u>153,752</u>	 <u>6,000</u>	 <u>209,570</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	14,893	-
Special	-	-	-	-
Vocational	-	-	188	-
Other	-	75	-	-
Support services:				
Pupil	-	88	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	2,799	160,051	-	232,433
Facilities acquisition and construction.	-	-	-	-
Intergovernmental pass through	-	-	-	-
 Total expenditures	 <u>2,799</u>	 <u>160,214</u>	 <u>15,081</u>	 <u>232,433</u>
 Net change in fund balances	 5,152	 (6,462)	 (9,081)	 (22,863)
Fund balances at beginning of year (restated).	<u>434,499</u>	<u>140,441</u>	<u>10,012</u>	<u>58,561</u>
Fund balances at end of year.	<u><u>\$ 439,651</u></u>	<u><u>\$ 133,979</u></u>	<u><u>\$ 931</u></u>	<u><u>\$ 35,698</u></u>

<u>Auxiliary Services</u>	<u>Post Secondary Vocational Education</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>
\$ 2,165	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
471,584	14,188	-	16,110	1,324,856	42,000
-	-	-	-	-	-
<u>473,749</u>	<u>14,188</u>	<u>-</u>	<u>16,110</u>	<u>1,324,856</u>	<u>42,000</u>
-	-	-	-	1,347,657	-
-	-	-	-	-	-
-	-	-	-	-	-
-	17,146	-	-	-	-
-	-	-	-	-	-
-	-	1,826	-	-	-
-	-	-	-	-	-
-	-	-	-	-	59,207
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,180	-
<u>501,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>501,876</u>	<u>17,146</u>	<u>1,826</u>	<u>-</u>	<u>1,365,837</u>	<u>59,207</u>
(28,127)	(2,958)	(1,826)	16,110	(40,981)	(17,207)
<u>56,538</u>	<u>1,112</u>	<u>1,826</u>	<u>24,270</u>	<u>37,615</u>	<u>24,734</u>
<u>\$ 28,411</u>	<u>\$ (1,846)</u>	<u>\$ -</u>	<u>\$ 40,380</u>	<u>\$ (3,366)</u>	<u>\$ 7,527</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancement</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	4,600	52,969	-	12,152
Intergovernmental - federal	-	-	-	-
Total revenue	<u>4,600</u>	<u>52,969</u>	<u>-</u>	<u>12,152</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	62,206	855	-
Special	-	-	-	-
Vocational	-	-	-	13,679
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	6,209	-	-	-
Administration	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Intergovernmental pass through	-	-	-	-
Total expenditures	<u>6,209</u>	<u>62,206</u>	<u>855</u>	<u>13,679</u>
Net change in fund balances	(1,609)	(9,237)	(855)	(1,527)
Fund balances at beginning of year (restated).	<u>6,209</u>	<u>11,160</u>	<u>855</u>	<u>-</u>
Fund balances at end of year.	<u>\$ 4,600</u>	<u>\$ 1,923</u>	<u>\$ -</u>	<u>\$ (1,527)</u>

<u>Alternative Education Grant</u>	<u>Able/Jobs Grant</u>	<u>Adult Basic Education</u>	<u>Education for Economic Security</u>	<u>Title VI-B</u>	<u>Vocational Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	936
67,921	15,614	55,875	-	-	-
-	-	100,299	-	488,450	197,498
<u>67,921</u>	<u>15,614</u>	<u>156,174</u>	<u>-</u>	<u>488,450</u>	<u>198,434</u>
99,752	13,324	-	-	-	-
-	-	-	-	169,171	-
-	-	-	-	-	32,925
-	-	142,503	-	-	-
-	-	-	-	114,379	129,477
19,489	-	14,248	1,543	109,762	36,766
-	-	2,293	-	85,458	1,796
-	-	-	-	-	-
-	3,614	-	-	-	37,338
-	-	-	-	74,560	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>119,241</u>	<u>16,938</u>	<u>159,044</u>	<u>1,543</u>	<u>553,330</u>	<u>238,302</u>
(51,320)	(1,324)	(2,870)	(1,543)	(64,880)	(39,868)
<u>45,488</u>	<u>66,264</u>	<u>11,014</u>	<u>1,543</u>	<u>28,337</u>	<u>(101,868)</u>
<u>\$ (5,832)</u>	<u>\$ 64,940</u>	<u>\$ 8,144</u>	<u>\$ -</u>	<u>\$ (36,543)</u>	<u>\$ (141,736)</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Basic Educational Opportunity Grant	Title I	Title VI	Drug-Free School Grant
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	52,450	1,282,862	32,302	38,453
Total revenue.	52,450	1,282,862	32,302	38,453
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	-	33,730
Special	-	1,041,906	27,085	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	65,547	-	-
Administration	-	21,111	-	-
Pupil transportation	-	19,144	-	-
Central	-	-	-	-
Operation of non-instructional services	52,450	30,294	5,741	-
Extracurricular activities.	-	-	-	-
Facilities acquisition and construction. . . .	-	-	-	-
Intergovernmental pass through	-	-	-	-
Total expenditures	52,450	1,178,002	32,826	33,730
Net change in fund balances	-	104,860	(524)	4,723
Fund balances at beginning of year (restated).	-	(256,061)	540	12,086
Fund balances at end of year.	\$ -	\$ (151,201)	\$ 16	\$ 16,809

EHA Preschool Grant	Goals 2000	Improving Teacher Quality	Youth Involvement	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 9,503
-	-	-	-	289,229
-	-	-	-	81,642
-	-	-	-	2,077,869
<u>39,210</u>	<u>18,741</u>	<u>255,285</u>	<u>69,065</u>	<u>2,574,615</u>
<u>39,210</u>	<u>18,741</u>	<u>255,285</u>	<u>69,065</u>	<u>5,032,858</u>
-	44,291	-	-	1,616,708
7,351	-	260,652	23,753	1,529,918
-	-	-	-	46,792
-	-	-	10,200	169,924
473	-	-	1,139	245,556
27,393	13,279	42,312	26,127	364,501
6,549	-	-	-	117,207
-	-	-	676	19,820
-	-	-	-	100,159
-	-	-	148	163,193
-	-	-	-	395,283
-	-	-	-	18,180
-	-	-	-	501,876
<u>41,766</u>	<u>57,570</u>	<u>302,964</u>	<u>62,043</u>	<u>5,289,117</u>
(2,556)	(38,829)	(47,679)	7,022	(256,259)
<u>2,969</u>	<u>38,829</u>	<u>-</u>	<u>108</u>	<u>657,081</u>
<u>\$ 413</u>	<u>\$ -</u>	<u>\$ (47,679)</u>	<u>\$ 7,130</u>	<u>\$ 400,822</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2003

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 1,859,313	\$ 26,673	\$ 1,885,986
Receivables:			
Taxes	631,011	-	631,011
Total assets.	<u>\$ 2,490,324</u>	<u>\$ 26,673</u>	<u>\$ 2,516,997</u>
Liabilities:			
Accounts payable.	\$ 64,062	\$ -	\$ 64,062
Deferred revenue.	552,260	-	552,260
Total liabilities.	616,322	-	616,322
Fund Balances:			
Reserved for encumbrances	356,650	-	356,650
Reserved for property tax unavailable for appropriation	78,751	-	78,751
Unreserved, undesignated, reported in: Capital projects	1,438,601	26,673	1,465,274
Total fund balances	1,874,002	26,673	1,900,675
Total liabilities and fund balances	<u>\$ 2,490,324</u>	<u>\$ 26,673</u>	<u>\$ 2,516,997</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Permanent Improvement	Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Taxes	\$ 620,395	\$ -	\$ -	\$ 620,395
Other local revenues	467,731	-	-	467,731
Intergovernmental - state	75,929	-	-	75,929
	<u>1,164,055</u>	<u>-</u>	<u>-</u>	<u>1,164,055</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	-	-	64,886	64,886
Fiscal	10,882	-	-	10,882
Facilities acquisition and construction	1,272,590	-	-	1,272,590
	<u>1,283,472</u>	<u>-</u>	<u>64,886</u>	<u>1,348,358</u>
Total expenditures	1,283,472	-	64,886	1,348,358
Net change in fund balances	(119,417)	-	(64,886)	(184,303)
Fund balances at beginning of year	<u>1,993,419</u>	<u>26,673</u>	<u>64,886</u>	<u>2,084,978</u>
Fund balances at end of year.	<u>\$ 1,874,002</u>	<u>\$ 26,673</u>	<u>\$ -</u>	<u>\$ 1,900,675</u>

**SANDUSKY CITY SCHOOL DISTRICT
COMBINING STATEMENTS - FIDUCIARY FUNDS**

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Private Purpose Trust Funds

Endowment Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The income from such a fund may be expended, but the principal must remain intact.

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

Student Managed Activity

Section 3315.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor. There are 160 student managed activity groups throughout the District.

District Agency

Section 5705.12, Revised Code

A fund used to account for those assets held by a school district as an agent for individuals, private organization, other governmental units, and/or other funds.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003

	<u>Endowment Fund</u>	<u>Scholarship Trust Fund</u>	<u>Agency</u>	<u>Totals</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,706,541	\$ 473,886	\$ 89,774	\$ 2,270,201
Investments	3,230,075	-		3,230,075
Receivables				
Taxes	-	-	340,915	340,915
Accounts	4,639	-	192	4,831
Accrued interest	2,914	1,000	-	3,914
Total assets	<u>4,944,169</u>	<u>474,886</u>	<u>430,881</u>	<u>5,849,936</u>
Liabilities:				
Accounts payable	59	-	529	588
Intergovernmental payable	-	-	343,116	343,116
Due to students	-	-	87,236	87,236
Total liabilities	<u>59</u>	<u>-</u>	<u>\$ 430,881</u>	<u>430,940</u>
Net Assets:				
Held in trust for scholarships	<u>4,944,110</u>	<u>474,886</u>		<u>5,418,996</u>
Total net assets	<u>\$ 4,944,110</u>	<u>\$ 474,886</u>		<u>\$ 5,418,996</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Endowment Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total</u>
Additions:			
Interest	\$ 114,521	\$ 6,379	\$ 120,900
Gifts and contributions.	278,096	69,461	347,557
	<hr/>	<hr/>	<hr/>
Total additions	392,617	75,840	468,457
Deductions:			
Scholarships awarded	155,408	51,355	206,763
	<hr/>	<hr/>	<hr/>
Change in net assets	237,209	24,485	261,694
Net assets at beginning of year (restated). . .	4,706,901	450,401	5,157,302
	<hr/>	<hr/>	<hr/>
Net assets at end of year	<u>\$ 4,944,110</u>	<u>\$ 474,886</u>	<u>\$ 5,418,996</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2003

	<u>Beginning Balance July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2003</u>
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,667	\$ 344,152	\$ 343,486	\$ 2,333
Receivables				
Taxes	306,984	340,915	306,984	340,915
Total assets	<u>\$ 308,651</u>	<u>\$ 685,067</u>	<u>\$ 650,470</u>	<u>\$ 343,248</u>
Liabilities:				
Accounts payable	-	132	-	132
Due to other governments	308,651	684,935	650,470	343,116
Total liabilities	<u>\$ 308,651</u>	<u>\$ 685,067</u>	<u>\$ 650,470</u>	<u>\$ 343,248</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 83,306	\$ 140,415	\$ 136,280	\$ 87,441
Receivables				
Accounts	415	192	415	192
Total assets	<u>\$ 83,721</u>	<u>\$ 140,607</u>	<u>\$ 136,695</u>	<u>\$ 87,633</u>
Liabilities:				
Accounts payable	\$ 4,699	\$ 397	\$ 4,699	\$ 397
Due to students	79,022	140,210	131,996	87,236
Total liabilities	<u>\$ 83,721</u>	<u>\$ 140,607</u>	<u>\$ 136,695</u>	<u>\$ 87,633</u>
Total				
Assets:				
Equity in pooled cash and cash equivalents	\$ 84,973	\$ 484,567	\$ 479,766	\$ 89,774
Receivables				
Taxes	306,984	340,915	306,984	340,915
Accounts	415	192	415	192
Total assets	<u>\$ 392,372</u>	<u>\$ 825,674</u>	<u>\$ 787,165</u>	<u>\$ 430,881</u>
Liabilities:				
Accounts payable	\$ 4,699	\$ 529	\$ 4,699	\$ 529
Due to other governments	308,651	684,935	650,470	343,116
Due to students	79,022	140,210	131,996	87,236
Total liabilities	<u>\$ 392,372</u>	<u>\$ 825,674</u>	<u>\$ 787,165</u>	<u>\$ 430,881</u>

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

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 15,750,000	\$ 15,446,000	\$ 15,444,380	\$ (1,620)
Tuition	53,500	41,000	23,386	(17,614)
Earnings on investments	150,000	175,000	154,926	(20,074)
Extracurricular	11,700	12,600	11,972	(628)
Other local revenues	402,330	556,780	481,834	(74,946)
Other revenue	5,000	5,000	-	(5,000)
Intergovernmental-state	16,413,470	16,319,620	16,372,178	52,558
Intergovernmental-federal	100,000	200,000	194,758	(5,242)
Total revenues	<u>32,886,000</u>	<u>32,756,000</u>	<u>32,683,434</u>	<u>(72,566)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	10,631,800	10,624,247	10,558,020	66,227
Fringe benefits	3,504,052	3,516,392	3,487,031	29,361
Purchased services	120,311	153,083	133,914	19,169
Supplies	510,446	457,560	421,094	36,466
Capital outlay	132,350	91,913	79,574	12,339
Dues and fees	-	200	200	-
Total instruction-regular	<u>14,898,959</u>	<u>14,843,395</u>	<u>14,679,833</u>	<u>163,562</u>
Instruction-special				
Salaries and wages	2,433,742	2,448,006	2,425,283	22,723
Fringe benefits	878,208	891,858	866,726	25,132
Purchased services	812,500	950,391	948,255	2,136
Supplies	31,409	27,597	15,130	12,467
Capital outlay	6,370	2,977	2,963	14
Dues and fees	530,000	539,000	538,358	642
Total instruction-special	<u>4,692,229</u>	<u>4,859,829</u>	<u>4,796,715</u>	<u>63,114</u>
Instruction-vocational				
Salaries and wages	883,967	916,067	905,776	10,291
Fringe benefits	328,178	306,578	300,188	6,390
Purchased services	14,111	18,111	14,666	3,445
Supplies	142,250	178,260	156,924	21,336
Capital outlay	18,586	49,586	46,765	2,821
Total instruction-vocational	<u>1,387,092</u>	<u>1,468,602</u>	<u>1,424,319</u>	<u>44,283</u>
Support services-pupil				
Salaries and wages	995,700	1,052,200	1,045,802	6,398
Fringe benefits	307,900	344,500	330,875	13,625
Purchased services	21,921	71,921	55,509	16,412
Supplies	64,393	11,421	8,493	2,928
Capital outlay	2,000	1,000	140	860
Total support services-pupil	<u>1,391,914</u>	<u>1,481,042</u>	<u>1,440,819</u>	<u>40,223</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Support services-instructional staff				
Salaries and wages	\$ 562,800	\$ 611,900	\$ 594,808	\$ 17,092
Fringe benefits	256,366	299,366	285,262	14,104
Purchased services	223,011	203,011	173,643	29,368
Supplies	140,386	149,388	129,551	19,837
Capital outlay	4,000	2,000	-	2,000
Dues and fees	75,000	75,000	65,371	9,629
Total support services-instructional staff	<u>1,261,563</u>	<u>1,340,665</u>	<u>1,248,635</u>	<u>92,030</u>
Support services-board of education				
Salaries and wages	15,000	15,000	10,960	4,040
Fringe benefits	1,600	1,600	477	1,123
Purchased services	188,645	190,645	167,067	23,578
Supplies	1,600	1,600	86	1,514
Dues and fees	72,100	72,500	65,592	6,908
Total support services-board of education	<u>278,945</u>	<u>281,345</u>	<u>244,182</u>	<u>37,163</u>
Support services-administration				
Salaries and wages	1,996,624	2,077,474	2,044,527	32,947
Fringe benefits	835,993	808,943	788,972	19,971
Purchased services	35,465	32,100	22,833	9,267
Supplies	15,742	13,647	5,259	8,388
Capital outlay	23,000	8,200	6,734	1,466
Dues and fees	2,700	2,700	937	1,763
Total support services-administration	<u>2,909,524</u>	<u>2,943,064</u>	<u>2,869,262</u>	<u>73,802</u>
Support services-fiscal				
Salaries and wages	205,400	199,100	188,053	11,047
Fringe benefits	80,600	83,600	77,671	5,929
Purchased services	32,000	31,365	26,153	5,212
Supplies	4,000	4,445	3,310	1,135
Capital outlay	2,000	-	-	-
Dues and fees	353,250	351,510	349,229	2,281
Total support services-fiscal	<u>677,250</u>	<u>670,020</u>	<u>644,416</u>	<u>25,604</u>
Support services-business				
Salaries and wages	112,200	112,300	111,456	844
Fringe benefits	40,900	44,160	41,329	2,831
Purchased services	53,800	54,800	52,434	2,366
Supplies	9,239	9,238	8,402	836
Capital outlay	4,277	2,987	2,892	95
Total support services-business	<u>220,416</u>	<u>223,485</u>	<u>216,513</u>	<u>6,972</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Support services-operations and maintenance				
Salaries and wages	\$ 1,721,000	\$ 1,709,820	\$ 1,667,601	\$ 42,219
Fringe benefits	649,900	612,900	603,424	9,476
Purchased services	1,800,832	1,608,031	1,498,880	109,151
Supplies	171,581	171,581	169,393	2,188
Capital outlay	28,507	28,108	25,486	2,622
Total support services-operations and maintenance	<u>4,371,820</u>	<u>4,130,440</u>	<u>3,964,784</u>	<u>165,656</u>
Support services-pupil transportation				
Salaries and wages	734,900	721,200	708,060	13,140
Fringe benefits	299,300	297,300	284,842	12,458
Purchased services	32,000	32,000	14,659	17,341
Supplies	132,295	123,294	115,200	8,094
Capital outlay	241,823	235,823	235,102	721
Dues and fees	55,000	56,000	55,988	12
Total support services-pupil transportation	<u>1,495,318</u>	<u>1,465,617</u>	<u>1,413,851</u>	<u>51,766</u>
Support services-central				
Salaries and wages	55,000	78,400	51,236	27,164
Fringe benefits	19,700	31,025	24,324	6,701
Purchased services	-	299,270	272,885	26,385
Supplies	5,182	29,082	26,346	2,736
Capital outlay	2,000	193,830	192,295	1,535
Total support services-central	<u>81,882</u>	<u>631,607</u>	<u>567,086</u>	<u>64,521</u>
Operation of non-instructional services				
Salaries and wages	-	1,050	883	167
Fringe benefits	-	225	99	126
Capital outlay	2,100	3,100	2,964	136
Total operation of non-instructional services	<u>2,100</u>	<u>4,375</u>	<u>3,946</u>	<u>429</u>
Extracurricular activities				
Salaries and wages	553,938	579,588	558,088	21,500
Fringe benefits	88,695	97,745	85,978	11,767
Purchased services	32,000	14,797	14,257	540
Supplies	5,261	7,602	6,550	1,052
Capital outlay	200	200	-	200
Dues and fees	50	-	-	-
Total extracurricular activities	<u>680,144</u>	<u>699,932</u>	<u>664,873</u>	<u>35,059</u>
Total expenditures	<u>34,349,156</u>	<u>35,043,418</u>	<u>34,179,234</u>	<u>864,184</u>
Excess of revenues over (under) expenditures	<u>(1,463,156)</u>	<u>(2,287,418)</u>	<u>(1,495,800)</u>	<u>791,618</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Refund of prior year's expenditures	\$ 10,000	\$ 40,000	\$ 35,516	\$ (4,484)
Transfers in	14,000	14,000	-	(14,000)
Transfers (out).	(225,000)	(25,000)	(25,000)	-
Advances in	410,000	410,000	410,000	-
Advances (out).	-	(2,500)	(255,415)	(252,915)
Proceeds from sale of fixed assets	5,000	5,000	3,689	(1,311)
Total other financing sources (uses)	<u>214,000</u>	<u>441,500</u>	<u>168,790</u>	<u>(272,710)</u>
Net change in fund balance	(1,249,156)	(1,845,918)	(1,327,010)	518,908
Fund balance at beginning of year	5,494,883	5,494,883	5,494,883	-
Prior year encumbrances appropriated	182,313	182,313	182,313	-
Fund balance at end of year.	<u>\$ 4,428,040</u>	<u>\$ 3,831,278</u>	<u>\$ 4,350,186</u>	<u>\$ 518,908</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 13,000	\$ 13,000	\$ 7,338	\$ (5,662)
Other local revenues	1,050	1,050	613	(437)
Total revenues.	<u>14,050</u>	<u>14,050</u>	<u>7,951</u>	<u>(6,099)</u>
Expenditures:				
Current:				
Support services-business				
Supplies	2,300	2,300	-	2,300
Other.	10,000	10,000	-	10,000
Total support services-business	<u>12,300</u>	<u>12,300</u>	<u>-</u>	<u>12,300</u>
Extracurricular activities				
Supplies	500	500	-	500
Capital outlay	5,000	5,000	2,799	2,201
Other	3,000	3,000	-	3,000
Total extracurricular activities.	<u>8,500</u>	<u>8,500</u>	<u>2,799</u>	<u>5,701</u>
Facilities acquisition and construction				
Capital outlay	30,000	30,000	-	30,000
Total facilities acquisition and construction.	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>50,800</u>	<u>50,800</u>	<u>2,799</u>	<u>48,001</u>
Excess of revenues over (under) expenditures	<u>(36,750)</u>	<u>(36,750)</u>	<u>5,152</u>	<u>41,902</u>
Other financing sources (uses):				
Transfers (out).	(15,000)	(5,000)	-	5,000
Total other financing sources (uses)	<u>(15,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	(51,750)	(41,750)	5,152	46,902
Fund balance at beginning of year (restated)	434,499	434,499	434,499	-
Prior year encumbrances appropriated . . .	-	-	-	-
Fund balance at end of year.	<u>\$ 382,749</u>	<u>\$ 392,749</u>	<u>\$ 439,651</u>	<u>\$ 46,902</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Extracurricular	\$ 224,785	\$ 131,125	\$ 115,051	\$ (16,074)
Other local revenues	75,215	43,875	38,497	(5,378)
Total revenues	<u>300,000</u>	<u>175,000</u>	<u>153,548</u>	<u>(21,452)</u>
Expenditures:				
Current:				
Instruction-other				
Salaries and wages	-	250	75	175
Purchased services	250	-	-	-
Supplies	300	-	-	-
Other	170	-	-	-
Total instruction-other	<u>720</u>	<u>250</u>	<u>75</u>	<u>175</u>
Support services-pupil				
Other	100	88	88	-
Total support services-pupil	<u>100</u>	<u>88</u>	<u>88</u>	<u>-</u>
Extracurricular activities				
Purchased services	194,870	113,384	103,550	9,834
Supplies	35,444	28,521	21,852	6,669
Capital outlay	30,131	35,923	34,844	1,079
Other	23,328	19,443	11,881	7,562
Total extracurricular activities	<u>283,773</u>	<u>197,271</u>	<u>172,127</u>	<u>25,144</u>
Total expenditures	<u>284,593</u>	<u>197,609</u>	<u>172,290</u>	<u>25,319</u>
Net change in fund balance	15,407	(22,609)	(18,742)	3,867
Fund balance at beginning of year	131,653	131,653	131,653	-
Prior year encumbrances appropriated	10,883	10,883	10,883	-
Fund balance at end of year	<u>\$ 157,943</u>	<u>\$ 119,927</u>	<u>\$ 123,794</u>	<u>\$ 3,867</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenues	\$ 20,000	\$ 10,000	\$ 6,000	\$ (4,000)
Total revenues	<u>20,000</u>	<u>10,000</u>	<u>6,000</u>	<u>(4,000)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	-	962	962	-
Supplies	3,441	7,728	7,685	43
Capital outlay	-	9,792	9,662	130
Total instruction-regular	<u>3,441</u>	<u>18,482</u>	<u>18,309</u>	<u>173</u>
Instruction-vocational				
Supplies	-	25	-	25
Capital outlay	-	921	188	733
Total instruction-vocational	<u>-</u>	<u>946</u>	<u>188</u>	<u>758</u>
Total expenditures	<u>3,441</u>	<u>19,428</u>	<u>18,497</u>	<u>931</u>
Excess of revenues over (under) expenditures	<u>16,559</u>	<u>(9,428)</u>	<u>(12,497)</u>	<u>(3,069)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(151)	(151)	-
Total other financing sources (uses)	<u>-</u>	<u>(151)</u>	<u>(151)</u>	<u>-</u>
Net change in fund balance	16,559	(9,579)	(12,648)	(3,069)
Fund balance at beginning of year	10,138	10,138	10,138	-
Prior year encumbrances appropriated	3,441	3,441	3,441	-
Fund balance at end of year	<u>\$ 30,138</u>	<u>\$ 4,000</u>	<u>\$ 931</u>	<u>\$ (3,069)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VENTURE CAPITAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
Revenues:				
Intergovernmental-state	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Excess of revenues over (under) expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	10,000	10,000	-	(10,000)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u><u>\$ 10,000</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (10,000)</u></u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 237,302	\$ 197,752	\$ 172,252	\$ (25,500)
Other local revenues	48,233	40,194	35,011	(5,183)
Total revenues	<u>285,535</u>	<u>237,946</u>	<u>207,263</u>	<u>(30,683)</u>
Expenditures:				
Extracurricular activities				
Purchased services	139,954	106,533	103,257	3,276
Supplies	59,221	51,749	45,779	5,970
Capital outlay	28,300	37,726	37,726	-
Other	60,620	50,859	47,230	3,629
Total extracurricular activities	<u>288,095</u>	<u>246,867</u>	<u>233,992</u>	<u>12,875</u>
Total expenditures	<u>288,095</u>	<u>246,867</u>	<u>233,992</u>	<u>12,875</u>
Excess of revenues over (under) expenditures	<u>(2,560)</u>	<u>(8,921)</u>	<u>(26,729)</u>	<u>(17,808)</u>
Other financing sources (uses):				
Advances in	14,465	12,054	10,500	(1,554)
Advances (out)	-	-	(9,000)	(9,000)
Total other financing sources (uses)	<u>14,465</u>	<u>12,054</u>	<u>1,500</u>	<u>(10,554)</u>
Net change in fund balance	11,905	3,133	(25,229)	(28,362)
Fund balance at beginning of year	64,424	64,424	64,424	-
Prior year encumbrances appropriated	7,280	7,280	7,280	-
Fund balance at end of year	<u>\$ 83,609</u>	<u>\$ 74,837</u>	<u>\$ 46,475</u>	<u>\$ (28,362)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILLARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 2,358	\$ 2,255	\$ 2,165	\$ (90)
Intergovernmental-state	513,609	491,278	471,584	(19,694)
Total revenues	<u>515,967</u>	<u>493,533</u>	<u>473,749</u>	<u>(19,784)</u>
Expenditures:				
Intergovernmental pass through				
Salaries and wages	180,000	166,278	166,278	-
Fringe benefits	60,455	47,931	47,931	-
Purchased services	189,901	166,125	166,125	-
Supplies	92,657	138,032	138,032	-
Capital outlay	16,000	21,848	21,848	-
Other	-	175	175	-
Total intergovernmental pass through	<u>539,013</u>	<u>540,389</u>	<u>540,389</u>	<u>-</u>
Total expenditures	<u>539,013</u>	<u>540,389</u>	<u>540,389</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(23,046)</u>	<u>(46,856)</u>	<u>(66,640)</u>	<u>(19,784)</u>
Other financing sources (uses):				
Transfers in	59,033	56,467	54,203	(2,264)
Transfers (out)	-	(54,203)	(54,203)	-
Total other financing sources (uses)	<u>59,033</u>	<u>2,264</u>	<u>-</u>	<u>(2,264)</u>
Net change in fund balance	35,987	(44,592)	(66,640)	(22,048)
Fund balance at beginning of year	97,654	97,654	97,654	-
Prior year encumbrances appropriated	18,508	18,508	18,508	-
Fund balance at end of year	<u>\$ 152,149</u>	<u>\$ 71,570</u>	<u>\$ 49,522</u>	<u>\$ (22,048)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAREER DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 25,000	\$ -	\$ -	\$ -
Total revenues	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-vocational				
Salaries and wages	12,000	-	-	-
Fringe benefits	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction-vocational	<u>13,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>11,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	11,200	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 11,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POST SECONDARY VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 30,000	\$ 20,000	\$ 15,300	\$ (4,700)
Total revenues	<u>30,000</u>	<u>20,000</u>	<u>15,300</u>	<u>(4,700)</u>
Expenditures:				
Current:				
Instruction-other				
Purchased services	17,000	14,888	14,888	-
Supplies	<u>3,000</u>	<u>2,932</u>	<u>2,932</u>	<u>-</u>
Total instruction-other	<u>20,000</u>	<u>17,820</u>	<u>17,820</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>17,820</u>	<u>17,820</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>10,000</u>	<u>2,180</u>	<u>(2,520)</u>	<u>(4,700)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(1,112)	(1,112)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,112)</u>	<u>(1,112)</u>	<u>-</u>
Net change in fund balance	10,000	1,068	(3,632)	(4,700)
Fund balance at beginning of year	1,112	1,112	1,112	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 11,112</u>	<u>\$ 2,180</u>	<u>\$ (2,520)</u>	<u>\$ (4,700)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEACHER DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 30,000	\$ -	\$ -	\$ -
Total revenues	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	6,000	-	-	-
Fringe benefits	1,000	-	-	-
Purchased services	12,000	-	-	-
Supplies	<u>3,300</u>	<u>484</u>	<u>484</u>	<u>-</u>
Total support services-instructional staff	<u>22,300</u>	<u>484</u>	<u>484</u>	<u>-</u>
Total expenditures	<u>22,300</u>	<u>484</u>	<u>484</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>7,700</u>	<u>(484)</u>	<u>(484)</u>	<u>-</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(1,758)	(1,758)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,758)</u>	<u>(1,758)</u>	<u>-</u>
Net change in fund balance	7,700	(2,242)	(2,242)	-
Fund balance at beginning of year	1,942	1,942	1,942	-
Prior year encumbrances appropriated	300	300	300	-
Fund balance at end of year	<u>\$ 9,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 25,000	\$ 17,000	\$ 16,110	\$ (890)
Total revenues	<u>25,000</u>	<u>17,000</u>	<u>16,110</u>	<u>(890)</u>
Expenditures:				
Current:				
Support services-fiscal				
Supplies	1,000	405	405	-
Capital outlay	<u>25,000</u>	<u>2,115</u>	<u>2,115</u>	-
Total support services-fiscal	<u>26,000</u>	<u>2,520</u>	<u>2,520</u>	-
Total expenditures	<u>26,000</u>	<u>2,520</u>	<u>2,520</u>	-
Net change in fund balance	(1,000)	14,480	13,590	(890)
Fund balance at beginning of year	24,270	24,270	24,270	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 23,270</u>	<u>\$ 38,750</u>	<u>\$ 37,860</u>	<u>\$ (890)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 1,450,000	\$ 1,324,857	\$ 1,324,856	\$ (1)
Total revenues	<u>1,450,000</u>	<u>1,324,857</u>	<u>1,324,856</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	1,146,000	1,130,607	1,130,607	-
Fringe benefits	175,000	183,694	183,694	-
Supplies	-	16,064	16,064	-
Total instruction-regular	<u>1,321,000</u>	<u>1,330,365</u>	<u>1,330,365</u>	<u>-</u>
Facilities acquisition and construction				
Purchased services	-	18,179	18,179	-
Total facilities acquisition and construction	<u>-</u>	<u>18,179</u>	<u>18,179</u>	<u>-</u>
Total expenditures	<u>1,321,000</u>	<u>1,348,544</u>	<u>1,348,544</u>	<u>-</u>
Net change in fund balance	129,000	(23,687)	(23,688)	(1)
Fund balance at beginning of year	280,102	280,102	280,102	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 409,102</u>	<u>\$ 256,415</u>	<u>\$ 256,414</u>	<u>\$ (1)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 55,000	\$ 45,000	\$ 42,000	\$ (3,000)
Total revenues	<u>55,000</u>	<u>45,000</u>	<u>42,000</u>	<u>(3,000)</u>
Expenditures:				
Current:				
Support services-central				
Purchased services	-	59,207	59,207	-
Total support services-central	<u>-</u>	<u>59,207</u>	<u>59,207</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>59,207</u>	<u>59,207</u>	<u>-</u>
Net change in fund balance	55,000	(14,207)	(17,207)	(3,000)
Fund balance at beginning of year	24,734	24,734	24,734	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 79,734</u>	<u>\$ 10,527</u>	<u>\$ 7,527</u>	<u>\$ (3,000)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 20,000	\$ 5,000	\$ 4,600	\$ (400)
Total revenues	<u>20,000</u>	<u>5,000</u>	<u>4,600</u>	<u>(400)</u>
Excess of revenues over (under) expenditures	<u>20,000</u>	<u>5,000</u>	<u>4,600</u>	<u>(400)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(6,209)	(6,209)	-
Total other financing sources (uses)	<u>-</u>	<u>(6,209)</u>	<u>(6,209)</u>	<u>-</u>
Net change in fund balance	20,000	(1,209)	(1,609)	(400)
Fund balance at beginning of year	6,209	6,209	6,209	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 26,209</u>	<u>\$ 5,000</u>	<u>\$ 4,600</u>	<u>\$ (400)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 90,000	\$ 55,000	\$ 52,969	\$ (2,031)
Total revenues	<u>90,000</u>	<u>55,000</u>	<u>52,969</u>	<u>(2,031)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	800	-	-	-
Fringe benefits	200	-	-	-
Purchased services	19,500	35,230	35,230	-
Supplies	34,196	27,627	27,627	-
Total instruction-regular	<u>54,696</u>	<u>62,857</u>	<u>62,857</u>	<u>-</u>
Total expenditures	<u>54,696</u>	<u>62,857</u>	<u>62,857</u>	<u>-</u>
Net change in fund balance	35,304	(7,857)	(9,888)	(2,031)
Fund balance at beginning of year	2,115	2,115	2,115	-
Prior year encumbrances appropriated . .	9,696	9,696	9,696	-
Fund balance at end of year	<u>\$ 47,115</u>	<u>\$ 3,954</u>	<u>\$ 1,923</u>	<u>\$ (2,031)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 35,000	\$ -	\$ -	\$ -
Total revenues	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	41,000	-	-	-
Fringe benefits	5,925	-	-	-
Supplies	18,000	855	855	-
Capital outlay	36,000	-	-	-
Total instruction-regular	<u>100,925</u>	<u>855</u>	<u>855</u>	<u>-</u>
Total expenditures	<u>100,925</u>	<u>855</u>	<u>855</u>	<u>-</u>
Net change in fund balance	(65,925)	(855)	(855)	-
Fund balance at beginning of year	855	855	855	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ (65,070)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION ENHANCEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ -	\$ 17,803	\$ 12,152	\$ (5,651)
Total revenues	<u>-</u>	<u>17,803</u>	<u>12,152</u>	<u>(5,651)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	11,900	11,900	-
Fringe benefits	-	1,741	1,741	-
Total instruction-regular	<u>-</u>	<u>13,641</u>	<u>13,641</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>13,641</u>	<u>13,641</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>4,162</u>	<u>(1,489)</u>	<u>(5,651)</u>
Other financing sources (uses):				
Advances in	-	2,197	1,500	(697)
Total other financing sources (uses)	<u>-</u>	<u>2,197</u>	<u>1,500</u>	<u>(697)</u>
Net change in fund balance	-	6,359	11	(6,348)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 6,359</u>	<u>\$ 11</u>	<u>\$ (6,348)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALTERNATIVE EDUCATION GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 200,000	\$ 90,000	\$ 67,921	\$ (22,079)
Total revenues	<u>200,000</u>	<u>90,000</u>	<u>67,921</u>	<u>(22,079)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	103,000	38,219	38,219	-
Fringe benefits	22,820	9,129	9,129	-
Purchased services	500	-	-	-
Supplies	19,130	13,964	13,964	-
Capital outlay	38,175	38,636	38,636	-
Total instruction-regular	<u>183,625</u>	<u>99,948</u>	<u>99,948</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	-	12,558	12,558	-
Fringe benefits	-	3,938	3,938	-
Total support services-instructional staff	<u>-</u>	<u>16,496</u>	<u>16,496</u>	<u>-</u>
Total expenditures	<u>183,625</u>	<u>116,444</u>	<u>116,444</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>16,375</u>	<u>(26,444)</u>	<u>(48,523)</u>	<u>(22,079)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(632)	(632)	-
Total other financing sources (uses)	<u>-</u>	<u>(632)</u>	<u>(632)</u>	<u>-</u>
Net change in fund balance	16,375	(27,076)	(49,155)	(22,079)
Fund balance at beginning of year	26,907	26,907	26,907	-
Prior year encumbrances appropriated	29,305	29,305	29,305	-
Fund balance at end of year	<u>\$ 72,587</u>	<u>\$ 29,136</u>	<u>\$ 7,057</u>	<u>\$ (22,079)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ABLE/JOBS GANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 100,000	\$ 20,000	\$ 15,614	\$ (4,386)
Total revenues	<u>100,000</u>	<u>20,000</u>	<u>15,614</u>	<u>(4,386)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	7,526	8,750	8,750	-
Fringe benefits	-	1,000	1,000	-
Purchased services	20,688	-	-	-
Supplies	16,239	-	-	-
Capital outlay	14,020	1,239	1,239	-
Other	5,500	-	-	-
Total instruction-regular	<u>63,973</u>	<u>10,989</u>	<u>10,989</u>	<u>-</u>
Support services-central				
Purchased services	-	3,614	3,614	-
Total support services-central	<u>-</u>	<u>3,614</u>	<u>3,614</u>	<u>-</u>
Total expenditures	<u>63,973</u>	<u>14,603</u>	<u>14,603</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>36,027</u>	<u>5,397</u>	<u>1,011</u>	<u>(4,386)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(2,290)	(2,290)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,290)</u>	<u>(2,290)</u>	<u>-</u>
Net change in fund balance	36,027	3,107	(1,279)	(4,386)
Fund balance at beginning of year	66,264	66,264	66,264	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 102,291</u>	<u>\$ 69,371</u>	<u>\$ 64,985</u>	<u>\$ (4,386)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 54,148	\$ 15,471	\$ 55,875	\$ 40,404
Intergovernmental-federal	111,678	31,908	65,402	33,494
Total revenues	<u>165,826</u>	<u>47,379</u>	<u>121,277</u>	<u>73,898</u>
Expenditures:				
Current:				
Instruction-other				
Salaries and wages	75,000	85,683	85,683	-
Fringe benefits	25,640	24,001	24,001	-
Supplies	27,472	31,964	31,964	-
Capital outlay	8,635	13,628	13,628	-
Total instruction-other	<u>136,747</u>	<u>155,276</u>	<u>155,276</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	17,000	8,780	8,780	-
Fringe benefits	2,950	1,327	1,327	-
Purchased services	2,859	3,354	3,354	-
Dues and fees	500	1,475	1,475	-
Total support services-instructional staff	<u>23,309</u>	<u>14,936</u>	<u>14,936</u>	<u>-</u>
Support services-administration				
Salaries and wages	2,000	2,000	2,000	-
Fringe benefits	325	298	298	-
Total support services-administration	<u>2,325</u>	<u>2,298</u>	<u>2,298</u>	<u>-</u>
Total expenditures	<u>162,381</u>	<u>172,510</u>	<u>172,510</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>3,445</u>	<u>(125,131)</u>	<u>(51,233)</u>	<u>73,898</u>
Other financing sources (uses):				
Transfers in	9,174	2,621	9,465	6,844
Transfers (out)	-	(9,465)	(9,465)	-
Total other financing sources (uses)	<u>9,174</u>	<u>(6,844)</u>	<u>-</u>	<u>6,844</u>
Net change in fund balance	12,619	(131,975)	(51,233)	80,742
Fund balance at beginning of year	18,784	18,784	18,784	-
Prior year encumbrances appropriated	13,266	13,266	13,266	-
Fund balance at end of year	<u>\$ 44,669</u>	<u>\$ (99,925)</u>	<u>\$ (19,183)</u>	<u>\$ 80,742</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION FOR ECONOMIC SECURITY ACT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 50,000	\$ -	\$ -	\$ -
Total revenues	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	13,000	4,050	4,050	-
Fringe benefits	2,645	626	626	-
Purchased services	10,500	-	-	-
Supplies	8,000	-	-	-
Total support services-instructional staff	<u>34,145</u>	<u>4,676</u>	<u>4,676</u>	<u>-</u>
Total expenditures	<u>34,145</u>	<u>4,676</u>	<u>4,676</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>15,855</u>	<u>(4,676)</u>	<u>(4,676)</u>	<u>-</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(170)	(170)	-
Total other financing sources (uses)	<u>-</u>	<u>(170)</u>	<u>(170)</u>	<u>-</u>
Net change in fund balance	15,855	(4,846)	(4,846)	-
Fund balance at beginning of year	4,846	4,846	4,846	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 20,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 550,000	\$ 550,000	\$ 488,450	\$ (61,550)
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>488,450</u>	<u>(61,550)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	113,000	103,495	103,495	-
Fringe benefits	39,100	35,151	35,151	-
Purchased services	2,624	629	629	-
Supplies	7,778	12,890	12,890	-
Capital outlay	4,000	89,989	89,989	-
Total instruction-special	<u>166,502</u>	<u>242,154</u>	<u>242,154</u>	<u>-</u>
Support services-pupil				
Salaries and wages	-	28,184	28,184	-
Fringe benefits	-	6,359	6,359	-
Purchased services	46,000	50,903	50,903	-
Supplies	5,721	14,914	14,914	-
Capital outlay	3,000	14,330	14,330	-
Total support services-pupil	<u>54,721</u>	<u>114,690</u>	<u>114,690</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	75,000	67,594	67,594	-
Fringe benefits	53,225	43,472	43,472	-
Purchased services	275	-	-	-
Total support services-instructional staff	<u>128,500</u>	<u>111,066</u>	<u>111,066</u>	<u>-</u>
Support services-administration				
Salaries and wages	63,000	50,561	50,561	-
Fringe benefits	26,100	17,857	17,857	-
Purchased services	500	44	44	-
Supplies	888	1,189	1,189	-
Capital outlay	1,000	6,756	6,756	-
Total support services-administration	<u>91,488</u>	<u>76,407</u>	<u>76,407</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	52,000	54,047	54,047	-
Fringe benefits	18,950	18,646	18,646	-
Purchased services	200	-	-	-
Supplies	250	455	455	-
Capital outlay	200	319	319	-
Total operation of non-instructional services	<u>71,600</u>	<u>73,467</u>	<u>73,467</u>	<u>-</u>
Total expenditures	<u>512,811</u>	<u>617,784</u>	<u>617,784</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>37,189</u>	<u>(67,784)</u>	<u>(129,334)</u>	<u>(61,550)</u>
Fund balance at beginning of year	90,366	90,366	90,366	-
Prior year encumbrances appropriated	2,261	2,261	2,261	-
Fund balance at end of year	<u>\$ 129,816</u>	<u>\$ 24,843</u>	<u>\$ (36,707)</u>	<u>\$ (61,550)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other local revenues	\$ 1,389	\$ 973	\$ 936	\$ (37)
Intergovernmental-federal	293,168	205,217	197,498	(7,719)
Total revenues	<u>294,557</u>	<u>206,190</u>	<u>198,434</u>	<u>(7,756)</u>
Expenditures:				
Current:				
Instruction-vocational				
Salaries and wages	10,000	6,211	6,211	-
Fringe benefits	1,700	984	984	-
Purchased services	7,000	1,215	1,215	-
Supplies	2,100	846	846	-
Capital outlay	47,139	22,040	22,040	-
Dues and fees	500	1,475	1,475	-
Total instruction-vocational	<u>68,439</u>	<u>32,771</u>	<u>32,771</u>	<u>-</u>
Support services-pupil				
Salaries and wages	25,000	24,440	24,440	-
Fringe benefits	13,075	5,449	5,449	-
Purchased services	2,400	3,136	3,136	-
Supplies	4,000	3,696	3,696	-
Capital outlay	30,000	84,037	84,037	-
Dues and fees	10,000	12,884	12,884	-
Total support services-pupil	<u>84,475</u>	<u>133,642</u>	<u>133,642</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	7,000	17,144	17,144	-
Fringe benefits	1,050	2,684	2,684	-
Purchased services	810	3,470	3,470	-
Supplies	2,000	2,986	2,986	-
Dues and fees	-	10,008	10,008	-
Total support services-instructional staff	<u>10,860</u>	<u>36,292</u>	<u>36,292</u>	<u>-</u>
Support services-administration				
Salaries and wages	3,000	-	-	-
Fringe benefits	450	-	-	-
Dues and fees	2,000	1,796	1,796	-
Total support services-administration	<u>5,450</u>	<u>1,796</u>	<u>1,796</u>	<u>-</u>
Support services-central				
Salaries and wages	24,000	22,547	22,547	-
Fringe benefits	4,100	4,043	4,043	-
Purchased services	7,500	250	250	-
Supplies	2,000	907	907	-
Dues and fees	25,000	9,422	9,422	-
Total support services-central	<u>62,600</u>	<u>37,169</u>	<u>37,169</u>	<u>-</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Total expenditures	\$ 231,824	\$ 241,670	\$ 241,670	\$ -
Excess of revenues over (under) expenditures	62,733	(35,480)	(43,236)	(7,756)
Other financing sources (uses):				
Advances in	205,443	143,810	138,400	(5,410)
Advances (out)	-	-	(138,500)	(138,500)
Total other financing sources (uses)	<u>205,443</u>	<u>143,810</u>	<u>(100)</u>	<u>(143,910)</u>
Net change in fund balance	268,176	108,330	(43,336)	(151,666)
Fund balance at beginning of year	20,121	20,121	20,121	-
Prior year encumbrances appropriated . .	22,139	22,139	22,139	-
Fund balance at end of year	<u>\$ 310,436</u>	<u>\$ 150,590</u>	<u>\$ (1,076)</u>	<u>\$ (151,666)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BASIC EDUCATIONAL OPPORUNITY GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 75,000	\$ 60,000	\$ 52,450	\$ (7,550)
Total revenues	<u>75,000</u>	<u>60,000</u>	<u>52,450</u>	<u>(7,550)</u>
Expenditures:				
Current:				
Operation of non-instructional services				
Purchased services	35,000	52,450	52,450	-
Other	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operation of non-instructional services	<u>65,000</u>	<u>52,450</u>	<u>52,450</u>	<u>-</u>
Total expenditures	<u>65,000</u>	<u>52,450</u>	<u>52,450</u>	<u>-</u>
Net change in fund balance	10,000	7,550	-	(7,550)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 10,000</u>	<u>\$ 7,550</u>	<u>\$ -</u>	<u>\$ (7,550)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 1,411,115	\$ 1,411,115	\$ 1,282,862	\$ (128,253)
Total revenues	<u>1,411,115</u>	<u>1,411,115</u>	<u>1,282,862</u>	<u>(128,253)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	742,000	689,045	689,045	-
Fringe benefits	246,850	208,785	208,785	-
Purchased services	43,249	7,170	7,170	-
Supplies	97,718	139,771	139,771	-
Capital outlay	12,000	51,720	51,720	-
Total instruction-special	<u>1,141,817</u>	<u>1,096,491</u>	<u>1,096,491</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	80,000	36,486	36,486	-
Fringe benefits	25,400	11,227	11,227	-
Purchased services	2,700	17,219	17,219	-
Supplies	500	122	122	-
Capital outlay	70,000	830	830	-
Total support services-instructional staff	<u>178,600</u>	<u>65,884</u>	<u>65,884</u>	<u>-</u>
Support services-administration				
Salaries and wages	30,000	18,500	18,500	-
Fringe benefits	4,700	2,713	2,713	-
Total support services-administration	<u>34,700</u>	<u>21,213</u>	<u>21,213</u>	<u>-</u>
Support services-pupil transportation				
Salaries and wages	30,000	16,666	16,666	-
Fringe benefits	4,550	2,544	2,544	-
Total support services-pupil transportation	<u>34,550</u>	<u>19,210</u>	<u>19,210</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	30,000	19,108	19,108	-
Fringe benefits	9,650	9,497	9,497	-
Purchased services	675	175	175	-
Supplies	1,190	239	239	-
Capital outlay	-	58	58	-
Total operation of non-instructional services	<u>41,515</u>	<u>29,077</u>	<u>29,077</u>	<u>-</u>
Total expenditures	<u>1,431,182</u>	<u>1,231,875</u>	<u>1,231,875</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(20,067)</u>	<u>179,240</u>	<u>50,987</u>	<u>(128,253)</u>

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (uses):				
Transfers (out)	\$ -	\$ (80,806)	\$ (80,806)	\$ -
Advances in	88,885	88,885	80,806	(8,079)
Advances (out)	-	-	(102,000)	(102,000)
Refund of prior year's (receipts)	-	(2,674)	(2,674)	-
Total other financing sources (uses)	<u>88,885</u>	<u>5,405</u>	<u>(104,674)</u>	<u>(110,079)</u>
Net change in fund balance	68,818	184,645	(53,687)	(238,332)
Fund balance at beginning of year	43,368	43,368	43,368	-
Prior year encumbrances appropriated	8,132	8,132	8,132	-
Fund balance at end of year	<u>\$ 120,318</u>	<u>\$ 236,145</u>	<u>\$ (2,187)</u>	<u>\$ (238,332)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 50,000	\$ 40,000	\$ 32,302	\$ (7,698)
Total revenues	<u>50,000</u>	<u>40,000</u>	<u>32,302</u>	<u>(7,698)</u>
Expenditures:				
Current:				
Instruction-special				
Supplies	30,000	27,040	27,040	-
Total instruction-special	<u>30,000</u>	<u>27,040</u>	<u>27,040</u>	<u>-</u>
Operation of non-instructional services				
Purchased services	850	42	42	-
Supplies	2,448	1,317	1,317	-
Capital outlay	4,250	5,081	5,081	-
Total operation of non-instructional services	<u>7,548</u>	<u>6,440</u>	<u>6,440</u>	<u>-</u>
Total expenditures	<u>37,548</u>	<u>33,480</u>	<u>33,480</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>12,452</u>	<u>6,520</u>	<u>(1,178)</u>	<u>(7,698)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(45)	(45)	-
Total other financing sources (uses)	<u>-</u>	<u>(45)</u>	<u>(45)</u>	<u>-</u>
Net change in fund balance	12,452	6,475	(1,223)	(7,698)
Fund balance at beginning of year	534	534	534	-
Prior year encumbrances appropriated	698	698	698	-
Fund balance at end of year	<u>\$ 13,684</u>	<u>\$ 7,707</u>	<u>\$ 9</u>	<u>\$ (7,698)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 75,000	\$ 50,000	\$ 38,453	\$ (11,547)
Total revenues	<u>75,000</u>	<u>50,000</u>	<u>38,453</u>	<u>(11,547)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	4,000	4,312	4,312	-
Fringe benefits	1,500	604	604	-
Purchased services	22,800	19,586	19,586	-
Supplies	13,475	13,853	13,853	-
Capital outlay	6,000	5,436	5,436	-
Total instruction-regular	<u>47,775</u>	<u>43,791</u>	<u>43,791</u>	<u>-</u>
Total expenditures	<u>47,775</u>	<u>43,791</u>	<u>43,791</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>27,225</u>	<u>6,209</u>	<u>(5,338)</u>	<u>(11,547)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(9,867)	(9,867)	-
Total other financing sources (uses)	<u>-</u>	<u>(9,867)</u>	<u>(9,867)</u>	<u>-</u>
Net change in fund balance	27,225	(3,658)	(15,205)	(11,547)
Fund balance at beginning of year	10,933	10,933	10,933	-
Prior year encumbrances appropriated	2,275	2,275	2,275	-
Fund balance at end of year	<u>\$ 40,433</u>	<u>\$ 9,550</u>	<u>\$ (1,997)</u>	<u>\$ (11,547)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 75,000	\$ 50,000	\$ 39,210	\$ (10,790)
Total revenues	<u>75,000</u>	<u>50,000</u>	<u>39,210</u>	<u>(10,790)</u>
Expenditures:				
Current:				
Instruction-regular				
Supplies	1,000	-	-	-
Capital outlay	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction-regular	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Instruction-special				
Purchased services	1,600	1,703	1,703	-
Supplies	1,586	5,076	5,076	-
Capital outlay	<u>1,500</u>	<u>659</u>	<u>659</u>	<u>-</u>
Total instruction-special	<u>4,686</u>	<u>7,438</u>	<u>7,438</u>	<u>-</u>
Support services-pupil				
Supplies	1,313	787	787	-
Total support services-pupil	<u>1,313</u>	<u>787</u>	<u>787</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	18,000	18,207	18,207	-
Fringe benefits	12,850	8,750	8,750	-
Purchased services	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support services-instructional staff	<u>30,925</u>	<u>26,957</u>	<u>26,957</u>	<u>-</u>
Support services-administration				
Salaries and wages	6,000	5,608	5,608	-
Fringe benefits	950	823	823	-
Supplies	164	171	171	-
Capital outlay	<u>100</u>	<u>60</u>	<u>60</u>	<u>-</u>
Total support services-administration	<u>7,214</u>	<u>6,662</u>	<u>6,662</u>	<u>-</u>
Total expenditures	<u>47,638</u>	<u>41,844</u>	<u>41,844</u>	<u>-</u>
Net change in fund balance	27,362	8,156	(2,634)	(10,790)
Fund balance at beginning of year	7,155	7,155	7,155	-
Prior year encumbrances appropriated	463	463	463	-
Fund balance at end of year	<u>\$ 34,980</u>	<u>\$ 15,774</u>	<u>\$ 4,984</u>	<u>\$ (10,790)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOALS 2000
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 75,000	\$ 25,000	\$ 18,741	\$ (6,259)
Total revenues	<u>75,000</u>	<u>25,000</u>	<u>18,741</u>	<u>(6,259)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	12,000	16,195	16,195	-
Fringe benefits	1,700	2,267	2,267	-
Purchased services	59,827	36,398	36,398	-
Supplies	15,388	2,592	2,592	-
Total instruction-regular	<u>88,915</u>	<u>57,452</u>	<u>57,452</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	15,000	6,860	6,860	-
Fringe benefits	2,100	960	960	-
Purchased services	9,000	1,855	1,855	-
Supplies	-	3,979	3,979	-
Total support services-instructional staff	<u>26,100</u>	<u>13,654</u>	<u>13,654</u>	<u>-</u>
Total expenditures	<u>115,015</u>	<u>71,106</u>	<u>71,106</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(40,015)</u>	<u>(46,106)</u>	<u>(52,365)</u>	<u>(6,259)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(5,753)	(5,753)	-
Total other financing sources (uses)	<u>-</u>	<u>(5,753)</u>	<u>(5,753)</u>	<u>-</u>
Net change in fund balance	(40,015)	(51,859)	(58,118)	(6,259)
Fund balance at beginning of year	47,903	47,903	47,903	-
Prior year encumbrances appropriated	10,215	10,215	10,215	-
Fund balance at end of year	<u>\$ 18,103</u>	<u>\$ 6,259</u>	<u>\$ -</u>	<u>\$ (6,259)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ -	\$ 255,286	\$ 255,285	\$ (1)
Total revenues	<u>-</u>	<u>255,286</u>	<u>255,285</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages		153,997	153,997	-
Fringe benefits	-	56,277	56,277	-
Total instruction-special	<u>-</u>	<u>210,274</u>	<u>210,274</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	-	8,050	8,050	-
Fringe benefits	-	1,135	1,135	-
Purchased services	-	33,106	33,106	-
Total support services-instructional staff	<u>-</u>	<u>42,291</u>	<u>42,291</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>252,565</u>	<u>252,565</u>	<u>-</u>
Net change in fund balance	-	2,721	2,720	(1)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,721</u>	<u>\$ 2,720</u>	<u>\$ (1)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH INVOLVEMENT GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 350,000	\$ 125,000	\$ 92,433	\$ (32,567)
Total revenues	<u>350,000</u>	<u>125,000</u>	<u>92,433</u>	<u>(32,567)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	180,000	34,006	34,006	-
Fringe benefits	54,500	9,788	9,788	-
Purchased services	34,632	9,509	9,509	-
Capital outlay	-	13,983	13,983	-
Total instruction-special	<u>269,132</u>	<u>67,286</u>	<u>67,286</u>	<u>-</u>
Instruction-other				
Purchased services	2,500	9,500	9,500	-
Supplies	450	700	700	-
Total instruction-other	<u>2,950</u>	<u>10,200</u>	<u>10,200</u>	<u>-</u>
Support services-pupil				
Purchased services	550	1,252	1,252	-
Supplies	250	150	150	-
Total support services-pupil	<u>800</u>	<u>1,402</u>	<u>1,402</u>	<u>-</u>
Support services-instructional staff				
Purchased services	-	20,500	20,500	-
Supplies	-	5,546	5,546	-
Total support services-instructional staff	<u>-</u>	<u>26,046</u>	<u>26,046</u>	<u>-</u>
Support services-pupil transportation				
Purchased services	-	675	675	-
Total support services-pupil transportation	<u>-</u>	<u>675</u>	<u>675</u>	<u>-</u>
Operation of non-instructional services				
Supplies	-	148	148	-
Total operation of non-instructional services	<u>-</u>	<u>148</u>	<u>148</u>	<u>-</u>
Total expenditures	<u>272,882</u>	<u>105,757</u>	<u>105,757</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>77,118</u>	<u>19,243</u>	<u>(13,324)</u>	<u>(32,567)</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(678)	(678)	-
Total other financing sources (uses)	<u>-</u>	<u>(678)</u>	<u>(678)</u>	<u>-</u>

-- Continued

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH INVOLVEMENT GRANT (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Net change in fund balance	\$ 77,118	\$ 18,565	\$ (14,002)	\$ (32,567)
Fund balance at beginning of year	11,318	11,318	11,318	-
Prior year encumbrances appropriated . .	9,632	9,632	9,632	-
Fund balance at end of year.	<u>\$ 98,068</u>	<u>\$ 39,515</u>	<u>\$ 6,948</u>	<u>\$ (32,567)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 257,392	\$ 252,157	\$ 259,446	\$ 7,289
Other local revenues	4,677	4,582	4,714	132
Intergovernmental-state	31,931	31,281	32,185	904
Total revenues.	<u>294,000</u>	<u>288,020</u>	<u>296,345</u>	<u>8,325</u>
Expenditures:				
Current:				
Support services-fiscal				
Dues and fees	10,000	5,000	4,902	98
Total support services-fiscal	<u>10,000</u>	<u>5,000</u>	<u>4,902</u>	<u>98</u>
Debt service:				
Principal retirement	216,468	216,468	216,468	-
Interest and fiscal charges.	96,178	50,917	50,917	-
Bond issuance costs	-	42,032	42,032	-
Total debt service	<u>312,646</u>	<u>309,417</u>	<u>309,417</u>	<u>-</u>
Total expenditures	<u>322,646</u>	<u>314,417</u>	<u>314,319</u>	<u>98</u>
Excess of revenues over (under) expenditures	<u>(28,646)</u>	<u>(26,397)</u>	<u>(17,974)</u>	<u>8,423</u>
Other financing sources (uses):				
Accrued interest on sale of bonds	-	2,095	2,156	61
Premium on bonds sold	-	77,508	79,749	2,241
Proceeds from sale of refunding bonds	-	1,059,377	1,090,000	30,623
Payment to refunding bond escrow agent	-	(1,277,717)	(1,277,717)	-
Total other financing sources (uses)	<u>-</u>	<u>(138,737)</u>	<u>(105,812)</u>	<u>32,925</u>
Net change in fund balance	(28,646)	(165,134)	(123,786)	41,348
Fund balance at beginning of year	258,895	258,895	258,895	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ 230,249</u>	<u>\$ 93,761</u>	<u>\$ 135,109</u>	<u>\$ 41,348</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 605,000	\$ 565,279	\$ 570,461	\$ 5,182
Other local revenues	426,000	463,482	467,731	4,249
Intergovernmental-state	71,000	75,239	75,929	690
Total revenues.	<u>1,102,000</u>	<u>1,104,000</u>	<u>1,114,121</u>	<u>10,121</u>
Expenditures:				
Current:				
Support services-fiscal				
Dues and fees	12,000	11,000	10,882	118
Total support services-fiscal	<u>12,000</u>	<u>11,000</u>	<u>10,882</u>	<u>118</u>
Facilities acquisition and construction				
Purchased services	2,358,074	1,508,074	1,497,967	10,107
Supplies	50,000	15,000	1,761	13,239
Capital outlay	138,000	159,500	139,734	19,766
Total facilities acquisition and construction.	<u>2,546,074</u>	<u>1,682,574</u>	<u>1,639,462</u>	<u>43,112</u>
Total expenditures	<u>2,558,074</u>	<u>1,693,574</u>	<u>1,650,344</u>	<u>43,230</u>
Net change in fund balance	(1,456,074)	(589,574)	(536,223)	53,351
Fund balance at beginning of year	1,817,095	1,817,095	1,817,095	-
Prior year encumbrances appropriated	158,074	158,074	158,074	-
Fund balance at end of year.	<u>\$ 519,095</u>	<u>\$ 1,385,595</u>	<u>\$ 1,438,946</u>	<u>\$ 53,351</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Facilities acquisition and construction				
Capital outlay	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Total facilities acquisition and construction.	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Net change in fund balance	(25,000)	(25,000)	-	25,000
Fund balance at beginning of year	26,673	26,673	26,673	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ 1,673</u>	<u>\$ 1,673</u>	<u>\$ 26,673</u>	<u>\$ 25,000</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 100,000	\$ -	\$ -	\$ -
Total revenues	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	-	16,500	16,500	-
Fringe benefits	-	3,129	3,129	-
Capital outlay	-	45,891	45,891	-
Total support services-instructional staff	<u>-</u>	<u>65,520</u>	<u>65,520</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>65,520</u>	<u>65,520</u>	<u>-</u>
Net change in fund balance	100,000	(65,520)	(65,520)	-
Fund balance at beginning of year	65,520	65,520	65,520	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 165,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 4,500	\$ 4,500	\$ 1,423	\$ (3,077)
Other local revenues	10,000	-	-	-
Total revenues	<u>14,500</u>	<u>4,500</u>	<u>1,423</u>	<u>(3,077)</u>
Expenditures:				
Current:				
Support services-business				
Other	9,000	24,000	14,859	9,141
Total support services-business	<u>9,000</u>	<u>24,000</u>	<u>14,859</u>	<u>9,141</u>
Total expenditures	<u>9,000</u>	<u>24,000</u>	<u>14,859</u>	<u>9,141</u>
Net change in fund balance	5,500	(19,500)	(13,436)	6,064
Fund balance at beginning of year (restated)	103,429	103,429	103,429	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 108,929</u>	<u>\$ 83,929</u>	<u>\$ 89,993</u>	<u>\$ 6,064</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Sales/charges for services	\$ 1,165,368	\$ 776,912	\$ 717,318	\$ (59,594)
Other operating revenues	365,145	243,430	224,757	(18,673)
Total operating revenues	<u>1,530,513</u>	<u>1,020,342</u>	<u>942,075</u>	<u>(78,267)</u>
Operating expenses:				
Salaries and wages	626,900	648,531	644,120	4,411
Fringe benefits	299,435	304,465	304,013	452
Contract services	9,000	5,930	5,886	44
Materials and supplies	809,200	706,750	706,176	574
Capital outlay	720	-	-	-
Total operating expenses	<u>1,745,255</u>	<u>1,665,676</u>	<u>1,660,195</u>	<u>5,481</u>
Operating loss	<u>(214,742)</u>	<u>(645,334)</u>	<u>(718,120)</u>	<u>(72,786)</u>
Nonoperating revenues:				
Operating grants	1,469,487	979,658	904,512	(75,146)
Total nonoperating revenues	<u>1,469,487</u>	<u>979,658</u>	<u>904,512</u>	<u>(75,146)</u>
Net income (loss) before advances	<u>1,254,745</u>	<u>334,324</u>	<u>186,392</u>	<u>(147,932)</u>
Advances:				
Advances (out)	-	-	(114,000)	(114,000)
Total advances	<u>-</u>	<u>-</u>	<u>(114,000)</u>	<u>(114,000)</u>
Net change in fund balance	1,254,745	334,324	72,392	(261,932)
Fund balance at beginning of year	473	473	473	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1,255,218</u>	<u>\$ 334,797</u>	<u>\$ 72,865</u>	<u>\$ (261,932)</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Tuition and fees	\$ 339,235	\$ 414,620	\$ 383,968	\$ (30,652)
Other operating revenues	277,608	339,299	314,215	(25,084)
Total operating revenues	<u>616,843</u>	<u>753,919</u>	<u>698,183</u>	<u>(55,736)</u>
Operating expenses:				
Salaries and wages	531,592	668,457	615,401	53,056
Fringe benefits	161,390	170,806	156,174	14,632
Contract services	75,401	140,054	131,003	9,051
Materials and supplies	53,333	76,003	73,100	2,903
Capital outlay	7,020	30,164	30,161	3
Total operating expenses	<u>828,736</u>	<u>1,085,484</u>	<u>1,005,839</u>	<u>79,645</u>
Operating loss	<u>(211,893)</u>	<u>(331,565)</u>	<u>(307,656)</u>	<u>23,909</u>
Nonoperating revenues:				
Operating grants	241,147	294,736	272,946	(21,790)
Total nonoperating revenues	<u>241,147</u>	<u>294,736</u>	<u>272,946</u>	<u>(21,790)</u>
Net income (loss) before advances	<u>29,254</u>	<u>(36,829)</u>	<u>(34,710)</u>	<u>2,119</u>
Advances/transfers:				
Transfers in	42,010	51,345	47,549	(3,796)
Transfers (out)	(25,000)	(22,549)	(22,549)	-
Advances in	-	-	102,515	102,515
Advances (out)	-	-	(44,000)	(44,000)
Total advances/transfers-net	<u>17,010</u>	<u>28,796</u>	<u>83,515</u>	<u>54,719</u>
Net change in fund balance	46,264	(8,033)	48,805	56,838
Fund balance at beginning of year	282,344	282,344	282,344	-
Prior year encumbrances appropriated	8,288	8,288	8,288	-
Fund balance at end of year	<u>\$ 336,896</u>	<u>\$ 282,599</u>	<u>\$ 339,437</u>	<u>\$ 56,838</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Sales/charges for services	\$ 4,583,904	\$ 4,683,554	\$ 4,601,162	\$ (82,392)
Total operating revenues	<u>4,583,904</u>	<u>4,683,554</u>	<u>4,601,162</u>	<u>(82,392)</u>
Operating expenses:				
Contract services	3,678,348	3,813,348	3,715,127	98,221
Other operating expenses	750,000	950,000	863,154	86,846
Total operating expenses	<u>4,428,348</u>	<u>4,763,348</u>	<u>4,578,281</u>	<u>185,067</u>
Operating loss	<u>155,556</u>	<u>(79,794)</u>	<u>22,881</u>	<u>102,675</u>
Nonoperating revenues:				
Interest revenue	16,096	16,446	16,157	(289)
Total nonoperating revenues	<u>16,096</u>	<u>16,446</u>	<u>16,157</u>	<u>(289)</u>
Net change in fund balance	171,652	(63,348)	39,038	102,386
Fund balance at beginning of year	1,164,631	1,164,631	1,164,631	-
Prior year encumbrances appropriated	3,348	3,348	3,348	-
Fund balance at end of year	<u>\$ 1,339,631</u>	<u>\$ 1,104,631</u>	<u>\$ 1,207,017</u>	<u>\$ 102,386</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENDOWMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 171,795	\$ 128,845	\$ 111,607	\$ (17,238)
Gifts and contributions	60,000	22,200	273,457	251,257
Total revenues.	<u>231,795</u>	<u>151,045</u>	<u>385,064</u>	<u>234,019</u>
Expenditures:				
Current:				
Support services-business				
Other	166,385	203,485	155,020	48,465
Total support services-business	<u>166,385</u>	<u>203,485</u>	<u>155,020</u>	<u>48,465</u>
Extracurricular activities				
Other	908	908	394	514
Total extracurricular activities.	<u>908</u>	<u>908</u>	<u>394</u>	<u>514</u>
Total expenditures	<u>167,293</u>	<u>204,393</u>	<u>155,414</u>	<u>48,979</u>
Net change in fund balance	64,502	(53,348)	229,650	282,998
Fund balance at beginning of year (restated)	4,706,842	4,706,842	4,706,842	-
Prior year encumbrances appropriated . .	59	59	59	-
Fund balance at end of year.	<u>\$ 4,771,403</u>	<u>\$ 4,653,553</u>	<u>\$ 4,936,551</u>	<u>\$ 282,998</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 23,505	\$ 12,565	\$ 6,379	\$ (6,186)
Gifts and contributions	53,325	77,841	68,617	(9,224)
Total revenues.	<u>76,830</u>	<u>90,406</u>	<u>74,996</u>	<u>(15,410)</u>
Expenditures:				
Current:				
Support services-business				
Purchased services	-	1,700	1,585	115
Other	26,655	25,700	11,270	14,430
Total support services-business	<u>26,655</u>	<u>27,400</u>	<u>12,855</u>	<u>14,545</u>
Extracurricular activities				
Other	35,100	42,055	38,500	3,555
Total extracurricular activities.	<u>35,100</u>	<u>42,055</u>	<u>38,500</u>	<u>3,555</u>
Total expenditures	<u>61,755</u>	<u>69,455</u>	<u>51,355</u>	<u>18,100</u>
Net change in fund balance	15,075	20,951	23,641	2,690
Fund balance at beginning of year (restated)	450,245	450,245	450,245	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year.	<u>\$ 465,320</u>	<u>\$ 471,196</u>	<u>\$ 473,886</u>	<u>\$ 2,690</u>

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STATISTICAL SECTION

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SUMMARY OF EXPENDITURES AND OTHER FINANCING USES BY FUNCTION - GENERAL FUND
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Instruction					
Regular	\$14,798,255	\$14,185,751	\$13,835,433	\$12,703,473	\$11,680,570
Special	4,793,177	4,461,568	4,439,979	4,070,659	4,125,855
Vocational	1,339,820	1,417,499	1,448,066	1,350,217	1,336,432
Other Instruction	-	-	-	-	-
Total Instruction	<u>20,931,252</u>	<u>20,064,818</u>	<u>19,723,478</u>	<u>18,124,349</u>	<u>17,142,857</u>
Support Services					
Pupils	1,448,064	1,385,608	1,302,670	1,220,212	1,233,182
Instructional Staff	1,226,083	1,250,689	1,327,700	1,315,569	1,272,743
Administration	3,097,332	2,887,281	2,762,492	2,574,798	2,350,764
Fiscal	646,108	621,590	580,039	566,370	542,875
Business	216,747	209,420	213,822	209,849	234,341
Operation and Maintenance	3,922,833	3,622,467	3,911,341	3,781,643	3,416,041
Pupil Transportation	1,405,507	1,253,788	1,265,588	1,211,973	1,106,213
Central/Community	365,145	142,551	75,656	63,759	59,516
Extra-Curricular Activities	622,506	711,523	679,605	552,991	520,326
Total Support Services	<u>12,950,325</u>	<u>12,084,917</u>	<u>12,118,913</u>	<u>11,497,164</u>	<u>10,736,001</u>
Capital Outlay	1,068,959	-	-	-	-
Total Debt Service	74,110	-	-	-	-
Other Financing Uses	25,000	25,000	243,184	632,166	284,272
Total Expenditures and Other Uses	<u>\$35,049,646</u>	<u>\$32,174,735</u>	<u>\$32,085,575</u>	<u>\$30,253,679</u>	<u>\$28,163,130</u>

Source: School District Financial Records

<u>1998</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$ 11,342,973	\$ 10,924,168	\$ 10,406,239	\$ 10,456,085
3,385,580	3,404,022	3,147,567	2,790,371
1,317,447	1,180,848	1,111,370	1,014,230
-	-	-	-
<u>16,046,000</u>	<u>15,509,038</u>	<u>14,665,176</u>	<u>14,260,686</u>
1,053,955	981,041	922,710	899,156
1,159,319	1,116,271	1,016,693	994,562
1,773,819	1,652,476	1,317,804	1,424,812
542,331	551,986	497,525	375,733
208,783	299,103	278,132	248,575
3,116,272	2,960,581	2,703,704	2,692,178
1,070,937	910,063	664,322	758,634
60,286	45,090	29,988	29,168
497,899	464,016	429,801	410,276
<u>9,483,601</u>	<u>8,980,627</u>	<u>7,860,679</u>	<u>7,833,094</u>
-	-	-	-
-	4,823	57,878	50,828
-	74	-	-
<u>\$ 25,529,601</u>	<u>\$ 24,494,562</u>	<u>\$ 22,583,733</u>	<u>\$ 22,144,608</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SUMMARY OF REVENUES AND OTHER FINANCING SOURCES - GENERAL FUND
LAST TEN FISCAL YEARS

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue from					
Local Sources					
Taxes	\$17,005,428	\$16,278,068	\$15,001,539	\$14,137,384	\$14,709,239
Tuition	15,138	53,183	22,679	49,891	33,921
Earning on Investments	154,908	235,415	522,921	507,028	435,601
Other Local	487,006	408,861	510,544	316,356	276,142
Total Local Sources	<u>17,662,480</u>	<u>16,975,527</u>	<u>16,057,683</u>	<u>15,010,659</u>	<u>15,454,903</u>
Revenue from					
State Sources					
Unrestricted Grants-In-Aid	16,446,850	15,993,818	15,514,998	14,120,083	12,793,788
Total State Sources	<u>16,446,850</u>	<u>15,993,818</u>	<u>15,514,998</u>	<u>14,120,083</u>	<u>12,793,788</u>
Revenue from					
Federal Sources					
Unrestricted Grants-In-Aid					
Restricted Grants-In-Aid	138,191	182,026	-	10,862	104,243
Total Federal Sources	<u>138,191</u>	<u>182,026</u>	<u>-</u>	<u>10,862</u>	<u>104,243</u>
Other Revenue					
Other Financing Sources	1,072,648	14,000	3,615	2,948	1,355
Total Revenue and Other Sources	<u>\$35,320,169</u>	<u>\$33,165,371</u>	<u>\$31,576,296</u>	<u>\$29,144,552</u>	<u>\$28,354,289</u>

Source: School District Financial Records

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$15,739,786	\$13,710,665	\$12,730,158	\$11,961,813	\$11,005,824
22,975	20,536	25,292	45,341	48,131
363,669	316,215	304,071	242,997	132,682
531,830	225,009	193,250	208,570	202,125
<u>16,658,260</u>	<u>14,272,425</u>	<u>13,252,771</u>	<u>12,458,721</u>	<u>11,388,762</u>
<u>12,013,693</u>	<u>10,454,708</u>	<u>10,068,977</u>	<u>9,870,851</u>	<u>9,938,131</u>
<u>12,013,693</u>	<u>10,454,708</u>	<u>10,068,977</u>	<u>9,870,851</u>	<u>9,938,131</u>
<u>4,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	49,989	16,315	23,240	17,904
<u>275</u>	<u>20</u>	<u>1,255</u>	<u>2,921</u>	<u>-</u>
<u>\$28,677,070</u>	<u>\$24,777,142</u>	<u>\$23,339,318</u>	<u>\$22,355,733</u>	<u>\$21,344,797</u>

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS
REAL & PUBLIC UTILITY TAX (1) AND TANGIBLE PERSONAL PROPERTY
LAST TEN CALENDAR YEARS

<u>Tax Collection Year</u>	<u>Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Taxes Receivable As a % Of Total Levy</u>	<u>Total Collection</u>	<u>Total Collection As a % Of Total Levy</u>
1993	\$12,589,490	\$ 999,241	\$13,588,731	\$12,198,447	96.89%	\$422,805	4.24%	\$ 12,621,252	92.88%
1994	14,119,608	1,017,318	15,136,926	13,847,276	98.07%	414,994	3.98%	14,262,270	94.22%
1995	15,985,323	1,372,713	17,358,036	15,529,357	97.15%	648,922	4.17%	16,178,279	93.20%
1996	17,553,553	1,215,150	18,768,703	17,339,352	98.78%	451,143	4.07%	17,790,495	94.79%
1997	17,277,660	1,165,501	18,443,161	17,130,573	99.15%	426,687	4.01%	17,557,260	95.20%
1998	17,517,698	1,582,524	19,100,222	16,968,166	96.86%	506,297	5.63%	17,474,463	91.49%
1999	17,604,120	1,394,282	18,998,402	17,095,970	97.11%	527,908	4.56%	17,623,878	92.77%
2000	18,574,729	1,485,583	20,060,312	17,937,542	96.57%	499,639	4.91%	18,437,181	91.91%
2001	18,508,626	1,922,074	20,430,700	17,883,528	96.62%	637,845	6.29%	18,521,373	90.65%
2002	18,347,729	1,674,936	20,022,665	17,526,738	95.53%	537,681	5.68%	18,064,419	90.22%

Source: Erie County Auditor--Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback on real and reimbursement on personal property taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenues.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS

Tax Year	Real Property (a)	Public Utility (b)	Personal Property (c)	Total	Total
Assessed Valuation					Estimated Actual Value
1993	\$242,402,870	\$26,211,960	\$52,267,043	\$320,881,873	\$ 931,434,119
1994	275,371,410	26,472,300	52,812,280	354,655,990	1,028,106,736
1995	272,559,650	26,597,930	56,443,305	355,600,885	1,034,739,998
1996	280,258,110	26,628,240	60,473,494	367,359,844	1,072,890,797
1997	311,447,790	28,747,840	61,487,103	401,682,733	1,168,467,241
1998	314,363,270	27,572,100	64,355,718	406,291,088	1,186,935,575
1999	315,366,380	25,835,010	64,159,264	405,360,654	1,187,041,822
2000	347,783,620	26,331,920	65,521,406	439,636,946	1,285,675,746
2001	354,750,740	19,941,130	76,042,536	450,734,406	1,340,404,062
2002	359,597,110	19,913,150	70,518,286	450,028,546	1,389,146,058

Source: Erie County Auditor

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (b) Assumes public utilities are assessed at 25% of estimated actual value as of tax year 2002.
- (c) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 and prior years to 25% in 1993.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX YEARS
(PER \$1000 OF ASSESSED VALUATION)**

Tax Year	Overlapping Governments			Sandusky City School District							Effective Rates	
	Erie County	City of Sandusky	Sandusky Library *	General Fund	Bond Retirement	Capital Improvement	Unvoted	Sandusky Library	Total	Ag/Res	Other	
1993	8.00	4.25	--	55.45	1.40	2.00	3.45	0.80	63.10	39.16	41.83	
1994	8.00	4.25	--	55.45	1.40	2.00	3.45	0.80	63.10	34.69	40.22	
1995	7.80	4.25	--	55.45	1.40	2.00	3.45	0.80	63.10	34.96	40.18	
1996	8.30	4.25	--	59.55	1.40	2.00	3.45	0.80	67.20	39.02	43.66	
1997	8.30	4.25	--	59.55	1.04	2.00	3.45	0.80	66.84	34.72	42.94	
1998	8.30	4.25	1.26	59.55	1.04	2.00	3.45	0.80	66.84	34.60	42.92	
1999	8.30	4.25	1.26	59.55	1.04	2.00	3.45	0.80	66.84	34.60	42.87	
2000	8.30	4.25	1.26	59.10	0.65	2.00	3.45	0.80	66.00	31.50	41.40	
2001	8.30	4.25	1.26	59.10	0.65	2.00	3.45	0.80	66.00	31.55	41.41	
2002	8.30	4.25	1.26	59.10	0.65	2.00	3.45	0.80	66.00	31.56	41.05	

Source: Erie County Auditor--Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

* Sandusky Library Bond Issue approved in 1998 under City of Sandusky taxing authority.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

DEMOGRAPHIC STATISTICS
1960-2000

Calendar Year	Total Population	Total Dwelling Units	Occupied Dwelling Units Households	Persons Per Household	Owner Occupied Units	Median Family Income
1960	31,989	7,291	7,016	4.56	3,783	\$6,526
1970	32,674	11,803	10,867	3.01	6,742	8,915
1980	31,360	13,169	11,932	2.63	7,328	16,046
1990	29,764	13,416	12,059	2.47	6,931	28,544
2000	27,844	13,323	11,851	2.31	6,692	37,749

Source: City of Sandusky Finance Department
City of Sandusky Department of Planning & Development
U.S. Bureau of the Census

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

PERCENT OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	(a) Population	(b) Avg. Daily Membership	(c) Assessed Value	(d) Gross Bonded Debt	(e) Less Debt Service Funds	Net Bonded Debt	% of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita	Net Bonded Debt Per ADM
1994	29,764	4,639	\$320,881,873	\$2,925,000	\$137,594	\$2,787,406	0.87%	94	601
1995	29,764	4,667	354,655,990	2,765,000	175,497	2,589,503	0.73%	87	555
1996	29,764	4,701	355,600,885	2,585,000	240,071	2,344,929	0.66%	79	499
1997	29,764	4,670	367,359,844	2,395,000	314,284	2,080,716	0.57%	70	446
1998	29,764	4,582	401,682,733	2,180,000	377,297	1,802,703	0.45%	61	393
1999	29,764	4,674	406,291,088	1,980,000	368,802	1,611,198	0.40%	54	345
2000	29,764	4,555	405,360,654	1,770,000	374,377	1,395,623	0.34%	47	306
2001	27,844	4,386	439,636,946	1,550,000	307,764	1,242,236	0.28%	45	283
2002	27,844	4,302	450,734,406	1,395,000	274,434	1,120,566	0.25%	40	260
2003	27,844	4,262	450,028,546	1,090,000	166,847	923,153	0.21%	33	217

Sources:

- (a) County Auditor
- (b) School District Records - State Report OCCD-5
- (c) County Auditor
- (d) General Obligation debt outstanding at end of fiscal year. (School District Records)
- (e) Balance of General Obligation Bond Retirement fund at end of fiscal year.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2003

A. Voted Debt Margin

Assessed Valuation (Tax Year 2002)	\$ 450,028,546
	<u> x .09</u>
Bonded Debt Limit - 9% of Assessed Value (1)	40,502,569
Debt Service Fund Equity	166,847
Amount of Debt Applicable to Debt Limit: Bonded Debt	<u>(1,090,000)</u>
Voted Debt Margin	<u><u>\$ 39,579,416</u></u>

B. Unvoted Debt Margin

Bonded Debt Limit - 0.10% of Assessed Value (1)	\$ 450,029
Amount of Debt Applicable to Debt Limit:	<u>0</u>
Unvoted Debt Margin	<u><u>\$ 450,029</u></u>

Source Erie County Auditor and School District Financial records.

(1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Note: For purposes of this table, the District's \$1,106,423 interest-free loan from the United States Environmental Protection Agency has been regarded as being exempt from the debt limitation. This 1988 loan was part of a \$1,756,227 asbestos abatement grant/loan award from the E.P.A. The outstanding debt on this loan as of June 30, 2003 was \$276,605.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2003

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:				
Sandusky City School District	\$ 450,028,546	\$ 1,090,000	100.00%	\$ 1,090,000
Total Direct	<u>450,028,546</u>	<u>1,090,000</u>		<u>1,090,000</u>
Overlapping:				
City of Sandusky (1)	450,028,546	43,150,007	100.00%	43,150,007
Erie County (2)	1,697,999,663	37,850,500	26.50%	10,031,690
Total Overlapping	<u>2,148,028,209</u>	<u>81,000,507</u>		<u>53,181,697</u>
Grand Total Direct and Overlapping	<u>\$ 2,598,056,755</u>	<u>\$ 82,090,507</u>		<u>\$ 54,271,697</u>

(1) Source: City of Sandusky Finance Department. Excludes special assessment debt.

(2) Source: Erie County Auditor. Includes special assessment debt.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**RATIO OF ANNUAL GENERAL OBLIGATION DEBT SERVICE
TO GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Debt Service On General Obligation Debt			General Fund Expenditures (1)	Debt Service as Percent of General Fund Expenditures
	Principal	Interest/ Fiscal Charges	Total		
1994	\$ 195,000	\$ 206,358	\$ 401,358	\$ 22,144,608	1.81%
1995	160,000	196,310	356,310	22,583,733	1.58%
1996	180,000	186,030	366,030	24,494,562	1.49%
1997	190,000	174,670	364,670	23,485,117	1.55%
1998	215,000	162,033	377,033	25,529,601	1.48%
1999	200,000	148,670	348,670	28,163,130	1.24%
2000	210,000	135,035	345,035	30,253,679	1.14%
2001	220,000	120,575	340,575	32,085,575	1.06%
2002	155,000	107,493	262,493	32,174,735	0.82%
2003	155,000	50,917	205,917	35,049,646	0.59%

(1) Includes Other Financing Uses

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**NEW CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUE
LAST TEN CALENDAR YEARS**

Year	New Construction (1)				Bank Deposits (2)	Assessed Valuation (3)			
	Permits Issued	Commercial/Industrial	Permits Issued	Residential/Agricultural		Real Property	Public Utility	Personal Property	Total Property
1993	104	\$ 11,382,543	700	\$ 4,909,685	\$246,542,000	\$242,402,870	\$ 26,211,960	\$ 52,267,043	\$ 320,881,873
1994	64	20,704,623	566	4,661,266	246,960,000	275,371,410	26,472,300	52,812,280	354,655,990
1995	96	13,438,185	584	4,602,110	245,973,000	272,559,650	26,597,930	56,443,305	355,600,885
1996	112	13,828,609	605	4,917,967	245,161,000	280,258,110	26,628,240	60,473,494	367,359,844
1997	135	10,170,285	574	4,874,666	268,944,000	311,447,790	28,747,840	61,487,103	401,682,733
1998	102	26,848,146	425	5,124,026	288,494,000	314,363,270	27,572,100	64,355,718	406,291,088
1999	109	34,400,988	491	7,184,258	283,288,000	315,366,380	25,835,010	64,159,264	405,360,654
2000	121	17,186,521	587	7,336,081	279,070,000	347,783,620	26,331,920	65,521,406	439,636,946
2001	206	28,269,740	1,063	8,121,450	298,753,000	354,750,740	19,941,130	76,042,536	450,734,406
2002	136	24,611,714	438	6,323,118	434,807,000	359,597,110	19,913,150	70,518,286	450,028,546

(1) Source: City of Sandusky Building Department

(2) Source: Federal Deposit Insurance Corp. and Federal Savings and Loan Insurance Corp. Amounts shown reflect total deposits for Erie County.

(3) Assessed Value From Table 4

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

**MAJOR TAXPAYERS
2002 TAX YEAR**

PERSONAL PROPERTY		
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Cedar Fair, L.P.	\$ 17,445,900	24.36%
Sandusky International, Inc.	4,850,710	6.77%
Georgia-Pacific	3,653,600	5.10%
Sandusky Limited	3,234,510	4.52%
U. S. Tsubaki, Inc.	2,450,450	3.42%
Industrial Nut Corporation	1,406,310	1.96%
FMC Corporation	1,279,370	1.79%
Glidden Inc.	1,138,460	1.59%
G & C Foundry	1,073,990	1.50%
Dixon Ticonderoga	907,650	1.27%
Total Top Ten Taxpayers	<u>\$ 37,440,950</u>	<u>52.27%</u>
Total Assessed Valuation	\$ 71,631,578	

REAL PROPERTY		
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Cedar Fair, L.P.	\$ 34,567,220	9.14%
S & S Realty Ltd.	3,448,880	0.91%
Firelands Regional Medical Center	3,138,510	0.83%
Norfolk & Western Railway Co.	3,082,530	0.81%
Sandusky International, Inc.	2,212,600	0.58%
Sandusky Housing Trust Lmt. Part.	1,994,040	0.53%
Fort James Operating Co.	1,834,980	0.48%
Sandusky Limited	1,834,440	0.48%
Hoty Marine Group	1,312,410	0.35%
Key Real Estate	1,307,890	0.35%
Total Top Ten Taxpayers	<u>\$ 54,733,500</u>	<u>14.46%</u>
Total Assessed Valuation	\$ 378,396,968	

Source: Erie County Auditor

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

ATTENDANCE DATA
LAST TEN SCHOOL YEARS

School Year Ended	Number of Graduates	Average Daily Membership	Average Daily Attendance	% Incr./ (Decr.) in ADM From Prior Year	Attendance as % of Avg. Daily Membership
1994	212	4,639	4,370	-1.76%	94.20%
1995	222	4,667	4,411	0.60%	94.51%
1996	222	4,701	4,291	0.73%	91.28%
1997	226	4,670	4,398	-0.66%	94.18%
1998	224	4,582	4,026	-1.88%	87.87%
1999	236	4,674	4,410	2.01%	94.35%
2000	290	4,555	4,499	-2.55%	98.77%
2001	230	4,386	4,022	-3.71%	91.70%
2002	226	4,302	4,045	-1.92%	94.03%
2003	220	4,262	4,019	-0.93%	94.30%

Source: EMIS District Summary Report

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHOOL DISTRICT EMPLOYEES
(FULL AND PART TIME)
AS OF JUNE 30, 2003

I. Certificated Staff by Training and Experience

Years of Experience	Non-Deg	B.A.	B.A.+12	B.A.+24	M.A.	M.A.+12	M.A.+24	Total
0 - 5	0	59	16	7	18	1	0	101
6 - 10	0	11	10	11	17	5	0	54
11 - 15	1	6	9	15	16	6	8	61
16 - 20	0	3	3	18	6	3	3	36
21 - 25	0	4	4	24	6	6	14	58
26 - 30	0	0	1	16	5	3	8	33
31+	0	0	0	5	5	2	4	16
Total Certificated S	1	83	43	96	73	26	37	359

II. Classified Staff

Office Workers	33
Custodial/Maintenance	46
Cafeteria	41
Bus Drivers	25
Bus Aides	6
Teacher Aides	42
Library Aides	9
Total Classified Staff	<u>202</u>

III. Adult Education

Adult Education Instructors	11
Total Adult Education Instructors	<u>11</u>

IV. Administration

Certificated:		Non-Certificated:	
Superintendent	1	Treasurer	1
Assistant Superintendent	2	Assistant Treasurer	1
Directors/Coordinators	4	Dir. of Human Resources	1
Principals	12	Dir. Of Support Services	1
Assistant Principals	3	Executive Assistant	1
Athletic Director	1	Coordinators/Supervisors	4
Total Certificated	<u>23</u>	Total Non-Certificated	<u>9</u>

Total School Employees 604

Source: School District Personnel Records

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

SCHEDULE OF PROPERTY AND CASUALTY INSURANCE
AS OF JUNE 30, 2003

Company Policy Number	Policy Period	Coverage	Limits of Coverage	Deductible	Annual Premium
Indiana Insurance Co. GL9680486	2/10/2003 to 2/10/2004	General Liability Each Occurrence Aggregate	\$1,000,000 \$2,000,000	\$2,500	\$35,437
Indiana Insurance Co. BA9561857	2/10/2003 to 2/10/2004	Fleet	\$1,000,000	Comprehensive: \$250 Collision: \$500	\$55,988
Indiana Insurance Co. CU9683187	2/10/2003 to 2/10/2004	Umbrella Liability & Fleet	\$3,000,000	\$10,000	\$17,200
Indiana Insurance Co. CBP9567856	2/10/2003 to 2/10/2004	Building & Contents Property, Crime, Inland Marine	\$86,298,335	\$2,500	\$88,648

Source: School District Records



**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

SANDUSKY CITY SCHOOL DISTRICT

ERIE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 5, 2004**