

**SANDUSKY CITY SCHOOL DISTRICT**

*Sandusky City Schools*

---

**Single Audit Reports**

**June 30, 2011**

**PLATTENBURG**  
Certified Public Accountants





# Dave Yost • Auditor of State

Board of Education  
Sandusky City School District  
407 Decatur Street  
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of the Sandusky City School District, Erie County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 14, 2012

**This page intentionally left blank.**

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$280,855	\$0	\$280,855	\$0
National School Lunch Program	3L60	10.555	1,069,308	197,191	1,069,308	197,191
Total Nutrition Cluster			1,350,163	197,191	1,350,163	197,191
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	980,337	0	933,017	0
Special Education-Grants to States - ARRA	3DJ0	84.391	184,735	0	199,579	0
Special Education-Preschool Grants	3C50	84.173	52,647	0	57,410	0
Special Education-Preschool Grants - ARRA	3DL0	84.392	2,999	0	20,626	0
Total Special Education Cluster			1,220,718	0	1,210,632	0
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	1,438,095	0	1,321,710	0
Title I Grants to Local Educational Agencies-ARRA	3DK0	84.389	532,612	0	502,318	0
Total Title I Cluster			1,970,707	0	1,824,028	0
Title II-D Cluster:						
Education Technology State Grants	3S20	84.318	11,207	0	11,066	0
Education Technology State Grants - ARRA	3DM0	84.386	534,479	0	489,003	0
Total Title II-D Cluster			545,686	0	500,069	0
Adult Basic Education Grant	3660	84.002	106,920	0	104,466	0
Career & Technical Education Basic Grants to States	3L90	84.048	89,063	0	74,775	0
Safe and Drug Free Schools and Communities	3D10	84.186	15,257	0	17,225	0
Reading First	3Y40	84.357	749,947	0	797,635	0
Improving Teacher Quality	3Y60	84.367	289,729	0	287,776	0
Consolidated Admin	3Z30	00	994	0	0	0
State Fiscal Stabilization Fund (SFSF) Ed St Grant-ARRA	GRF	84.394	1,235,110	0	1,235,110	0
Direct Program:						
Federal Pell Grant Program	N/A	84.063	392,617	0	392,617	0
Federal Direct Student Loans	N/A	84.268	469,267	0	469,267	0
Total Department of Education			7,086,015	0	6,913,600	0
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>						
Passed Through Ohio Dept Health & Human Services						
Medical Assistance Program	N/A	93.778	353,852	0	196,617	0
Total Department of Health & Human Services			353,852	0	196,617	0
Total Federal Assistance			<u>\$8,790,030</u>	<u>\$197,191</u>	<u>\$8,460,380</u>	<u>\$197,191</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

**This page intentionally left blank.**

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

Board of Education  
Sandusky City School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2011 wherein we noted the District adopted GASB Statement No. 54 as disclosed in Note 18. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the District in a separate letter dated December 28, 2011.

This report is intended solely for the information and use of management, the Auditor of State, the 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2011



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

Board of Education  
Sandusky City School District

Compliance

We have audited Sandusky City School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 of the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 28, 2011, which contained an unqualified opinion on those financial statements wherein we noted the District adopted GASB Statement No. 54 as disclosed in Note 18. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Auditor of State, the 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.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2011

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results**

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified	
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No	
(d)(1)(ii)	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No	
(d)(1)(iii)	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No	
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No	
(d)(1)(iv)	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No	
(d)(1)(v)	<i>Type of Major Programs’ Compliance Opinion</i>	Unqualified	
(d)(1)(vi)	<i>Are there any reportable findings under Section .510?</i>	No	
(d)(1)(vii)	<i>Major Programs (list):</i>	<ul style="list-style-type: none"> <li>Special Education Cluster:</li> <li style="padding-left: 20px;">Special Education-Grants to States</li> <li style="padding-left: 20px;">Special Education-Grants to States - ARRA</li> <li style="padding-left: 20px;">Special Education-Preschool Grants</li> <li style="padding-left: 20px;">Special Education-Preschool Grants - ARRA</li> <li>Title I Cluster:</li> <li style="padding-left: 20px;">Title I Grants to Local Educational Agencies</li> <li style="padding-left: 20px;">Title I Grants to Local Educational Agencies - ARRA</li> <li>Education Technology State Grants</li> <li>Education Technology State Grants - ARRA</li> <li>Reading First</li> <li>State Fiscal Stabilization Fund (SFSF) Ed St Grant - ARRA</li> </ul>	<ul style="list-style-type: none"> <li>CFDA #84.027</li> <li>CFDA #84.391</li> <li>CFDA #84.173</li> <li>CFDA #84.392</li> <li>CFDA #84.010</li> <li>CFDA #84.389</li> <li>CFDA #84.318</li> <li>CFDA #84.386</li> <li>CFDA #84.357</li> <li>CFDA #84.394</li> </ul>
(d)(1)(viii)	<i>Dollar Threshold: Type AB Programs</i>	<ul style="list-style-type: none"> <li>Type A: &gt; \$300,000</li> <li>Type B: all others</li> </ul>	
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes	

**Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**SANDUSKY CITY SCHOOL DISTRICT**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
***OMB CIRCULAR A-133***  
**Year Ended June 30, 2011**

The Sandusky City School District had no prior audit findings or questioned costs.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURE**

Board of Education  
Sandusky City School District

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board of Education (the Board), solely to assist the Board in evaluating whether Sandusky City School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy on November 15, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2011

**This page intentionally left blank.**

# **Comprehensive Annual Financial Report**

**for the year ended June 30, 2011**



**Sandusky City Schools  
Erie County, Ohio**

**This page intentionally left blank.**



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by:  
Office of the Treasurer/CFO  
Kevin D. Robertson, CPA

**THIS PAGE INTENTIONALLY LEFT BLANK**



**TABLE OF CONTENTS**

---

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
List of Principal Officers	xv
Organizational Chart	xvi
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvii
ASBO Certificate of Excellence in Financial Reporting	xviii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
Statement of Net Assets - Proprietary Fund	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	19
Statement of Cash Flows - Proprietary Fund	20
Statement of Fiduciary Net Assets - Fiduciary Funds	21
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	52
Notes to the Required Supplementary Information	53
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds	57
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	59
Nonmajor Special Revenue Funds	
Fund Descriptions	60
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	68

**TABLE OF CONTENTS**

---

	<u>Page</u>
Nonmajor Special Revenue Funds (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Other Grants	72
Special Trust	73
District Managed Student Activity	74
Auxiliary Services	75
Management Information	76
Public School PreSchool	77
SchoolNet OneNet	78
Education Foundation	79
Able/Job Grant	80
Adult Basic Education	81
Title VI B	82
Vocational Education	83
Basic Educational Opportunity Grant	84
Title I	85
Drug-Free School Grant	86
EHA PreSchool Grant	87
Improving Teacher Quality	88
Miscellaneous Federal Grants	89
Food Service	90
Fiscal Stabilization	91
Stimulus Title II	92
Title I School Improvement	93
Nonmajor Debt Service Fund	
Fund Description	94
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service	95
Nonmajor Capital Project Funds	
Fund Descriptions	97
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	99
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	100
Replacement	101
Nonmajor Permanent Fund	
Fund Description	102
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent	103

**TABLE OF CONTENTS**

---

	<u>Schedule</u>	<u>Page</u>
Other General Funds		
Fund Descriptions		104
Schedule of Revenues, Expenditures and Changes in Fund Balance		
Budget and Actual (Non-GAAP Budgetary Basis):		
Public School Support		105
Adult Education		106
Nonmajor Fiduciary Funds		
Fund Descriptions		107
Combining Statement of Fiduciary Net Assets - Private Purpose Trust Funds		108
Combining Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Funds		109
Statement of Changes in Assets and Liabilities - Agency Funds		110
<b>STATISTICAL SECTION</b>		
Net Assets by Component	1	113
Expenses, Program Revenues and Net (Expense)/Revenue	2	114
General Revenues and Total Change in Net Assets	3	116
Fund Balances - Governmental Funds	4	117
Governmental Funds Revenues	5	118
Governmental Funds Expenditures and Debt Service Ratio	6	119
Other Financing Sources and Uses and Net Change in Fund Balances	7	120
Assessed Value and Actual Value of Taxable Property	8	121
Direct and Overlapping Property Tax Rates	9	122
Principal Property Tax Payers	10	123
Property Tax Levies and Collections	11	124
Outstanding Debt by Type	12	125
Direct and Overlapping Governmental Activities Debt	13	126
Legal Debt Margin Information	14	127
Demographic and Economic Statistics	15	128
Major Employers	16	129
Certified Staff Training	17	130
Full-Time Equivalents (FTE) by Function/Program	18	131
Operating Statistics	19	132
School Building Information	20	134

**THIS PAGE INTENTIONALLY LEFT BLANK**



# INTRODUCTORY SECTION

---

**This page intentionally left blank.**





# *Sandusky City Schools*

407 Decatur Street • Sandusky, Ohio 44870-2442 • 419-621-2714

*Kevin D. Robertson, CPA*  
Treasurer/CFO

December 28, 2011

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, 2011 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.

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 its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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 generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Auditors’ Report 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, 2011 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the District, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditors' Report.

## **PROFILE OF SANDUSKY CITY SCHOOL DISTRICT**

The District ranks as 133<sup>rd</sup> largest by total enrollment among the 612 public school districts in the state and is the largest in Erie County. As of the current school year (2010-11), the average daily membership (ADM) was 3,400 students. Most of these students attend one of the District's seven schools. District enrollment is expected to gradually decline over the next several years.

The District has 541 full and part time employees. The District employs 330 certified staff members and 27 administrators. Additionally, the District employs 6 full-time adult education instructors and 178 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 twelve (12) career technical education programs as well as a wide range of college preparatory offerings. Additionally, the adult continuing education program serves more than 2,000 adults each year. The District provides extensive special education services 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. School nurses, psychologists, speech therapists, one media coordinator, 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.

### ***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 (25.32%) 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 not considered a component unit of another government.

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 (2010-11 school year) for a teacher with a bachelor's degree is \$34,820, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$73,122.

The District's certificated employees, 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, 2013.

All of the District's support staff employees, including secretarial, custodial, maintenance, transportation, and teacher 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, 2012.

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.

## ***Parochial Schools***

The District acts as fiscal agent for state funds distributed to parochial schools, with revenue reported in special revenue funds. The Early Childhood Center (Kindergarten Readiness and Preschool), St. Mary Elementary and Jr. High School (K-8) and St. Mary's Central Catholic High School (9-12) are all reported as a single entity under one IRN, are all located within the District and serve students who reside both inside and outside the District. As of June, 2011, approximately 53% of the students reside within the District. Total enrollment as for fiscal year 2010-2011 was 557 which represented 294 students who reside in Sandusky City Schools attendance area and 263 students who reside in other district's attendance areas.

## ***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 the Notes to the Required Supplementary Information.

## **ECONOMIC CONDITION**

### ***Local Economy***

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 CSX, 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 PNC 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 81.

Within commuting distance of the District are numerous public and private two and four-year colleges and universities including Bowling Green State University Firelands Campus, Ashland University, Cleveland State University, Toledo University, Bowling Green State University, Terra Community College, and Lorain Community College. Ashland University, Bowling Green State University and Terra Community College

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 make 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. gives 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).

The local economy has been in a gradual decline for several years. A number of businesses have closed or left Sandusky, taking with them a significant number of manufacturing jobs. The City's unemployment rate in June of 2010 was 7.7%, compared with state and national unemployment rates of 8.8% and 9.2% respectively.

As further evidence of a struggling economy in Sandusky, according to the U.S. Census Bureau the median family income in the City was \$34,044 in the year 2009, compared with \$47,144 and \$51,425 state and national averages, respectively. Additionally, the median home value in Sandusky in 2000 was \$75,400, compared with \$103,700 and \$119,600 median home values in the state and the nation, respectively.

### ***Long-Term Financial Planning***

The District prepares a five-year financial forecast annually for use as a tool for long range planning. The five-year forecast contains projected local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The five-year forecast provides early warning signs of potential financial problems.

The District regularly updates the five-year forecast for use as a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in improvements in the District's financial condition include the approval of a 5.4 mill operating levy in 2007, the closure of school buildings due to decreased enrollment which has resulted in the net reduction of paid staff positions, the combination of 7<sup>th</sup> and 8<sup>th</sup> grade students into one building and the successful renewal of a five-year, \$1.5 million emergency levy in November 2008.

The District continues to monitor its finances, planning for long-term viability and financial responsibility, but the uncertainty of state funding due to the elimination of PASS funding without a know replacement, recent changes in Personal Tangible Property Tax Reimbursements and current proposals regarding community and non-public school creation and funding, creates a situation where the state funding for the future is unknown and future planning becomes reactionary based on the direction of state policy and legislation.

### ***Major Initiatives for the Year***

The District implemented and continued a number of significant programs during the past year to meet student and community needs.

The District continued to invest in technology in the 2010-11 school year. Completed upgrades in technology include the purchase of new hardware and software and continue replacement of computers. The interactive SMART Board project was completed during the 2007-08 school year and the district now has SMART Boards installed in every classroom throughout the school system, the 2010-11 school year saw additions, upgrades and replacement of hardware associated with this initiative. In addition, the district maintains a minimum of four up to date computers in every classroom for grades K-8 as well as numerous computer labs though-out every district school building. The District employs a director of network technology, one computer technician, and an instructional technology facilitator to provide support to District staff. In addition, the District contracts for additional technician services as necessary.

### ***Major Initiatives for the Future***

The District will continue to upgrade all areas of technology in the 2011-12 school year and beyond. Plans include the replacement of outdated computer software and hardware annually as well as the transition to network based terminal work-stations, addition of wireless access points though-out district buildings, expansion of back-up and redundancy ability, as well as providing all staff with regularly scheduled in-service training in technology. The District is also moving forward with plans to implement a pilot program for electronic textbooks and expanded student access to the District network.

The District will continue to refine its master plan for future facility needs in concert with the Ohio School Facilities Commission. The District is currently eligible for funding from the Ohio School Facilities Commission. With the option of segmenting projects now available, the district may choose to pursue this option which will allow for phasing the project over more than one ballot issue.

With the exhaustion of Federal Stimulus monies, the District will utilize Ed Choice monies for the 2011-12 school year to fund some operations.

The District has instituted a rolling open-enrollment time frame policy and intends to expand awareness of the positive academic programs offered by the district.

### **RELEVANT FINANCIAL POLICIES**

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the funding for the OEBM started in for FY10 by allocating the funding for each year based on 99% of the FY09 funding and 98% of the FY10 funding, respectively. Federal stimulus funds were used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY11.

On June 30, 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for both fiscal years 2011-12 and 2012-13. The Governor has indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-13. At this time, we do not know the details of the changes or the impact that these changes may have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

## **AWARDS AND ACKNOWLEDGEMENTS**

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, 2010. 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, 2010. 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.

The Auditor of State, Dave Yost, awarded the Sandusky City Schools the "Auditor of State Award with Distinction" for FY 2010 for its annual CAFR, timely financial reports in accordance with GAAP and its annual audit report containing no findings for recovery, no material citations, no material weaknesses, no significant deficiencies, no Single Audit findings and no questioned costs.

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, Plattenburg & Associates, 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 Plattenburg & Associates, Inc., 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,



Kevin D. Robertson, Treasurer



Thomas Tucker, Superintendent

**THIS PAGE INTENTIONALLY LEFT BLANK**





**SANDUSKY CITY SCHOOL DISTRICT**  
**ERIE COUNTY, OHIO**  
 LIST OF PRINCIPAL OFFICERS  
 JUNE 30, 2011

<b>Name</b>	<b>Board of Education Began Service as a Board Member January 1</b>	<b>Present Term Expires December 31</b>	<b>Vocation in Private Life</b>
Mrs. Faith Denslow**	2004+	2014	Homemaker
Mr. Jeff Krabill *	2008	2012	Self Employed
Mr. King Baer	2000	2012	Retired Fireman
Mr. Tracy Shoemo	2008	2012	Minister
Dr. Richard Koonce	2010	2014	Professor

\*\* President

\* Vice President

+ Appointed 7/30/04 to fill unexpired term due to a resignation.

**Superintendent**

Mr. Thomas Tucker

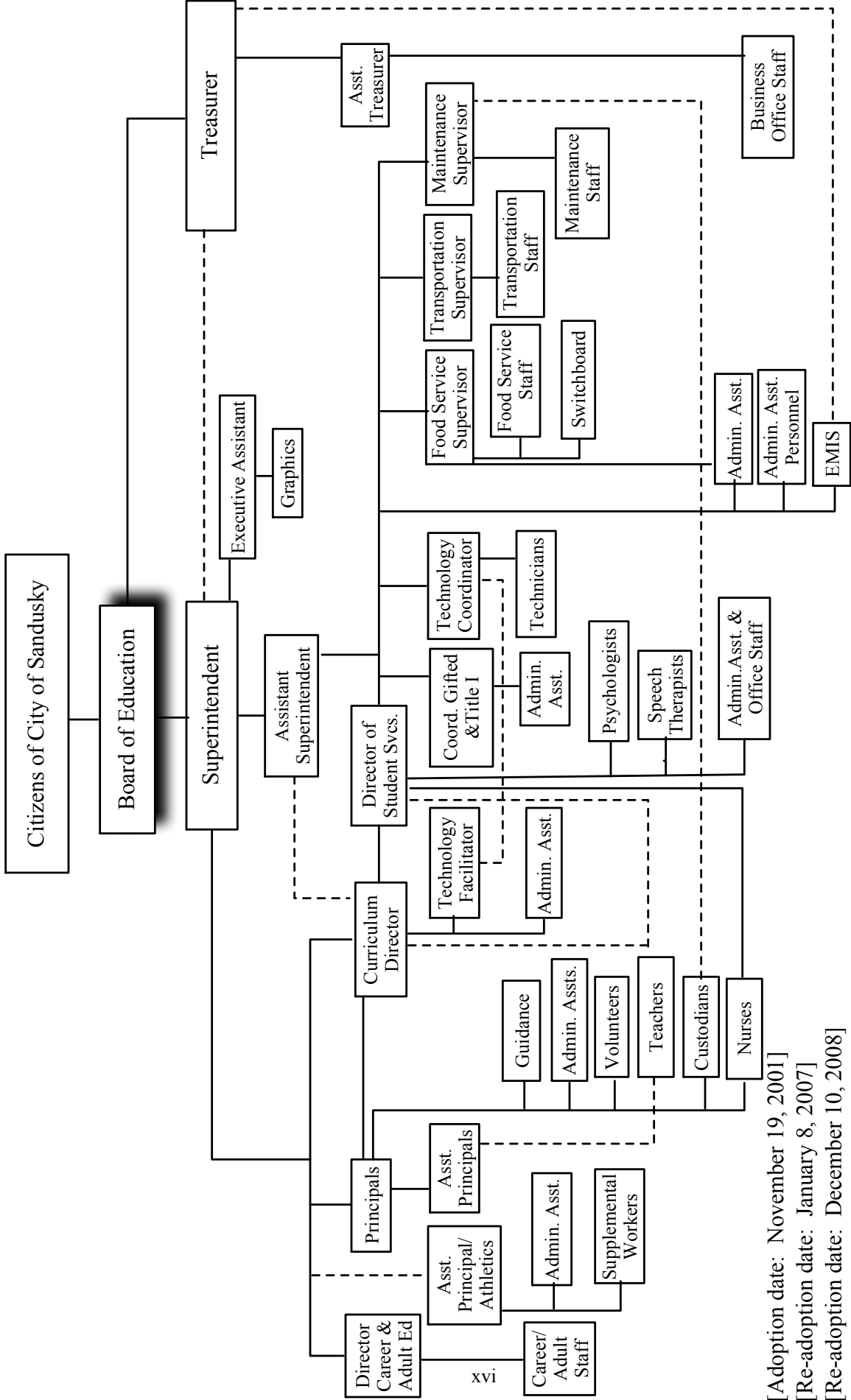
**Treasurer/CFO**

Mr. Kevin D. Robertson, CPA

**Central Office Administrative Staff**

Mr. Thomas Tucker	Assistant Superintendent, Operations
Mrs. Sally Roth	Curriculum Director
Mrs. Julie McDonald	Coordinator, Title 1/Talented and Gifted
Mr. Keith Brown	Assistant Treasurer
Mrs. Nancy Zechman	Director of Adult & Vocational Education
Mrs. Sabrina Scott	Director of Student Services
Mrs. Christine Zess	Instructional Technology Facilitator
Mr. Brett Kluiber	Coordinator of Network Technology
Mrs. Faith Palmucci	Administrative Assistant
Mr. Tom Freitas	Food Services Supervisor
Mr. Ted Peters	Transportation Supervisor
Mr. Kevin Toms	Supervisor of Building Services

ORGANIZATIONAL CHART



[Adoption date: November 19, 2001]  
 [Re-adoption date: January 8, 2007]  
 [Re-adoption date: December 10, 2008]  
 [Re-adoption date: January 12, 2009]

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, 2010

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.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**SANDUSKY CITY SCHOOL DISTRICT, OHIO**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

# FINANCIAL SECTION

---

**This page intentionally left blank.**

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Sandusky City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District (the District) as of and for the year ended June 30, 2011, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18 to the financial statements, during the year ended June 30, 2011, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2011



**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

---

The discussion and analysis of Sandusky City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. 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 performance.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- Net assets of governmental activities decreased \$1,149,337 which represents a 8.3% decrease from 2010.
- General revenues accounted for \$37,892,274 in revenue or 75% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$12,611,692 or 25% of total revenues of \$50,503,966 .
- The District had \$51,653,303 in expenses related to governmental activities; \$12,611,692 of these expenses were offset by program specific charges for services and grants or contributions. General revenues of \$37,892,274 were also used to provide for these programs.

**Overview of the Financial Statements**

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. The General Fund is the only major fund of the District.

**Government-wide Financial Statements**

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 questions, "How did we do financially during 2011?" The Government-wide Financial Statements answers 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.

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

---

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 has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. 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 Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds begins on the balance sheet. 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.

**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.

**Proprietary Fund** The District maintains one proprietary internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self insurance of the District's medical, dental and vision benefits.

**Fiduciary Funds** Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

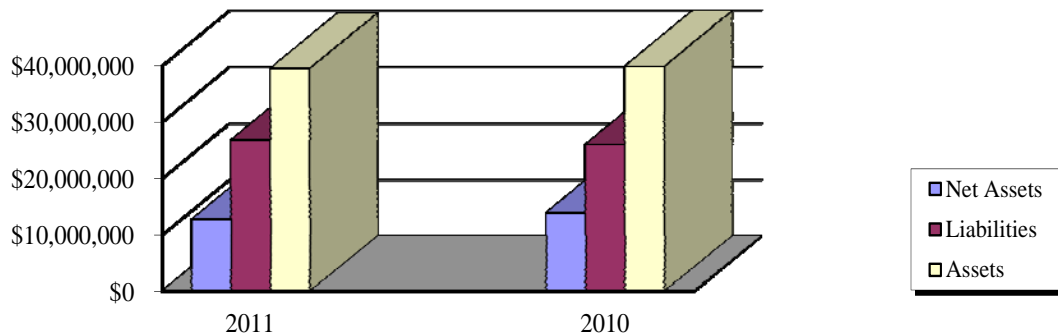
**The District as a Whole**

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for fiscal year 2011 compared to fiscal year 2010:

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

**Table 1**  
**Net Assets**

	Governmental Activities	
	2011	2010
<b>Assets:</b>		
Current and Other Assets	\$30,133,864	\$30,120,143
Capital Assets	9,341,758	9,688,952
<b>Total Assets</b>	<b>39,475,622</b>	<b>39,809,095</b>
<b>Liabilities:</b>		
Other Liabilities	21,697,306	20,163,668
Long-Term Liabilities	5,082,482	5,800,256
<b>Total Liabilities</b>	<b>26,779,788</b>	<b>25,963,924</b>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	8,898,289	9,053,163
Restricted	1,612,452	1,693,031
Unrestricted	2,185,093	3,098,977
<b>Total Net Assets</b>	<b>\$12,695,834</b>	<b>\$13,845,171</b>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$12,695,834 .

At year-end, capital assets represented 24% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2011, was \$8,898,289 . These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

A portion of the District's net assets, \$1,612,452 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total assets from fiscal year 2010 to fiscal year 2011 remained relatively consistent. Other Liabilities increased mainly due to an increase in unearned revenue which was mainly due to an increase in taxes receivable as a result of an increase in advances available at fiscal year end.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2011	2010
Revenues:		
Program Revenues		
Charges for Services and Sales	\$1,812,020	\$2,004,585
Operating Grants and Contributions	10,799,672	11,209,417
General Revenues		
Property Taxes	18,135,675	17,397,263
Grants and Entitlements not Restricted to Specific Programs	19,364,728	19,231,778
Other	391,871	913,181
Total Revenues	50,503,966	50,756,224
Program Expenses		
Instruction	33,000,997	32,423,935
Support Services:		
Pupil and Instructional Staff	3,987,785	4,144,826
School Administrative, General		
Administration, Fiscal and Business	4,254,596	4,157,927
Operations and Maintenance	3,587,482	3,488,446
Pupil Transportation	1,541,087	1,595,977
Central	1,358,070	1,211,148
Operation of Non-Instructional Services	2,697,028	2,920,946
Extracurricular Activities	1,178,272	987,180
Interest and Fiscal Charges	47,986	56,430
Total Program Expenses	51,653,303	50,986,815
Change in Net Assets	(1,149,337)	(230,591)
Net Assets Beginning of Year	13,845,171	14,075,762
Net Assets End of Year	\$12,695,834	\$13,845,171

**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

---

Of the total governmental activities revenues of \$50,503,966, \$12,611,692 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$18,135,675 (36%) comes from property tax levies and \$19,364,728 (38%) is from state funding. This District’s operations are reliant upon its property tax levy and the state’s foundation program.

The District revenues are mainly from two sources. Property taxes levied for general and capital projects purposes and grants and entitlements comprised 74% of the District’s revenues for governmental activities.

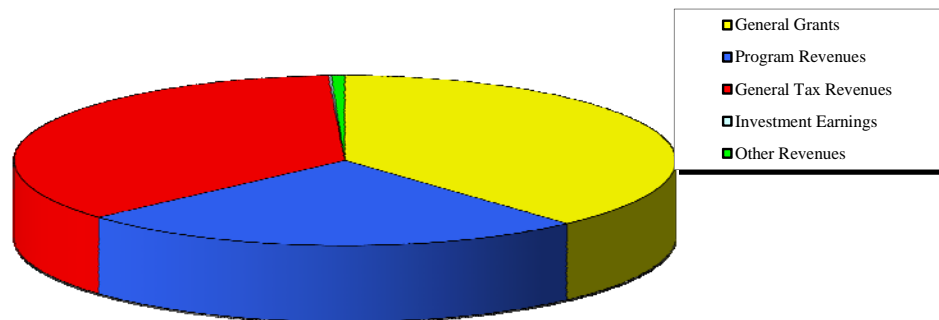
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts do not collect additional property tax revenue on the increased value of homes that is due to appreciation and must regularly return to the voters to maintain a constant level of service. Property taxes made up 36% of revenue for governmental activities for the District in fiscal year 2011.

**Governmental Activities**  
**Revenue Sources**

---

Revenues	2011	Percentage
General Grants	\$19,364,728	38.3%
Program Revenues	12,611,692	25.0%
General Tax Revenues	18,135,675	35.9%
Investment Earnings	64,347	0.1%
Other Revenues	327,524	0.7%
Total Revenue Sources	\$50,503,966	100.0%



Instruction comprises 64% of governmental program expenses. Support services expenses were 29% of governmental program expenses. All other program expenses including interest expense were 8%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

**Sandusky City School District, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

Total revenues remained consistent in fiscal year 2011 as compared to fiscal year 2010. Instruction expenses increased over the prior year due to increases of personnel costs and general inflationary factors.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$33,000,997	\$32,423,935	(\$25,222,030)	(\$24,326,558)
Support Services:				
Pupil and Instructional Staff	3,987,785	4,144,826	(2,683,321)	(2,535,592)
School Administrative, General				
Administration, Fiscal and Business	4,254,596	4,157,927	(4,010,196)	(4,020,366)
Operations and Maintenance	3,587,482	3,488,446	(3,563,955)	(3,470,947)
Pupil Transportation	1,541,087	1,595,977	(1,372,187)	(1,506,620)
Central	1,358,070	1,211,148	(1,124,379)	(1,011,868)
Operation of Non-Instructional Services	2,697,028	2,920,946	(66,974)	(94,939)
Extracurricular Activities	1,178,272	987,180	(950,583)	(749,493)
Interest and Fiscal Charges	47,986	56,430	(47,986)	(56,430)
Total Expenses	\$51,653,303	\$50,986,815	(\$39,041,611)	(\$37,772,813)

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$22,627,553 (86%) of the total \$26,287,927 governmental funds assets.

**General Fund:** Fund balance at June 30, 2011 was \$468,531, a decrease in fund balance of \$1,395,679 from 2010. The primary reason for the decrease in fund balance was the increase in instructional expenses due to general inflationary factors and rising personnel costs.

**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.

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

---

During the course of fiscal year 2011, the District amended its general fund budget at times, however none were significant. The District's budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the final budgeted revenue was \$38,941,573 and the original budgeted revenue was \$39,414,855. The difference was \$473,282. Of this difference, most was due to overestimates of tax and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General fund was \$3,061,420.

**Capital Assets and Long-Term Obligations**

*Capital Assets*

At the fiscal year end, the District had \$9,341,758 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010:

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

---

	Governmental Activities	
	2011	2010
Land	\$1,928,926	\$1,928,926
Land Improvements	238,058	252,657
Buildings and Improvements	5,097,953	5,335,843
Furniture and Equipment	1,375,042	1,352,717
Vehicles	701,779	818,809
	<hr/>	<hr/>
Total Net Capital Assets	<u>\$9,341,758</u>	<u>\$9,688,952</u>

Overall, capital assets decreased due to current fiscal year depreciation plus deletions being greater than current fiscal year additions.

See Note 8 in the notes to the basic financial statements for further details on the District's capital assets.

**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
(Unaudited)

---

***Long-Term Obligations***

At June 30, 2011, the District had \$443,469 in capital leases outstanding, \$192,319 due within one year. Table 5 summarizes bonds outstanding.

**Table 5**  
**Outstanding Debt at Year End**

---

	Governmental Activities	
	2011	2010
Capital Leases	\$443,469	\$635,789

See Notes 10 – 11 in the notes to the basic financial statements for further details on the District’s outstanding debt.

**For the Future**

In July, 2009, then Ohio Governor Ted Strickland signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaced the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. The new model had the potential to drive funding based on student needs and could have resulted in additional revenue. However, the ongoing economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the current governor and legislature has eliminated the OEBM and is in the process of developing a new funding formula for Ohio public schools. Federal stimulus funds that were used in Ohio to balance the education budget are no longer available and funding for fiscal year 2012 is based on funding levels, per student, allocated in fiscal year 2011, minus stimulus funding.

On June 30, 2011, Ohio’s Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for both fiscal years 2011-12 and 2012-13. The Governor has indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-13. At this time, we do not know the details of the changes or the impact that these changes may have on our future state funding. This uncertainty could have an impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be closely monitored.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.



**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

---

**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 the Treasurer, Kevin Robertson at [krobertson@scs-k12.net](mailto:krobertson@scs-k12.net), (419) 621-2714 or, Sandusky City School District, 407 Decatur Street, Sandusky, Ohio 44870.

Sandusky City School District, Ohio  
Statement of Net Assets  
June 30, 2011

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$9,430,377
Receivables:	
Taxes	19,870,773
Accounts	33,498
Interest	11,337
Intergovernmental	698,047
Inventory	89,832
Nondepreciable Capital Assets	1,928,926
Depreciable Capital Assets, Net	<u>7,412,832</u>
 Total Assets	 <u>39,475,622</u>
Liabilities:	
Accounts Payable	531,637
Accrued Wages and Benefits	6,033,011
Unearned Revenue	14,533,658
Claims Payable	599,000
Long-Term Liabilities:	
Due Within One Year	929,865
Due In More Than One Year	<u>4,152,617</u>
 Total Liabilities	 <u>26,779,788</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	8,898,289
Restricted for:	
Debt Service	11,895
Capital Projects	1,082,985
Other Purposes	178,095
Perpetual Care:	
Expendable	120,209
Nonexpendable	10,000
Other Grants	52,553
Education Foundation	16,580
District Managed Student Activities	110,077
State Grants	16,013
Federal Grants	14,045
Unrestricted	<u>2,185,093</u>
 Total Net Assets	 <u>\$12,695,834</u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$21,511,108	\$454,317	\$2,214,028	(\$18,842,763)
Special	8,015,836	46,811	3,425,837	(4,543,188)
Vocational	1,816,757	0	336,642	(1,480,115)
Adult/continuing	1,211,173	676,333	600,311	65,471
Other	446,123	24,688	0	(421,435)
Support Services:				
Pupil	1,808,990	0	177,517	(1,631,473)
Instructional Staff	2,178,795	0	1,126,947	(1,051,848)
General Administration	237,888	0	0	(237,888)
School Administration	3,078,638	0	240,068	(2,838,570)
Fiscal	772,658	0	4,332	(768,326)
Business	165,412	0	0	(165,412)
Operations and Maintenance	3,587,482	20,367	3,160	(3,563,955)
Pupil Transportation	1,541,087	0	168,900	(1,372,187)
Central	1,358,070	0	233,691	(1,124,379)
Operation of Non-Instructional Services	2,697,028	361,815	2,268,239	(66,974)
Extracurricular Activities	1,178,272	227,689	0	(950,583)
Interest and Fiscal Charges	47,986	0	0	(47,986)
Total Governmental Activities	<u>\$51,653,303</u>	<u>\$1,812,020</u>	<u>\$10,799,672</u>	<u>(39,041,611)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	17,233,827
Capital Projects Purposes	901,848
Grants and Entitlements not Restricted to Specific Programs	19,364,728
Revenue in Lieu of Taxes	96,184
Unrestricted Contributions	119,684
Investment Earnings	64,347
Other Revenues	111,656

Total General Revenues 37,892,274

Change in Net Assets (1,149,337)

Net Assets Beginning of Year 13,845,171

Net Assets End of Year \$12,695,834

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$3,603,077	\$1,978,258	\$5,581,335
<b>Receivables:</b>			
Taxes	18,876,340	994,433	19,870,773
Accounts	33,386	112	33,498
Interest	0	11,337	11,337
Intergovernmental	30,467	667,580	698,047
Interfund	3,105	0	3,105
Inventory	81,158	8,674	89,832
<b>Total Assets</b>	<b>22,627,533</b>	<b>3,660,394</b>	<b>26,287,927</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	333,676	104,246	437,922
Accrued Wages and Benefits	5,283,707	749,304	6,033,011
Compensated Absences	369,795	10,267	380,062
Interfund Payable	0	3,105	3,105
Deferred Revenue	16,171,824	1,168,571	17,340,395
<b>Total Liabilities</b>	<b>22,159,002</b>	<b>2,035,493</b>	<b>24,194,495</b>
<b>Fund Balances:</b>			
Nonspendable	81,158	18,674	99,832
Restricted	0	1,686,944	1,686,944
Assigned	106,107	26,673	132,780
Unassigned	281,266	(107,390)	173,876
<b>Total Fund Balances</b>	<b>468,531</b>	<b>1,624,901</b>	<b>2,093,432</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$22,627,533</b>	<b>\$3,660,394</b>	<b>\$26,287,927</b>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2011

---

Total Governmental Fund Balance		\$2,093,432
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		9,341,758
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,480,925	
Intergovernmental	<u>325,812</u>	
		2,806,737
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		3,156,327
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(4,258,951)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(443,469)</u>
Net Assets of Governmental Activities		<u>\$12,695,834</u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$17,231,833	\$898,865	\$18,130,698
Revenue in Lieu of Taxes	95,712	472	96,184
Tuition and Fees	1,152,390	0	1,152,390
Investment Earnings	46,177	18,170	64,347
Intergovernmental	21,996,208	8,438,907	30,435,115
Extracurricular Activities	70,927	147,028	217,955
Charges for Services	45,575	374,262	419,837
Other Revenues	98,740	154,438	253,178
<b>Total Revenues</b>	<b>40,737,562</b>	<b>10,032,142</b>	<b>50,769,704</b>
Expenditures:			
Current:			
Instruction:			
Regular	18,873,455	2,265,978	21,139,433
Special	6,552,478	1,472,049	8,024,527
Vocational	1,715,156	68,574	1,783,730
Adult/continuing	1,107,183	99,909	1,207,092
Other	446,123	0	446,123
Support Services:			
Pupil	1,684,741	151,724	1,836,465
Instructional Staff	1,010,350	1,196,633	2,206,983
General Administration	237,888	0	237,888
School Administration	2,878,783	238,652	3,117,435
Fiscal	781,223	21,313	802,536
Business	156,735	0	156,735
Operations and Maintenance	3,424,548	119,396	3,543,944
Pupil Transportation	1,417,174	15,833	1,433,007
Central	1,020,170	312,259	1,332,429
Operation of Non-Instructional Services	0	2,678,475	2,678,475
Extracurricular Activities	857,293	312,254	1,169,547
Capital Outlay	0	412,540	412,540
Debt Service:			
Principal Retirement	192,320	0	192,320
Interest and Fiscal Charges	47,986	0	47,986
<b>Total Expenditures</b>	<b>42,403,606</b>	<b>9,365,589</b>	<b>51,769,195</b>
Excess of Revenues Over (Under) Expenditures	(1,666,044)	666,553	(999,491)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	2,138	0	2,138
Transfers In	269,802	1,575	271,377
Transfers (Out)	(1,575)	(269,802)	(271,377)
<b>Total Other Financing Sources (Uses)</b>	<b>270,365</b>	<b>(268,227)</b>	<b>2,138</b>
Net Change in Fund Balance	(1,395,679)	398,326	(997,353)
Fund Balance Beginning of Year, Restated	1,864,210	1,226,575	3,090,785
Fund Balance End of Year	\$468,531	\$1,624,901	\$2,093,432

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2011

---

Net Change in Fund Balance - Total Governmental Funds (997,353)

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

Governmental funds report capital asset additions 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 of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	216,432	
Depreciation Expense	<u>(537,511)</u>	(321,079)

Governmental funds only report the disposal of assets to the  
 extent proceeds are received from the sale. In the statement  
 of activities, a gain or loss is reported for each disposal. The  
 amount of the proceeds must be removed and the gain or loss  
 on the disposal of capital assets must be recognized. This is the  
 amount of the difference between the proceeds and the gain or loss. (26,115)

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

Delinquent Property Taxes	4,977	
Intergovernmental	<u>(270,715)</u>	(265,738)

Repayment of bond and capital lease principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 192,320

Some expenses reported in the statement of activities do not require the  
 use of current financial resources and therefore are not reported as  
 expenditures in governmental funds.

Compensated Absences		329,177
----------------------	--	---------

The internal service fund used by management to charge back costs  
 to individual funds is not reported in the district-wide 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. (60,549)

Change in Net Assets of Governmental Activities (\$1,149,337)

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Net Assets  
Proprietary Fund  
June 30, 2011

---

	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$3,849,042</u>
Total Current Assets	<u>3,849,042</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	93,715
Claims Payable	<u>599,000</u>
Total Current Liabilities	<u>692,715</u>
Net Assets:	
Unrestricted	<u>3,156,327</u>
Total Net Assets	<u><u>\$3,156,327</u></u>

See accompanying notes to the basic financial statements.



Sandusky City School District, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2011

	Governmental Activities- Internal Service Fund
Operating Revenues:	
Charges for Services	\$5,882,193
Other Revenues	520
Total Operating Revenues	<u>5,882,713</u>
Operating Expenses:	
Contractual Services	5,473,875
Materials and Supplies	59
Other Expenses	488,554
Total Operating Expenses	<u>5,962,488</u>
Operating Income (Loss)	<u>(79,775)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>19,226</u>
Total Non-Operating Revenues (Expenses)	<u>19,226</u>
Change in Net Assets	(60,549)
Net Assets Beginning of Year	<u>3,216,876</u>
Net Assets End of Year	<u><u>\$3,156,327</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2011

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$5,885,847
Cash Payments for Claims	(5,244,003)
Cash Payments for Other Disbursements	<u>(490,758)</u>
Net Cash Provided (Used) by Operating Activities	<u>151,086</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>19,226</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>19,226</u>
Net Increase (Decrease) in Cash and Cash Equivalents	170,312
Cash and Cash Equivalents Beginning of Year	<u>3,678,730</u>
Cash and Cash Equivalents End of Year	<u><u>3,849,042</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(79,775)
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	3,134
Increase (Decrease) in Payables	86,727
Increase (Decrease) in Accrued Liabilities	<u>141,000</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$151,086</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	\$7,102,857	\$100,344
Receivables:		
Taxes	0	731,558
Accounts	<u>0</u>	<u>68</u>
Total Assets	<u>7,102,857</u>	<u>831,970</u>
Liabilities:		
Accounts Payable	0	3,674
Other Liabilities	<u>0</u>	<u>828,296</u>
Total Liabilities	<u>0</u>	<u>\$831,970</u>
Net Assets:		
Held in Trust	<u>7,102,857</u>	
Total Net Assets	<u>\$7,102,857</u>	

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2011

---

	Private Purpose Trust
Additions:	
Donations	\$86,957
Investment Earnings	775,761
Total Additions	<u>862,718</u>
Deductions:	
Scholarships	<u>158,772</u>
Total Deductions	<u>158,772</u>
Change in Net Assets	703,946
Net Assets Beginning of Year	<u>6,398,911</u>
Net Assets End of Year	<u><u>\$7,102,857</u></u>

See accompanying notes to the basic financial statements.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

**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 129<sup>th</sup> largest by total enrollment among the 612 public school districts in the State. It currently operates 1 pre-school, 5 elementary schools, 1 junior high school and 1 comprehensive high school. The District employs 178 non-certified employees, 330 certified employees, 6 full-time adult education instructors and 27 administrators, to provide services to approximately 3,400 students in grades pre-K through 12, more than 2,000 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 type activity and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. 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” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

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; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic 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:

**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 \$76,837 to NOECA in fiscal year 2011 for services provided. Financial information can be obtained from Betty Schwiefert, who serves as Controller, 2900 South Columbus Avenue, Sandusky, Ohio 44870.

**Related Organization**

Sandusky Public Library The Sandusky Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Sandusky Public Library at 114 W. Adams Street, Sandusky, Ohio 44870.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

**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 (GRP) 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 GRP. Each year, the participating school district pays an enrollment fee to the GRP 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 only 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; and (c) for grants and other resources whose use is restricted to a particular purpose.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

**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 District has no enterprise funds. The following is a description of the District's internal service fund:

*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 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 has two trust funds; a private purpose trust fund which accounts for scholarship programs for students and an endowment fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are used to account for student activities and for the fiscal agent activity of the Sandusky Public Library.

**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. Interfund services provided and used are not eliminated in the process of consolidation.

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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.



**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

The government-wide statement of activities presents a comparison between direct expenses and program revenues 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 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 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. The internal service fund is 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.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the proprietary fund 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 activity.

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 services. Operating expenses for the internal service fund include claims 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, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

**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 Nonexchange 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.

*Unearned Revenue and Deferred Revenue* - Unearned revenue and deferred revenue arise 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, 2011, but which were levied to finance fiscal year 2012 operations and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2011 are recorded as deferred revenue in the governmental funds.

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental 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.

**E. Equity in Pooled 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 investments" on the financial statements.

During fiscal year 2011, investments were limited to shares of common stock, corporate bonds and money market 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 and non-negotiable certificates of deposit, are reported at cost.

The District had no invested funds in STAR Ohio during fiscal year 2011. 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 shares price which is the price the investment could be sold for on June 30, 2011.

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 2011 amounted to \$46,177, \$18,170 credited to other governmental funds and \$19,226 credited to the internal service fund.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with gifts 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 \$3,176,510. 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.

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 District's investment account at year end is provided in Note 4.

**F. Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**G. Capital Assets**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. 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):

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

<u>Description</u>	<u>Estimates Lives</u>
Land Improvements	20 years
Buildings & Improvements	25 - 50 years
Furniture & Equipment	5 - 20 years
Vehicles	6 - 10 years

**H. Interfund Activity**

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column on the Statement of Net Assets.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

**I. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick 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 sick leave is based on a policy whereby an employee who was hired prior to July 1, 2004 is compensated upon retirement for the greater of (1) sixty five (65) days of sick leave pay regardless of the employee's sick leave balance, or (2) 25% of accrued but unused sick leave up to a maximum of 75 days, plus 10% of all unused sick leave over 300 days. Employees hired on or after July 1, 2004 are eligible for sick leave pay only as in (2) above. 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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

additional 30 days of sick leave 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. Amounts for FORI represent liabilities at June 30, 2011 on the fund financial statements.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2011 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, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**J. 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 the internal service fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, 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, capital leases, and contractually required pension obligations are recognized as a liability in the fund financial statements when due.

**K. Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**L. 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 amount restricted for other purposes represents the amount restricted for special trust funds established to support District programs.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District’s \$1,612,452 in restricted net assets, none were restricted by enabling legislation.

**M. 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.

**N. 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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

financial statements and accompanying notes. Actual results may differ from those estimates.

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating.

**Note 3 - Accountability**

---

Fund balances at June 30, 2011 included the following individual fund deficits:

<u>Other Governmental Funds</u>	<u>Deficit</u>
Auxiliary Services	\$3,102
Title VI-B	286
Title I	29,434
Improving Teacher Quality	1,304
Food Service	62,914
Adult Basic Education	850
Title I School Improvement	826

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**

---

State statutes classify 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 that 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.



**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

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

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 and 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 two percent 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 items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits with Financial Institutions**

As of June 30, 2011, the District's entire bank balance of \$301,223 was covered by the FDIC.

**Investments**

As of June 30, 2011, the District had the following investments and maturities:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Funds	\$13,207,859	0.00
Corporate Bonds	23,304	0.25
Stock	<u>3,176,510</u>	0.00
	<u>\$16,407,673</u>	
Portfolio Weighted Average Maturity		0.00

*Interest Rate Risk:* The Ohio Revised Code general limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Credit Risk:* The District's stocks were rated ranging from AA- to D, Aa3 to C and AA to C by Standard & Poor's, Moody's Investor Services and Fitch Ratings, respectively. The District's corporate bonds were rated BB- and CCC by Moody's Investor Services and were rated Ba2 and Ca by Standard & Poor's. Money Market Funds were not rated. The District has no investment policy that would further limit its investment choices.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

*Concentration of Credit Risk:* The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the District at June 30, 2011:

	<u>Fair Value</u>	<u>% of Total</u>
Money Market Funds	\$13,207,859	80.50%
Corporate Bonds	23,304	0.14%
Stock	3,176,510	19.36%
	<u>\$16,407,673</u>	<u>100.00%</u>

**Note 5 - Interfund Transactions**

---

Interfund transactions at June 30, 2011, consisted of the following interfund receivables, interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$3,105	\$0	\$269,802 *	\$1,575
Other Governmental Funds	<u>0</u>	<u>3,105</u>	<u>1,575</u>	<u>269,802 *</u>
Total All Funds	<u>\$3,105</u>	<u>\$3,105</u>	<u>\$271,377</u>	<u>\$271,377</u>

\* - The amount transferred was used by the General fund to retire the Land Acquisition Bond Anticipation Notes and associated interest (see Note 9).

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

**Note 6 - Property Taxes**

---

Real property taxes collected in 2011 were levied after April 1, 2010 on the assessed values as of January 1, 2010, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year. The most recent re-evaluation was completed in January 2010.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

Tangible personal property tax revenue received during calendar year 2011 (other than public utility property tax) represents the collection of 2011 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after April 1, 2010, on the value as of December 31, 2010. 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 School District prior to June 30.

Real property taxes are payable annually or semi-annually. In 2011, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

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.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2011. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2011 on the fund statements. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2011, was \$2,704,516 for General Fund, \$151,674 for Other Governmental Funds, and is recognized as revenue.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

The assessed values upon which the fiscal year 2011 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$474,487,430
Public Utility Personal	<u>13,386,270</u>
Total	<u><u>\$487,873,700</u></u>

**Note 7 – Receivables**

---

Receivables at June 30, 2011 consisted of taxes, accounts (billings for user charged services and student fees), interest, intergovernmental grants and entitlements and interfund. 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.

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

**Note 8 - Capital Assets**

---

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,928,926	\$0	\$0	\$1,928,926
<i>Capital Assets, being depreciated:</i>				
Land Improvements	349,690	0	0	349,690
Buildings & Improvements	13,748,808	0	0	13,748,808
Furniture & Equipment	2,987,773	216,432	242,005	2,962,200
Vehicles	<u>2,209,709</u>	<u>0</u>	<u>0</u>	<u>2,209,709</u>
Totals at Historical Cost	<u>21,224,906</u>	<u>216,432</u>	<u>242,005</u>	<u>21,199,333</u>
Less Accumulated Depreciation:				
Land Improvements	97,033	14,599	0	111,632
Buildings & Improvements	8,412,965	237,890	0	8,650,855
Furniture & Equipment	1,635,056	167,992	215,890	1,587,158
Vehicles	<u>1,390,900</u>	<u>117,030</u>	<u>0</u>	<u>1,507,930</u>
Total Accumulated Depreciation	<u>11,535,954</u>	<u>537,511</u>	<u>215,890</u>	<u>11,857,575</u>
Governmental Activities Capital Assets, Net	<u><u>\$9,688,952</u></u>	<u><u>(\$321,079)</u></u>	<u><u>\$26,115</u></u>	<u><u>\$9,341,758</u></u>

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

Depreciation expense was charged to governmental functions as follows

Instruction:	
Regular	\$302,030
Special	9,255
Vocational	12,846
Adult	1,420
Support Services:	
Pupil	1,071
School Administration	14,418
Fiscal	1,192
Operations and Maintenance	20,088
Pupil Transportation	106,823
Central	38,120
Operation of Non-Instructional Services	21,523
Extracurricular Activities	8,725
Total Depreciation Expense	<u><u>\$537,511</u></u>

**Note 9 – Short-Term Liabilities**

---

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance
Land Acquisition Bond Anticipation Note	2.79%	<u>\$0</u>	<u>\$268,825</u>	<u>\$268,825</u>	<u>\$0</u>

The \$268,825 in Land Acquisition Bond Anticipation Notes was issued to finance the acquisition of land by the District. The District paid off the BAN early in June 2011.

**Note 10 - Capital Leases - Lessee Disclosure**

---

At various times, the District entered into capitalized leases for fiber optic, telephone equipment and computer 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 assets consisting of building improvements and equipment have been capitalized in the amount of \$746,516 and \$839,076, respectively. These amounts represent the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2011 totaled \$192,320 paid by the general fund.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

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, 2011:

Fiscal Year Ending June 30	Principal
2012	\$240,306
2013	192,907
2014	145,509
Total Minimum Lease Payments	\$578,722
Amount Representing Interest	(135,253)
Present Value of Minimum Lease Payments	<u>\$443,469</u>

**Note 11 - Long-Term Obligations**

---

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

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
Capital Leases	\$635,789	\$0	\$192,320	\$443,469	\$192,319
Total Long Term Debt	635,789	0	192,320	443,469	192,319
Compensated Absences	5,164,467	457,263	982,717	4,639,013	737,546
Total Governmental Activities	<u>\$5,800,256</u>	<u>\$457,263</u>	<u>\$1,175,037</u>	<u>\$5,082,482</u>	<u>\$929,865</u>

**Compensated Absences**

Compensated absences and the future retirement obligation will be paid from the fund from which the employee is paid. The payments will be made from the general fund and various other governmental funds.

**Note 12 - Risk Management**

---

**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 2011, the District has contracted with Ohio Casualty Insurance Company to provide insurance coverage in the

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

<u>Limits of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General Liability		
Each Occurrence	\$1,000,000	\$1,000
Aggregate	2,000,000	0
Fleet:		
Comprehensive/Collision	1,000,000	250/500
Umbrella Liability and Fleet	3,000,000	10,000
Buildings and Contents	98,108,352	10,000

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.

**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 \$175,000 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).

The claims liability of \$599,000 reported in the basic financial statements at June 30, 2011, 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. The claims liability is expected to be paid in the next fiscal year. Changes in claims activity for the current and previous two fiscal years are as follows:

	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance End of Year</u>
2011	\$458,000	\$5,384,944	\$5,243,944	\$599,000
2010	639,234	4,388,980	4,570,214	458,000



**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

**Workers' Compensation Rating Program**

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (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 13 - Pension Plans**

---

**School Employees Retirement System of Ohio**

**Plan Description**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**Funding Policy**

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's required contributions to SERS for the years ended June 30, 2011, 2010, and 2009 were \$874,680, \$820,936, and \$504,175, respectively; 58% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009. The District's unpaid contractually required SERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

**State Teachers Retirement System of Ohio**

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The District's required contributions to STRS for the years ended June 30, 2011, 2010, and 2009 were \$3,236,004, \$2,943,444, and \$2,911,659, respectively; 83% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009. The District's unpaid contractually required STRS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

**Note 14 - Post Employment Benefits**

---

**School Employees Retirement System of Ohio**

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2011, 2010 and 2009 were \$47,483, \$44,565 and \$41,599, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2011, the health care allocation was 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District required contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were \$89,342, \$26,974, and \$335,865, respectively; 58% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

### **State Teachers Retirement System of Ohio**

#### Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2011, 2010 and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law. The District required contributions for the years ended June 30, 2011, 2010, and 2009 were \$231,143, \$210,246, and \$223,974, respectively; 83% has been actually contributed for fiscal year 2011 and 100% has been actually contributed for fiscal years 2010 and 2009.

**Note 15 – Contingencies**

---

**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.

**Litigation**

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

**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, 2011, the reserve activity was as follows:

	Textbooks	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2010	(\$558,770)	\$0
Current Year Set Aside Requirements	485,340	485,340
Qualified Disbursements	(831,597)	(706,495)
Set Aside Reserve Balance as of June 30, 2011	<u>(\$905,027)</u>	<u>(\$221,155)</u>
Restricted Cash as of June 30, 2011	<u>\$0</u>	<u>\$0</u>

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

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 – Fund Balances**

---

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

Fund Balances	General	Other Governmental Funds	Total
<b>Nonspendable:</b>			
Perpetual Care	\$0	\$10,000	\$10,000
Inventory	81,158	8,674	89,832
<b>Total Nonspendable</b>	81,158	18,674	99,832
<b>Restricted for:</b>			
Other Grants	0	52,553	52,553
Special Trust	0	405,988	405,988
District Managed Student Activity	0	110,077	110,077
Management Information	0	690	690
Public School PreSchool	0	1,657	1,657
Education Foundation	0	16,580	16,580
Able/Job Grant	0	13,082	13,082
Vocational Education	0	7,979	7,979
Basic Educational Opportunity Grant	0	12,271	12,271
Drug Free Schools	0	164	164
EHA PreSchool Grant	0	186	186
Miscellaneous Federal Grants	0	858	858
Stimulus Title II	0	988	988
Perpetual Care	0	120,209	120,209
Debt Service	0	11,895	11,895
Permanent Improvement	0	931,767	931,767
<b>Total Restricted</b>	0	1,686,944	1,686,944
<b>Assigned to:</b>			
Encumbrances	106,107	0	106,107
Replacement	0	26,673	26,673
<b>Total Assigned</b>	106,107	26,673	132,780
<b>Unassigned (Deficit)</b>	281,266	(107,390)	173,876
<b>Total Fund Balance</b>	\$468,531	\$1,624,901	\$2,093,432

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2011**

---

---

**Note 18 – Change in Accounting Principles and Restatement of Fund Balance**

---

**Change in Accounting Principles**

For fiscal year 2011, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the District is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

**Restatement of Fund Balance**

The implementation of GASB 54 had the following effects on fund balance of the following major and non-major (other governmental) funds of the District as they were previously reported.

	General Fund	Other Governmental Funds
	<hr/>	<hr/>
Fund Balance, June 30, 2010	\$1,791,225	\$1,299,560
Change in Fund Structure	72,985	(72,985)
Fund Balance, June 30, 2010 - Restated	<hr/> <hr/> \$1,864,210	<hr/> <hr/> \$1,226,575



# **REQUIRED SUPPLEMENTARY INFORMATION**

---

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$16,567,721	\$16,368,781	\$16,341,589	(\$27,192)
Revenue in lieu of taxes	97,036	95,871	95,712	(159)
Tuition and Fees	470,244	464,598	463,826	(772)
Investment Earnings	46,816	46,254	46,177	(77)
Intergovernmental	22,042,100	21,777,424	21,741,248	(36,176)
Charges for Services	22,690	22,417	22,380	(37)
Other Revenues	168,248	166,228	165,952	(276)
<b>Total Revenues</b>	<b>39,414,855</b>	<b>38,941,573</b>	<b>38,876,884</b>	<b>(64,689)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	19,252,948	19,320,833	18,858,455	462,378
Special	6,693,890	6,717,492	6,556,732	160,760
Vocational	1,737,314	1,743,439	1,701,716	41,723
Other	462,150	463,780	452,681	11,099
<b>Support Services:</b>				
Pupil	1,693,291	1,699,261	1,658,595	40,666
Instructional Staff	1,019,738	1,023,334	998,844	24,490
General Administration	270,795	271,749	265,246	6,503
School Administration	2,962,776	2,973,223	2,902,069	71,154
Fiscal	804,763	807,600	788,273	19,327
Business	177,536	178,162	173,898	4,264
Operations and Maintenance	3,653,578	3,666,460	3,578,716	87,744
Pupil Transportation	1,470,475	1,475,660	1,440,345	35,315
Central	1,083,245	1,087,064	1,061,049	26,015
Extracurricular Activities	794,961	797,764	778,672	19,092
<b>Debt Service:</b>				
Principal Retirement	196,343	197,035	192,320	4,715
Interest and Fiscal Charges	48,990	49,163	47,986	1,177
<b>Total Expenditures</b>	<b>42,322,793</b>	<b>42,472,019</b>	<b>41,455,597</b>	<b>1,016,422</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,907,938)</b>	<b>(3,530,446)</b>	<b>(2,578,713)</b>	<b>951,733</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	2,168	2,142	2,138	(4)
Advances (Out)	(42,018)	(42,166)	(41,157)	1,009
Transfers In	18,305	18,085	18,055	(30)
Transfers (Out)	(1,608)	(1,614)	(1,575)	39
<b>Total Other Financing Sources (Uses)</b>	<b>(23,153)</b>	<b>(23,553)</b>	<b>(22,539)</b>	<b>1,014</b>
<b>Net Change in Fund Balance</b>	<b>(2,931,091)</b>	<b>(3,553,999)</b>	<b>(2,601,252)</b>	<b>952,747</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>5,662,672</b>	<b>5,662,672</b>	<b>5,662,672</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$2,731,581</b>	<b>\$2,108,673</b>	<b>\$3,061,420</b>	<b>\$952,747</b>

See accompanying notes to the required supplementary information.

**Sandusky City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Fiscal Ended June 30, 2011**

---

---

**Note 1 - Budgetary Process**

---

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. During the course of fiscal year 2011, the District amended its budget at several times, however none were significant.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2011.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

**Sandusky City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Fiscal Ended June 30, 2011**

---

---

5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$1,395,679)
Revenue Accruals	(1,860,678)
Expenditure Accruals	1,312,420
Transfers In	(251,747)
Advances (Out)	(41,157)
Encumbrances	(364,411)
Budget Basis	<u><u>(\$2,601,252)</u></u>

# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



**THIS PAGE INTENTIONALLY LEFT BLANK**



## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. .

### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. deb payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service fund. The District has only one Debt Service Fund for fiscal year 2011.

### **Capital Projects Funds**

The Capital Projects Funds is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

### **Permanent Fund**

The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The District has only one Permanent Fund for fiscal year 2011.

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$1,026,333	\$11,895	\$816,158	\$123,872	\$1,978,258
<b>Receivables:</b>					
Taxes	0	0	994,433	0	994,433
Accounts	112	0	0	0	112
Interest	0	0	0	11,337	11,337
Intergovernmental	667,580	0	0	0	667,580
Inventory	8,674	0	0	0	8,674
<b>Total Assets</b>	<b>1,702,699</b>	<b>11,895</b>	<b>1,810,591</b>	<b>135,209</b>	<b>3,660,394</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	89,854	0	9,392	5,000	104,246
Accrued Wages and Benefits	749,304	0	0	0	749,304
Compensated Absences	10,267	0	0	0	10,267
Interfund Payable	3,105	0	0	0	3,105
Deferred Revenue	325,812	0	842,759	0	1,168,571
<b>Total Liabilities</b>	<b>1,178,342</b>	<b>0</b>	<b>852,151</b>	<b>5,000</b>	<b>2,035,493</b>
<b>Fund Balances:</b>					
Nonspendable	8,674	0	0	10,000	18,674
Restricted	623,073	11,895	931,767	120,209	1,686,944
Assigned	0	0	26,673	0	26,673
Unassigned	(107,390)	0	0	0	(107,390)
<b>Total Fund Balances</b>	<b>524,357</b>	<b>11,895</b>	<b>958,440</b>	<b>130,209</b>	<b>1,624,901</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,702,699</b>	<b>\$11,895</b>	<b>\$1,810,591</b>	<b>\$135,209</b>	<b>\$3,660,394</b>



Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$0	\$0	\$898,865	\$0	\$898,865
Revenue in Lieu of Taxes	0	0	472	0	472
Investment Earnings	5,383	0	0	12,787	18,170
Intergovernmental	8,195,232	0	243,675	0	8,438,907
Extracurricular Activities	147,028	0	0	0	147,028
Charges for Services	374,262	0	0	0	374,262
Other Revenues	138,129	0	0	16,309	154,438
<b>Total Revenues</b>	<b>8,860,034</b>	<b>0</b>	<b>1,143,012</b>	<b>29,096</b>	<b>10,032,142</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	2,260,978	0	0	5,000	2,265,978
Special	1,472,049	0	0	0	1,472,049
Vocational	68,574	0	0	0	68,574
Adult/continuing	99,909	0	0	0	99,909
<b>Support Services:</b>					
Pupil	151,724	0	0	0	151,724
Instructional Staff	1,196,633	0	0	0	1,196,633
School Administration	238,652	0	0	0	238,652
Fiscal	4,542	0	16,771	0	21,313
Operations and Maintenance	3,568	0	115,828	0	119,396
Pupil Transportation	15,833	0	0	0	15,833
Central	255,137	0	57,122	0	312,259
Operation of Non-Instructional Services	2,678,475	0	0	0	2,678,475
Extracurricular Activities	312,254	0	0	0	312,254
Capital Outlay	0	0	412,540	0	412,540
<b>Total Expenditures</b>	<b>8,758,328</b>	<b>0</b>	<b>602,261</b>	<b>5,000</b>	<b>9,365,589</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>101,706</b>	<b>0</b>	<b>540,751</b>	<b>24,096</b>	<b>666,553</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	1,575	0	0	0	1,575
Transfers (Out)	0	(269,802)	0	0	(269,802)
<b>Total Other Financing Sources (Uses)</b>	<b>1,575</b>	<b>(269,802)</b>	<b>0</b>	<b>0</b>	<b>(268,227)</b>
<b>Net Change in Fund Balance</b>	<b>103,281</b>	<b>(269,802)</b>	<b>540,751</b>	<b>24,096</b>	<b>398,326</b>
<b>Fund Balance Beginning of Year, Restated</b>	<b>421,076</b>	<b>281,697</b>	<b>417,689</b>	<b>106,113</b>	<b>1,226,575</b>
<b>Fund Balance End of Year</b>	<b>\$524,357</b>	<b>\$11,895</b>	<b>\$958,440</b>	<b>\$130,209</b>	<b>\$1,624,901</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Other Grants** - 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.

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

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

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

**Public School Preschool** - A fund used to assist school districts in paying the cost of preschool programs for three and four year olds.

**SchoolNet OneNet** - A fund used to account for state funds related to the District's SchoolNet OneNet program.

**Education Foundation** - A fund used to account for the proceeds of any bequest, gift, or endowment given to the school district for the Education Foundation Fund or given without conditions or limitations; or, for the proceeds of a transfer from the General Fund of up to one-half of one per cent of the total estimated appropriations included in the school district's tax budget; or, in the case of a county board of education, an amount not to exceed one-half of one percent of the funds received by the county board pursuant to Section 3317.11 of the Revised Code. All boards of education must receipt any interest earnings on the principal of the Education Foundation Fund into the Fund. Monies in the Fund shall be expended only by resolution adopted by a majority of the members of the board for operating or capital costs of any existing or new and innovative program designed to enhance or promote education within the district, such as scholarships for students or teachers.

**Able/Job Grant** - 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.

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Adult Basic Education** - A fund used to account for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

**Title VI B** - A fund used to account 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** - 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** - Provision of funds to assist in making available the benefits of post-secondary education to qualified students.

**Title I** - A fund used 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.

**Drug-Free School Grant** - 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.

**EHA PreSchool Grant** - 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.

**Improving Teacher Quality** - 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.

**Miscellaneous Federal Grants** - A fund used to account for federal funds that are legally restricted to expenditures for specified purposes.

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Food Service** - A fund used to account for all revenues and expenditures related to food service operations.

**Fiscal Stabilization** - A fund used to account for monies was part of the American Recovery and Reinvestment Act of 2009. This was intended to provide money to school districts to prevent layoffs and cutbacks, with flexibility to use the funds for school modernization and repairs.

**Stimulus Title II** - A fund used to account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

**Title I School Improvement** - A fund used to account for grant monies to help raise the achievement of students in the District.

**THIS PAGE INTENTIONALLY LEFT BLANK**



Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011

	Other Grants	Special Trust	District Managed Student Activity	Auxiliary Services	Management Information
Assets:					
Equity in Pooled Cash and Investments	\$52,697	\$405,988	\$122,609	\$41,413	\$1,037
Receivables:					
Accounts	0	0	65	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>52,697</b>	<b>405,988</b>	<b>122,674</b>	<b>41,413</b>	<b>1,037</b>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	144	0	12,597	10,420	0
Accrued Wages and Benefits	0	0	0	34,095	347
Compensated Absences	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>144</b>	<b>0</b>	<b>12,597</b>	<b>44,515</b>	<b>347</b>
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	52,553	405,988	110,077	0	690
Unassigned	0	0	0	(3,102)	0
<b>Total Fund Balances</b>	<b>52,553</b>	<b>405,988</b>	<b>110,077</b>	<b>(3,102)</b>	<b>690</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$52,697</b>	<b>\$405,988</b>	<b>\$122,674</b>	<b>\$41,413</b>	<b>\$1,037</b>

Public School PreSchool	SchoolNet OneNet	Education Foundation	Able/Job Grant	Adult Basic Education	Title VI B	Vocational Education
\$260	\$0	\$16,580	\$13,082	\$2,640	\$76,705	\$19,066
0	0	0	0	0	0	0
20,584	0	0	0	389	223,680	3,618
0	0	0	0	0	0	0
<u>20,844</u>	<u>0</u>	<u>16,580</u>	<u>13,082</u>	<u>3,029</u>	<u>300,385</u>	<u>22,684</u>
0	0	0	0	234	80	11,178
18,603	0	0	0	3,256	179,938	1,710
0	0	0	0	0	0	0
0	0	0	0	0	0	1,199
584	0	0	0	389	120,653	618
<u>19,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,879</u>	<u>300,671</u>	<u>14,705</u>
0	0	0	0	0	0	0
1,657	0	16,580	13,082	0	0	7,979
0	0	0	0	(850)	(286)	0
<u>1,657</u>	<u>0</u>	<u>16,580</u>	<u>13,082</u>	<u>(850)</u>	<u>(286)</u>	<u>7,979</u>
<u>\$20,844</u>	<u>\$0</u>	<u>\$16,580</u>	<u>\$13,082</u>	<u>\$3,029</u>	<u>\$300,385</u>	<u>\$22,684</u>

Continued

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011

	Basic Educational Opportunity Grant	Title I	Drug-Free School Grant	EHA PreSchool Grant	Improving Teacher Quality
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$0	\$139,771	\$164	\$314	\$15,271
<b>Receivables:</b>					
Accounts	0	0	0	0	0
Intergovernmental	17,740	166,124	1,294	4,775	117,489
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>17,740</b>	<b>305,895</b>	<b>1,458</b>	<b>5,089</b>	<b>132,760</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	0	4,094	0	300	0
Accrued Wages and Benefits	0	307,781	0	1,422	45,575
Compensated Absences	0	0	0	0	0
Interfund Payable	0	0	0	1,906	0
Deferred Revenue	5,469	23,454	1,294	1,275	88,489
<b>Total Liabilities</b>	<b>5,469</b>	<b>335,329</b>	<b>1,294</b>	<b>4,903</b>	<b>134,064</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	0
Restricted	12,271	0	164	186	0
Unassigned	0	(29,434)	0	0	(1,304)
<b>Total Fund Balances</b>	<b>12,271</b>	<b>(29,434)</b>	<b>164</b>	<b>186</b>	<b>(1,304)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$17,740</b>	<b>\$305,895</b>	<b>\$1,458</b>	<b>\$5,089</b>	<b>\$132,760</b>



Miscellaneous Federal Grants	Food Service	Fiscal Stabilization	Stimulus Title II	Title I School Improvement	Total Nonmajor Special Revenue Funds
\$1,693	\$60,312	\$0	\$50,211	\$6,520	\$1,026,333
0	47	0	0	0	112
240	0	0	48,058	63,589	667,580
0	8,674	0	0	0	8,674
<u>1,933</u>	<u>69,033</u>	<u>0</u>	<u>98,269</u>	<u>70,109</u>	<u>1,702,699</u>
835	936	0	48,827	209	89,854
0	120,744	0	20,596	15,237	749,304
0	10,267	0	0	0	10,267
0	0	0	0	0	3,105
240	0	0	27,858	55,489	325,812
<u>1,075</u>	<u>131,947</u>	<u>0</u>	<u>97,281</u>	<u>70,935</u>	<u>1,178,342</u>
0	8,674	0	0	0	8,674
858	0	0	988	0	623,073
0	(71,588)	0	0	(826)	(107,390)
<u>858</u>	<u>(62,914)</u>	<u>0</u>	<u>988</u>	<u>(826)</u>	<u>524,357</u>
<u>\$1,933</u>	<u>\$69,033</u>	<u>\$0</u>	<u>\$98,269</u>	<u>\$70,109</u>	<u>\$1,702,699</u>

Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011

	Other Grants	Special Trust	District Managed Student Activity	Auxiliary Services	Management Information
Revenues:					
Investment Earnings	\$0	\$2,100	\$0	\$310	\$0
Intergovernmental	0	0	0	341,865	5,000
Extracurricular Activities	0	0	147,028	0	0
Charges for Services	0	0	12,447	0	0
Other Revenues	24,420	0	105,607	0	0
<b>Total Revenues</b>	<b>24,420</b>	<b>2,100</b>	<b>265,082</b>	<b>342,175</b>	<b>5,000</b>
Expenditures:					
Current:					
Instruction:					
Regular	2,838	0	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/continuing	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	0	0
School Administration	0	0	0	0	647
Fiscal	0	0	0	0	4,542
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	9,297	0	0	380,782	0
Extracurricular Activities	0	20,019	292,235	0	0
<b>Total Expenditures</b>	<b>12,135</b>	<b>20,019</b>	<b>292,235</b>	<b>380,782</b>	<b>5,189</b>
Excess of Revenues Over (Under) Expenditures	12,285	(17,919)	(27,153)	(38,607)	(189)
Other Financing Sources (Uses):					
Transfers In	1,575	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,575</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	13,860	(17,919)	(27,153)	(38,607)	(189)
Fund Balance Beginning of Year, Restated	38,693	423,907	137,230	35,505	879
<b>Fund Balance End of Year</b>	<b>\$52,553</b>	<b>\$405,988</b>	<b>\$110,077</b>	<b>(\$3,102)</b>	<b>\$690</b>

Public School PreSchool	SchoolNet OneNet	Education Foundation	Able/Job Grant	Adult Basic Education	Title VI B	Vocational Education
\$0	\$0	\$2,973	\$0	\$0	\$0	\$0
119,416	18,200	0	0	106,920	1,123,639	92,063
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	2,124	0	0	0	0
119,416	18,200	5,097	0	106,920	1,123,639	92,063
88,382	0	0	228	0	0	0
0	0	0	0	0	378,886	0
0	0	0	0	0	0	68,574
0	0	0	0	99,909	0	0
0	0	0	0	0	151,724	0
31,997	0	0	0	4,109	158,227	15,517
0	0	0	0	3,904	156,544	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,516	0	0	0	0	0	0
0	18,200	0	0	0	0	0
0	0	0	0	0	135,559	0
0	0	0	0	0	0	0
131,895	18,200	0	228	107,922	980,940	84,091
(12,479)	0	5,097	(228)	(1,002)	142,699	7,972
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(12,479)	0	5,097	(228)	(1,002)	142,699	7,972
14,136	0	11,483	13,310	152	(142,985)	7
\$1,657	\$0	\$16,580	\$13,082	(\$850)	(\$286)	\$7,979

Continued

Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011

	Basic Educational Opportunity Grant	Title I	Drug-Free School Grant	EHA PreSchool Grant	Improving Teacher Quality
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	404,887	1,746,249	15,257	53,524	270,842
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
<b>Total Revenues</b>	<b>404,887</b>	<b>1,746,249</b>	<b>15,257</b>	<b>53,524</b>	<b>270,842</b>
Expenditures:					
Current:					
Instruction:					
Regular	0	110,568	1,873	0	0
Special	0	810,069	0	24,957	258,137
Vocational	0	0	0	0	0
Adult/continuing	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	632,577	10,941	37,335	9,058
School Administration	0	53,588	0	10,210	0
Fiscal	0	0	0	0	0
Operations and Maintenance	0	0	3,568	0	0
Pupil Transportation	0	4,317	0	0	0
Central	0	78,332	0	0	0
Operation of Non-Instructional Services	392,616	63,730	0	0	0
Extracurricular Activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>392,616</b>	<b>1,753,181</b>	<b>16,382</b>	<b>72,502</b>	<b>267,195</b>
Excess of Revenues Over (Under) Expenditures	12,271	(6,932)	(1,125)	(18,978)	3,647
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	12,271	(6,932)	(1,125)	(18,978)	3,647
Fund Balance Beginning of Year, Restated	0	(22,502)	1,289	19,164	(4,951)
<b>Fund Balance End of Year</b>	<b>\$12,271</b>	<b>(\$29,434)</b>	<b>\$164</b>	<b>\$186</b>	<b>(\$1,304)</b>

Miscellaneous Federal Grants	Food Service	Fiscal Stabilization	Stimulus Title II	Title I School Improvement	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$5,383
683,266	1,335,627	1,235,110	562,995	80,372	8,195,232
0	0	0	0	0	147,028
0	361,815	0	0	0	374,262
0	5,978	0	0	0	138,129
683,266	1,703,420	1,235,110	562,995	80,372	8,860,034
494,964	0	1,235,110	327,015	0	2,260,978
0	0	0	0	0	1,472,049
0	0	0	0	0	68,574
0	0	0	0	0	99,909
0	0	0	0	0	151,724
9,977	0	0	198,987	87,908	1,196,633
0	0	0	13,759	0	238,652
0	0	0	0	0	4,542
0	0	0	0	0	3,568
0	0	0	0	0	15,833
158,605	0	0	0	0	255,137
0	1,696,216	0	275	0	2,678,475
0	0	0	0	0	312,254
663,546	1,696,216	1,235,110	540,036	87,908	8,758,328
19,720	7,204	0	22,959	(7,536)	101,706
0	0	0	0	0	1,575
0	0	0	0	0	1,575
19,720	7,204	0	22,959	(7,536)	103,281
(18,862)	(70,118)	0	(21,971)	6,710	421,076
\$858	(\$62,914)	\$0	\$988	(\$826)	\$524,357

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$24,137	\$24,420	\$283
Total Revenues	24,137	24,420	283
Expenditures:			
Current:			
Instruction:			
Regular	9,573	2,838	6,735
Operation of Non-Instructional Services	33,305	9,873	23,432
Total Expenditures	42,878	12,711	30,167
Excess of Revenues Over (Under) Expenditures	(18,741)	11,709	30,450
Other Financing Sources (Uses):			
Transfers In	1,557	1,575	18
Total Other Financing Sources (Uses)	1,557	1,575	18
Net Change in Fund Balance	(17,184)	13,284	30,468
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	38,943	38,943	0
Fund Balance End of Year	\$21,759	\$52,227	\$30,468

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$84,142	\$2,100	(\$82,042)
Total Revenues	84,142	2,100	(82,042)
Expenditures:			
Current:			
Extracurricular Activities	117,631	20,022	97,609
Total Expenditures	117,831	20,022	97,809
Net Change in Fund Balance	(33,689)	(17,922)	15,767
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	423,908	423,908	0
Fund Balance End of Year	\$390,219	\$405,986	\$15,767

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$142,223	\$147,023	\$4,800
Charges for Services	12,041	12,447	406
Other Revenues	102,106	105,552	3,446
Total Revenues	256,370	265,022	8,652
Expenditures:			
Current:			
Extracurricular Activities	364,455	308,944	55,511
Total Expenditures	364,455	308,944	55,511
Net Change in Fund Balance	(108,085)	(43,922)	64,163
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	142,470	142,470	0
Fund Balance End of Year	\$34,385	\$98,548	\$64,163



Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$310	\$310	\$0
Intergovernmental	373,125	373,135	10
Total Revenues	373,435	373,445	10
Expenditures:			
Current:			
Operation of Non-Instructional Services	424,682	398,261	26,421
Total Expenditures	424,682	398,261	26,421
Excess of Revenues Over (Under) Expenditures	(51,247)	(24,816)	26,431
Other Financing Sources (Uses):			
Transfers In	31,775	31,776	1
Transfers (Out)	(33,884)	(31,776)	2,108
Total Other Financing Sources (Uses)	(2,109)	0	2,109
Net Change in Fund Balance	(53,356)	(24,816)	28,540
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	53,377	53,377	0
Fund Balance End of Year	\$21	\$28,561	\$28,540

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Management Information Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,000	\$5,000	\$0
Total Revenues	5,000	5,000	0
Expenditures:			
Current:			
Support Services:			
School Administration	786	647	139
Fiscal	5,093	4,195	898
Total Expenditures	5,879	4,842	1,037
Net Change in Fund Balance	(879)	158	1,037
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	879	879	0
Fund Balance End of Year	\$0	\$1,037	\$1,037

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Public School PreSchool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$136,265	\$115,681	(\$20,584)
Total Revenues	136,265	115,681	(20,584)
Expenditures:			
Current:			
Instruction:			
Regular	86,294	73,354	12,940
Support Services:			
Instructional Staff	39,168	33,295	5,873
Pupil Transportation	13,547	11,516	2,031
Total Expenditures	139,009	118,165	20,844
Net Change in Fund Balance	(2,744)	(2,484)	260
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,744	2,744	0
Fund Balance End of Year	\$0	\$260	\$260

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	SchoolNet OneNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$18,200	\$18,200	\$0
Total Revenues	18,200	18,200	0
Expenditures:			
Current:			
Support Services:			
Central	18,200	18,200	0
Total Expenditures	18,200	18,200	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Education Foundation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,954	\$2,973	\$19
Other Revenues	2,110	2,124	14
Total Revenues	5,064	5,097	33
Expenditures:			
Current:			
Support Services:			
Business	5,050	0	5,050
Total Expenditures	5,050	0	5,050
Net Change in Fund Balance	14	5,097	5,083
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,483	11,483	0
Fund Balance End of Year	\$11,497	\$16,580	\$5,083

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Able/Job Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Special	13,310	227	13,083
Total Expenditures	13,310	227	13,083
Net Change in Fund Balance	(13,310)	(227)	13,083
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,310	13,310	0
Fund Balance End of Year	\$0	\$13,083	\$13,083

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Adult Basic Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$107,742	\$106,920	(\$822)
Total Revenues	107,742	106,920	(822)
Expenditures:			
Current:			
Instruction:			
Adult/continuing	99,169	96,451	2,718
Support Services:			
Instructional Staff	4,263	4,146	117
School Administration	4,220	4,104	116
Total Expenditures	107,652	104,701	2,951
Net Change in Fund Balance	90	2,219	2,129
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	186	186	0
Fund Balance End of Year	\$276	\$2,405	\$2,129

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Title VI B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,388,552	\$1,165,072	(\$223,480)
Total Revenues	1,388,552	1,165,072	(223,480)
Expenditures:			
Current:			
Instruction:			
Special	623,589	493,689	129,900
Support Services:			
Pupil	226,013	178,932	47,081
Instructional Staff	222,096	175,831	46,265
School Administration	203,490	161,101	42,389
Operation of Non-Instructional Services	155,531	123,132	32,399
Total Expenditures	1,430,719	1,132,685	298,034
Excess of Revenues Over (Under) Expenditures	(42,167)	32,387	74,554
Other Financing Sources (Uses):			
Transfers (Out)	(9,898)	(7,836)	2,062
Total Other Financing Sources (Uses)	(9,898)	(7,836)	2,062
Net Change in Fund Balance	(52,065)	24,551	76,616
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	52,065	52,065	0
Fund Balance End of Year	\$0	\$76,616	\$76,616



Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$120,540	\$89,063	(\$31,477)
Total Revenues	<u>120,540</u>	<u>89,063</u>	<u>(31,477)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	76,953	75,019	1,934
Support Services:			
Instructional Staff	<u>19,307</u>	<u>18,822</u>	<u>485</u>
Total Expenditures	<u>96,260</u>	<u>93,841</u>	<u>2,419</u>
Excess of Revenues Over (Under) Expenditures	<u>24,280</u>	<u>(4,778)</u>	<u>(29,058)</u>
Other Financing Sources (Uses):			
Advances In	<u>1,623</u>	<u>1,199</u>	<u>(424)</u>
Total Other Financing Sources (Uses)	<u>1,623</u>	<u>1,199</u>	<u>(424)</u>
Net Change in Fund Balance	25,903	(3,579)	(29,482)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,579</u>	<u>3,579</u>	<u>0</u>
Fund Balance End of Year	<u>\$29,482</u>	<u>\$0</u>	<u>(\$29,482)</u>

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Basic Educational Opportunity Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$710,700	\$392,616	(\$318,084)
Total Revenues	710,700	392,616	(318,084)
Expenditures:			
Current:			
Operation of Non-Instructional Services	710,700	392,616	318,084
Total Expenditures	710,700	392,616	318,084
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,851,982	\$1,896,249	(\$955,733)
Total Revenues	<u>2,851,982</u>	<u>1,896,249</u>	<u>(955,733)</u>
Expenditures:			
Current:			
Instruction:			
Regular	82,072	50,670	31,402
Special	1,520,692	938,857	581,835
Support Services:			
Instructional Staff	972,516	600,419	372,097
School Administration	86,608	53,471	33,137
Pupil Transportation	6,992	4,317	2,675
Central	72,097	44,512	27,585
Operation of Non-Instructional Services	<u>103,054</u>	<u>63,624</u>	<u>39,430</u>
Total Expenditures	<u>2,844,031</u>	<u>1,755,870</u>	<u>1,088,161</u>
Excess of Revenues Over (Under) Expenditures	<u>7,951</u>	<u>140,379</u>	<u>132,428</u>
Other Financing Sources (Uses):			
Advances (Out)	<u>(7,950)</u>	<u>(4,908)</u>	<u>3,042</u>
Total Other Financing Sources (Uses)	<u>(7,950)</u>	<u>(4,908)</u>	<u>3,042</u>
Net Change in Fund Balance	1	135,471	135,470
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$1</u>	<u>\$135,471</u>	<u>\$135,470</u>

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Drug-Free School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$17,638	\$15,257	(\$2,381)
Total Revenues	17,638	15,257	(2,381)
Expenditures:			
Current:			
Instruction:			
Regular	2,020	1,873	147
Support Services:			
Instructional Staff	12,712	11,784	928
Operations and Maintenance	3,849	3,568	281
Total Expenditures	18,581	17,225	1,356
Excess of Revenues Over (Under) Expenditures	(943)	(1,968)	(1,025)
Other Financing Sources (Uses):			
Transfers In	1,490	1,289	(201)
Transfers (Out)	(1,390)	(1,289)	101
Total Other Financing Sources (Uses)	100	0	(100)
Net Change in Fund Balance	(843)	(1,968)	(1,125)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,132	2,132	0
Fund Balance End of Year	\$1,289	\$164	(\$1,125)

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	EHA PreSchool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$58,419	\$55,646	(\$2,773)
Total Revenues	58,419	55,646	(2,773)
Expenditures:			
Current:			
Instruction:			
Special	27,099	26,142	957
Support Services:			
Instructional Staff	43,877	42,328	1,549
School Administration	10,245	9,883	362
Total Expenditures	81,221	78,353	2,868
Excess of Revenues Over (Under) Expenditures	(22,802)	(22,707)	95
Other Financing Sources (Uses):			
Advances In	2,001	1,906	(95)
Total Other Financing Sources (Uses)	2,001	1,906	(95)
Net Change in Fund Balance	(20,801)	(20,801)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,801	20,801	0
Fund Balance End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$407,218	\$289,728	(\$117,490)
Total Revenues	407,218	289,728	(117,490)
Expenditures:			
Current:			
Instruction:			
Special	407,301	278,734	128,567
Support Services:			
Instructional Staff	13,236	9,058	4,178
Total Expenditures	420,537	287,792	132,745
Net Change in Fund Balance	(13,319)	1,936	15,255
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,319	13,319	0
Fund Balance End of Year	\$0	\$15,255	\$15,255

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$750,187	\$749,947	(\$240)
Total Revenues	750,187	749,947	(240)
Expenditures:			
Current:			
Instruction:			
Regular	589,499	588,735	764
Support Services:			
Instructional Staff	10,055	10,042	13
Central	200,016	199,757	259
Total Expenditures	799,570	798,534	1,036
Net Change in Fund Balance	(49,383)	(48,587)	796
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	49,383	49,383	0
Fund Balance End of Year	\$0	\$796	\$796

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,375,956	\$1,385,278	\$9,322
Charges for Services	359,359	361,794	2,435
Other Revenues	5,938	5,978	40
Total Revenues	<u>1,741,253</u>	<u>1,753,050</u>	<u>11,797</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>1,751,360</u>	<u>1,705,570</u>	<u>45,790</u>
Total Expenditures	<u>1,751,360</u>	<u>1,705,570</u>	<u>45,790</u>
Net Change in Fund Balance	(10,107)	47,480	57,587
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>12,839</u>	<u>12,839</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,732</u></u>	<u><u>\$60,319</u></u>	<u><u>\$57,587</u></u>



Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Fiscal Stabilization Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,235,110	\$1,235,110	\$0
Total Revenues	1,235,110	1,235,110	0
Expenditures:			
Current:			
Instruction:			
Regular	1,235,110	1,235,110	0
Total Expenditures	1,235,110	1,235,110	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Stimulus Title II Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$593,744	\$545,686	(\$48,058)
Total Revenues	593,744	545,686	(48,058)
Expenditures:			
Current:			
Instruction:			
Regular	409,373	375,841	33,532
Support Services:			
Instructional Staff	173,206	159,018	14,188
School Administration	14,987	13,759	1,228
Operation of Non-Instructional Services	300	275	25
Total Expenditures	597,866	548,893	48,973
Excess of Revenues Over (Under) Expenditures	(4,122)	(3,207)	915
Other Financing Sources (Uses):			
Advances (Out)	(5,785)	(5,311)	474
Total Other Financing Sources (Uses)	(5,785)	(5,311)	474
Net Change in Fund Balance	(9,907)	(8,518)	1,389
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,907	9,907	0
Fund Balance End of Year	\$0	\$1,389	\$1,389

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Title I School Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$85,859	\$74,458	(\$11,401)
Total Revenues	85,859	74,458	(11,401)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	90,383	72,687	17,696
Total Expenditures	90,383	72,687	17,696
Net Change in Fund Balance	(4,524)	1,771	6,295
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,524	4,524	0
Fund Balance End of Year	\$0	\$6,295	\$6,295

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. deb payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service fund. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Retirement Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Debt Service:			
Principal Retirement	280,677	268,825	11,852
Interest and Fiscal Charges	1,020	977	43
Total Expenditures	281,697	269,802	11,895
Net Change in Fund Balance	(281,697)	(269,802)	11,895
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	281,697	281,697	0
Fund Balance End of Year	\$0	\$11,895	\$11,895

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Descriptions**

**Permanent Improvement** - A fund used 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** - A fund used 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, Ohio  
 Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2011

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$789,485	\$26,673	\$816,158
Receivables:			
Taxes	994,433	0	994,433
Total Assets	<u>1,783,918</u>	<u>26,673</u>	<u>1,810,591</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	9,392	0	9,392
Deferred Revenue	842,759	0	842,759
Total Liabilities	<u>852,151</u>	<u>0</u>	<u>852,151</u>
Fund Balances:			
Restricted	931,767	0	931,767
Assigned	0	26,673	26,673
Total Fund Balances	<u>931,767</u>	<u>26,673</u>	<u>958,440</u>
Total Liabilities and Fund Balances	<u>\$1,783,918</u>	<u>\$26,673</u>	<u>\$1,810,591</u>



Sandusky City School District, Ohio  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2011

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$898,865	\$0	\$898,865
Revenue in Lieu of Taxes	472	0	472
Intergovernmental	243,675	0	243,675
<b>Total Revenues</b>	<b>1,143,012</b>	<b>0</b>	<b>1,143,012</b>
Expenditures:			
Current:			
Support Services:			
Fiscal	16,771	0	16,771
Operations and Maintenance	115,828	0	115,828
Central	57,122	0	57,122
Capital Outlay	412,540	0	412,540
<b>Total Expenditures</b>	<b>602,261</b>	<b>0</b>	<b>602,261</b>
Net Change in Fund Balance	540,751	0	540,751
Fund Balance Beginning of Year	391,016	26,673	417,689
<b>Fund Balance End of Year</b>	<b>\$931,767</b>	<b>\$26,673</b>	<b>\$958,440</b>

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$851,418	\$851,420	\$2
Revenue in lieu of taxes	472	472	0
Intergovernmental	243,675	243,675	0
<b>Total Revenues</b>	<b>1,095,565</b>	<b>1,095,567</b>	<b>2</b>
Expenditures:			
Current:			
Support Services:			
Pupil	198,832	147,330	51,502
Fiscal	22,634	16,771	5,863
Operations and Maintenance	230,436	170,748	59,688
Central	81,969	60,737	21,232
Capital Outlay	600,981	445,314	155,667
<b>Total Expenditures</b>	<b>1,134,852</b>	<b>840,900</b>	<b>293,952</b>
<b>Net Change in Fund Balance</b>	<b>(39,287)</b>	<b>254,667</b>	<b>293,954</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	292,687	292,687	0
<b>Fund Balance End of Year</b>	<b>\$253,400</b>	<b>\$547,354</b>	<b>\$293,954</b>

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

---

	Replacement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	26,673	0	26,673
Total Expenditures	26,673	0	26,673
Net Change in Fund Balance	(26,673)	0	26,673
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26,673	26,673	0
Fund Balance End of Year	\$0	\$26,673	\$26,673

## **NONMAJOR PERMANENT FUND**

### **Fund Description**

**Permanent Fund** - The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$7,599	\$1,450	(\$6,149)
Other Revenues	85,473	16,309	(69,164)
Total Revenues	93,072	17,759	(75,313)
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	93,072	17,759	(75,313)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	106,113	106,113	0
Fund Balance End of Year	\$199,185	\$123,872	(\$75,313)

## **OTHER GENERAL FUNDS**

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

### **Fund Descriptions**

**Public School Support** - A fund used to account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

**Adult Education** - A fund used to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students, and reimbursement from the State Department of Education. Expenditures include supplies, salaries and textbooks.

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2011

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$56,123	\$57,111	\$988
Other Revenues	18,379	18,703	324
Total Revenues	74,502	75,814	1,312
Expenditures:			
Current:			
Extracurricular Activities	137,960	71,342	66,618
Total Expenditures	137,960	71,342	66,618
Net Change in Fund Balance	(63,458)	4,472	67,930
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	63,597	63,597	0
Fund Balance End of Year	\$139	\$68,069	\$67,930

(1) This fund is combined with the General fund in GAAP Statements.

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$676,880	\$676,334	(\$546)
Intergovernmental	224,674	224,493	(181)
Other Revenues	158,142	158,014	(128)
Total Revenues	1,059,696	1,058,841	(855)
Expenditures:			
Current:			
Instruction:			
Adult/continuing	1,143,882	1,116,229	27,653
Total Expenditures	1,143,882	1,116,229	27,653
Excess of Revenues Over (Under) Expenditures	(84,186)	(57,388)	26,798
Other Financing Sources (Uses):			
Advances In	38,083	38,052	(31)
Total Other Financing Sources (Uses)	64,850	38,052	(26,798)
Net Change in Fund Balance	(19,336)	(19,336)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,336	19,336	0
Fund Balance End of Year	\$0	\$0	\$0

(1) This fund is combined with the General fund in GAAP Statements.



## **NONMAJOR FUNDS**

### **Fiduciary Funds**

Fiduciary fund types are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

**Scholarship Trust (Private Purpose Trust)** - A fund used 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.

**Endowment (Private Purpose Trust)** - A fund used 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.

**District Agency (Agency Fund)** - 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.

**Student Managed Activity (Agency Fund)** - A fund used 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.

Sandusky City School District, Ohio  
 Combining Statement of Fiduciary Net Assets  
 Private Purpose Trust Funds  
 June 30, 2011

	Scholarship Trust	Endowment	Total
Assets:			
Equity in Pooled Cash and Investments	\$676,447	\$6,426,410	\$7,102,857
Total Assets	676,447	6,426,410	7,102,857
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	0	0	0
Net Assets:			
Held in Trust	676,447	6,426,410	7,102,857
Total Net Assets	\$676,447	\$6,426,410	\$7,102,857

Sandusky City School District, Ohio  
 Combining Statement of Changes in Fiduciary Net Assets  
 Private Purpose Trust Funds  
 For the Fiscal Year Ended June 30, 2011

---

	Scholarship Trust	Endowment	Total
Additions:			
Donations	\$77,110	\$9,847	\$86,957
Investment Earnings	3,250	772,511	775,761
Total Additions	<u>80,360</u>	<u>782,358</u>	<u>862,718</u>
Deductions:			
Scholarships	64,250	94,522	158,772
Total Deductions	<u>64,250</u>	<u>94,522</u>	<u>158,772</u>
Change in Net Assets	16,110	687,836	703,946
Net Assets Beginning of Year	<u>660,337</u>	<u>5,738,574</u>	<u>6,398,911</u>
Net Assets End of Year	<u><u>\$676,447</u></u>	<u><u>\$6,426,410</u></u>	<u><u>\$7,102,857</u></u>

Sandusky City School District, Ohio  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2011

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$3,407	\$1,242,477	\$1,242,375	\$3,509
Receivables:				
Taxes	776,241	731,558	776,241	731,558
Total Assets	<u>779,648</u>	<u>1,974,035</u>	<u>2,018,616</u>	<u>735,067</u>
Liabilities:				
Other Liabilities	779,648	1,974,035	2,018,616	735,067
Total Liabilities	<u>\$779,648</u>	<u>\$1,974,035</u>	<u>\$2,018,616</u>	<u>\$735,067</u>

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$84,173	\$138,849	\$126,187	\$96,835
Receivables:				
Accounts	30	68	30	68
Total Assets	<u>84,203</u>	<u>138,917</u>	<u>126,217</u>	<u>96,903</u>
Liabilities:				
Accounts Payable	281	3,674	281	3,674
Other Liabilities	83,922	135,243	125,936	93,229
Total Liabilities	<u>\$84,203</u>	<u>\$138,917</u>	<u>\$126,217</u>	<u>\$96,903</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$87,580	\$1,381,326	\$1,368,562	\$100,344
Receivables:				
Taxes	776,241	731,558	776,241	731,558
Accounts	30	68	30	68
Total Assets	<u>863,851</u>	<u>2,112,952</u>	<u>2,144,833</u>	<u>831,970</u>
Liabilities:				
Accounts Payable	281	3,674	281	3,674
Other Liabilities	863,570	2,109,278	2,144,552	828,296
Total Liabilities	<u>\$863,851</u>	<u>\$2,112,952</u>	<u>\$2,144,833</u>	<u>\$831,970</u>

# STATISTICAL SECTION

---

**This page intentionally left blank.**

## **STATISTICAL SECTION**

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

### **CONTENTS**

FINANCIAL TRENDS: These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

REVENUE CAPACITY: These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

ECONOMIC AND DEMOGRAPHIC INFORMATION: These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

OPERATING INFORMATION: These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2001; schedules presenting government-wide information include information beginning in that fiscal year.

**THIS PAGE INTENTIONALLY LEFT BLANK**





Sandusky City School District, Ohio  
 Net Assets by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 1

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$7,737,789	\$8,076,773	\$9,514,906	\$9,577,678	\$9,904,226	\$9,618,666	\$9,733,381	\$10,002,744	\$9,053,163	\$8,898,289
Restricted	3,195,380	2,468,545	1,577,690	2,460,505	2,277,541	2,342,360	1,661,477	1,926,356	1,693,031	1,612,452
Unrestricted	3,070,685	3,315,419	1,155,888	1,678,633	638,540	1,209,184	2,064,130	2,146,662	3,098,977	2,185,093
<b>Total Governmental Activities Net Assets</b>	<b>\$14,003,854</b>	<b>\$13,860,737</b>	<b>\$12,248,484</b>	<b>\$13,716,816</b>	<b>\$12,820,307</b>	<b>\$13,170,210</b>	<b>\$13,458,988</b>	<b>\$14,075,762</b>	<b>\$13,845,171</b>	<b>\$12,695,834</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$105,959	\$115,191	\$118,279	\$110,021	\$0	\$0	\$0	\$0	\$0	\$0
Unrestricted	(49,663)	151,029	69,613	(36,805)	0	0	0	0	0	0
<b>Total Business-Type Activities Net Assets</b>	<b>\$56,296</b>	<b>\$266,220</b>	<b>\$187,892</b>	<b>\$73,216</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Primary Government</b>										
Invested in Capital Assets, Net of Related Debt	\$7,843,748	\$8,191,964	\$9,633,185	\$9,687,699	\$9,904,226	\$9,618,666	\$9,733,381	\$10,002,744	\$9,053,163	\$8,898,289
Restricted	3,195,380	2,468,545	1,577,690	2,460,505	2,277,541	2,342,360	1,661,477	1,926,356	1,693,031	1,612,452
Unrestricted	3,021,022	3,466,448	1,225,501	1,641,828	638,540	1,209,184	2,064,130	2,146,662	3,098,977	2,185,093
<b>Total Primary Government Net Assets</b>	<b>\$14,060,150</b>	<b>\$14,126,957</b>	<b>\$12,436,376</b>	<b>\$13,790,032</b>	<b>\$12,820,307</b>	<b>\$13,170,210</b>	<b>\$13,458,988</b>	<b>\$14,075,762</b>	<b>\$13,845,171</b>	<b>\$12,695,834</b>

Source: District Records

Sandusky City School District, Ohio  
 Expenses, Program Revenues and Net (Expense)/Revenue  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$24,192,897	\$24,743,929	\$24,857,772	\$25,884,229	\$29,028,772	\$28,612,515	\$28,381,015	\$31,120,235	\$32,423,935	\$33,000,997
Pupil	1,484,322	1,699,311	1,713,629	1,795,398	1,892,558	1,848,395	1,966,662	1,949,122	1,810,155	1,808,990
Instructional Staff	1,538,623	1,698,801	1,596,772	1,567,099	2,843,356	2,604,516	2,345,780	1,976,782	2,334,671	2,178,795
General Administration	187,936	202,519	200,544	290,483	262,873	251,748	225,384	219,506	274,123	237,888
School Administration	2,916,382	3,082,433	2,899,700	3,155,898	3,093,269	3,294,800	3,260,728	3,143,151	2,993,558	3,078,638
Fiscal	674,661	679,525	776,412	747,826	773,037	816,087	827,379	790,838	724,600	772,658
Business	216,076	245,576	149,517	163,970	171,953	182,226	167,861	173,166	165,646	165,412
Operations and Maintenance	3,743,299	5,474,006	4,607,211	4,278,015	4,597,967	4,441,639	4,266,515	4,131,032	3,488,446	3,587,482
Pupil Transportation	1,269,200	1,375,321	1,408,368	1,424,910	1,505,074	1,678,854	1,605,498	1,560,103	1,595,977	1,541,087
Central	146,152	296,428	658,779	617,090	1,309,047	878,440	869,701	961,596	1,211,148	1,358,070
Operation of Non-Instructional Services	226,371	217,417	189,885	365,104	2,883,539	3,116,826	3,398,658	3,051,796	2,920,946	2,697,028
Extracurricular Activities	1,114,411	1,006,609	1,057,758	1,091,654	1,151,621	1,259,230	1,434,639	1,168,160	987,180	1,178,272
Intergovernmental Pass-through	454,538	501,876	483,133	475,587	425,781	466,340	0	0	0	0
Interest and Fiscal Charges	106,047	82,383	91,145	75,913	68,650	62,932	44,512	26,930	56,430	47,986
Total Governmental Activities Expenses	38,270,915	41,306,134	40,690,625	41,933,176	50,007,497	49,514,548	48,794,332	50,272,417	50,986,815	51,653,303
<b>Business-Type Activities:</b>										
Food Service	1,722,271	1,753,978	1,857,460	1,918,480	0	0	0	0	0	0
Adult Education	941,647	970,572	867,829	820,179	0	0	0	0	0	0
Total Business-Type Activities Expenses	2,663,918	2,724,550	2,725,289	2,738,659	0	0	0	0	0	0
Total Primary Government Expenses	\$40,934,833	\$44,030,684	\$43,415,914	\$44,671,835	\$50,007,497	\$49,514,548	\$48,794,332	\$50,272,417	\$50,986,815	\$51,653,303

Source: District Records

Sandusky City School District, Ohio  
 Expenses, Program Revenues and Net (Expense)/Revenue  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 2 (Continued)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction	\$259,303	\$180,347	\$128,090	\$146,638	\$715,705	\$1,037,687	\$1,002,817	\$1,269,069	\$1,342,013	\$1,202,149
Pupil	0	63	9	0	0	0	0	0	0	0
Instructional Staff	0	2,985	0	0	0	0	0	0	0	0
School Administration	0	0	0	0	0	5,833	0	0	0	0
Operations and Maintenance	170,000	28,166	29,151	31,429	28,694	16,965	24,900	34,410	17,499	20,367
Operation of Non-Instructional Services	0	0	0	0	655,354	644,676	580,145	522,798	407,386	361,815
Extracurricular Activities	441,723	304,763	326,083	314,422	309,071	271,084	233,068	211,569	237,687	227,689
Operating Grants and Contributions	4,870,600	4,934,226	5,138,728	6,312,983	10,414,800	12,407,355	10,658,668	10,803,543	11,209,417	10,799,672
Capital Grants and Contributions	1,546,950	451,653	88,275	0	10,414,800	146,949	60,707	57,267	0	0
Total Governmental Activities Program Revenues	7,288,576	5,902,203	5,710,336	6,805,472	12,123,624	14,530,549	12,560,305	12,898,656	13,214,002	12,611,692
Business-Type Activities:										
Charges for Services:										
Food Service	803,210	949,670	696,928	662,188	0	0	0	0	0	0
Adult Education	338,387	695,097	626,650	575,775	0	0	0	0	0	0
Operating Grants and Contributions	1,626,078	1,257,519	1,296,815	1,383,770	0	0	0	0	0	0
Total Business-Type Activities Program Revenues	2,767,675	2,902,286	2,620,393	2,621,733	0	0	0	0	0	0
Total Primary Government Program Revenues	\$10,056,251	\$8,804,489	\$8,330,729	\$9,427,205	\$12,123,624	\$14,530,549	\$12,560,305	\$12,898,656	\$13,214,002	\$12,611,692
Net (Expense)/Revenue	(\$30,878,582)	(\$35,226,195)	(\$35,085,185)	(\$35,244,630)	(\$37,883,873)	(\$34,983,999)	(\$36,234,027)	(\$37,373,761)	(\$37,772,813)	(\$39,041,611)
Total Government Net Expense										

Source: District Records

Sandusky City School District, Ohio  
 General Revenues and Total Change in Net Assets  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue	(\$30,878,582)	(\$35,226,195)	(\$35,085,185)	(\$35,244,650)	(\$37,883,873)	(\$34,983,999)	(\$36,234,027)	(\$37,373,761)	(\$37,772,813)	(\$39,041,611)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	16,497,807	17,247,472	15,280,800	18,066,764	18,310,310	17,988,435	17,786,660	18,167,066	16,610,254	17,233,827
Property Taxes Levied for Debt Service Purposes	267,735	279,572	256,231	264,594	283,257	293,068	277,686	77,442	0	0
Property Taxes Levied for Capital Projects Purposes	602,540	628,736	515,487	554,784	596,734	572,833	512,033	504,584	787,009	901,848
Grants and Entitlements Not Restricted to Specific Programs	16,209,085	16,693,155	16,932,365	17,143,794	16,892,666	16,127,728	17,217,113	18,738,297	19,231,778	19,364,728
Payment in Lieu of Taxes	0	0	0	0	0	0	0	0	92,764	96,184
Unrestricted Contributions	0	0	0	0	0	0	0	0	73,476	119,684
Investment Earnings	276,677	181,966	102,701	227,824	440,921	545,097	406,737	168,072	40,751	64,347
Other Revenues	0	262,101	305,452	340,526	390,260	350,511	322,576	335,074	706,190	111,656
Total Governmental Activities General Revenues	33,853,844	35,293,002	33,393,036	36,598,286	36,914,148	35,877,672	36,522,805	37,990,535	37,542,222	37,892,274
Transfers	0	0	0	0	0	0	0	0	0	0
Special Items	0	0	0	0	0	(543,770)	0	0	0	0
Business-Type Activities:										
Investment Earnings	0	0	1,568	0	0	0	0	0	0	0
Other Revenues	49,628	0	0	0	0	0	0	0	0	0
Total Business-Type Activities General Revenues	49,628	0	1,568	0	0	0	0	0	0	0
Change in Net Assets	\$3,024,890	\$66,807	(\$1,690,581)	\$1,353,656	(\$969,725)	\$349,903	\$288,778	\$616,774	(\$230,591)	(\$1,149,357)

Source: District Records

Sandusky City School District, Ohio  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Schedule 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011(1)
<b>General Fund</b>										
Reserved	\$1,405,980	\$2,930,724	\$891,202	\$1,915,740	\$1,664,279	\$1,506,725	\$1,903,046	\$2,536,281	\$1,962,854	\$0
Unreserved	1,352,474	51,359	(715,758)	(143,758)	(167,288)	(81,769)	(340,751)	(208,243)	(171,629)	0
<b>Nonspendable</b>										81,158
Assigned										106,107
Unassigned										281,266
<b>Total General Fund</b>	<b>2,758,454</b>	<b>2,982,083</b>	<b>175,444</b>	<b>1,771,982</b>	<b>1,496,991</b>	<b>1,424,956</b>	<b>1,562,295</b>	<b>2,328,038</b>	<b>1,791,225</b>	<b>468,531</b>
<b>All Other Governmental Funds</b>										
Reserved	288,341	661,396	547,633	503,733	379,096	544,164	464,214	310,790	384,961	0
Unreserved, Reported in:										
Special Revenue Funds	560,210	229,694	439,300	324,138	61,438	(34,131)	(135,860)	(190,478)	398,779	0
Debt Service Funds	258,895	135,109	107,780	120,732	142,945	156,171	269,920	281,697	281,697	0
Capital Project Funds	1,908,654	1,465,274	519,727	582,865	558,361	345,598	235,258	165,891	146,510	0
Permanent Fund	0	66,864	75,649	76,174	81,610	86,207	90,256	86,415	87,613	0
<b>Nonspendable</b>										18,674
Restricted										1,686,944
Assigned										26,673
Unassigned										(107,390)
<b>Total All Other Governmental Funds</b>	<b>\$3,016,100</b>	<b>\$2,558,337</b>	<b>\$1,690,089</b>	<b>\$1,607,642</b>	<b>\$1,223,450</b>	<b>\$1,098,009</b>	<b>\$923,788</b>	<b>\$654,315</b>	<b>\$1,299,560</b>	<b>\$1,624,901</b>

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

Sandusky City School District, Ohio  
 Governmental Funds Revenues  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 5

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Taxes	\$17,135,168	\$17,901,465	\$15,580,501	\$19,936,270	\$18,632,648	\$18,269,526	\$18,915,186	\$18,657,994	\$16,889,092	\$18,130,698
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	0	92,764	96,184
Tuition and Fees	53,183	15,138	76,161	78,315	475,684	701,787	703,259	1,037,870	1,293,012	1,152,390
Investment Earnings	250,564	165,834	88,501	188,216	375,605	497,826	350,636	131,761	40,751	64,347
Intergovernmental	20,956,646	21,345,639	22,169,907	22,710,387	27,389,724	27,521,509	28,613,592	29,247,646	31,035,507	30,435,115
Extracurricular Activities	441,808	301,273	250,147	265,631	257,721	271,084	236,953	215,229	224,471	217,955
Charges for Services	0	0	0	0	637,528	631,607	565,621	500,573	469,603	419,837
Other Revenues	1,966,106	1,029,049	515,760	542,372	728,151	1,231,978	806,795	820,605	797,163	253,178
<b>Total Revenues</b>	<b>\$40,803,475</b>	<b>\$40,758,398</b>	<b>\$38,680,977</b>	<b>\$43,721,191</b>	<b>\$48,497,061</b>	<b>\$49,125,317</b>	<b>\$50,192,042</b>	<b>\$50,611,678</b>	<b>\$50,842,363</b>	<b>\$50,769,704</b>

Source: District Records

Sandusky City School District, Ohio  
 Governmental Funds Expenditures and Debt Service Ratio  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 6

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction	\$23,396,904	\$24,294,594	\$25,267,920	\$25,675,149	\$28,611,269	\$28,134,701	\$28,743,949	\$30,591,006	\$32,033,762	\$32,600,905
Pupil	1,541,838	1,693,620	1,671,810	1,797,261	1,837,836	1,963,948	2,052,683	1,807,144	1,829,347	1,836,465
Instructional Staff	1,626,416	1,655,470	1,605,101	1,529,453	2,732,868	2,540,088	2,542,778	1,957,169	2,309,095	2,206,983
General Administration	185,540	202,519	200,544	290,483	262,873	251,748	225,384	219,506	274,123	237,888
School Administration	2,830,156	3,012,020	2,933,747	3,085,533	3,050,199	3,210,607	3,334,918	3,120,041	2,975,257	3,117,435
Fiscal	661,551	661,892	751,115	750,121	774,424	800,062	849,145	795,071	714,646	802,536
Business	210,522	231,606	157,280	165,455	166,666	179,790	170,505	164,658	198,493	156,735
Operation and Maintenance	3,622,467	3,922,833	3,988,505	3,831,026	4,050,372	3,776,097	3,781,806	3,744,485	3,363,834	3,543,944
Pupil Transportation	1,280,744	1,425,327	1,301,927	1,428,252	1,296,568	1,480,076	1,527,984	1,556,544	1,444,449	1,433,007
Central	143,586	464,240	639,614	613,444	723,054	846,349	892,227	942,876	1,162,619	1,332,429
Operation of Non-Instructional Services	243,554	164,257	154,312	325,029	2,814,713	3,133,310	3,464,353	3,012,506	2,925,210	2,678,475
Extracurricular Activities	1,118,394	1,017,789	1,040,791	969,105	1,060,887	1,189,397	1,331,218	1,048,179	978,170	1,169,547
Intergovernmental Pass-through	454,538	501,876	483,133	475,587	425,781	466,094	0	0	0	0
Capital Outlay	610,757	2,359,729	1,630,296	577,370	1,334,529	899,370	807,741	783,844	773,940	412,540
Debt Service										
Principal Retirement	216,468	265,648	368,346	358,226	484,516	476,908	456,362	386,275	211,285	192,320
Interest and Fiscal Charges	107,492	75,847	102,414	76,618	69,354	63,618	45,198	27,431	56,430	47,986
Bond Issuance Costs	0	42,032	0	0	0	0	0	0	0	0
Total Expenditures	\$38,250,927	\$41,991,299	\$42,296,855	\$41,948,112	\$49,695,909	\$49,412,163	\$50,226,251	\$50,156,735	\$51,250,660	\$51,769,195
Debt Service as a Percentage of Noncapital Expenditures	0.86%	0.92%	1.12%	1.05%	1.12%	1.10%	1.01%	0.83%	0.53%	0.47%

Source: District Records

Sandusky City School District, Ohio  
 Other Financing Sources and Uses and Net Change in Fund Balances  
 Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 7

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses):										
Issuance of Capital Leases	\$0	\$1,068,959	\$0	\$0	\$474,690	\$0	\$0	\$0	\$516,633	\$0
Accrued Interest on Sale of Bonds	0	2,156	0	0	0	0	0	0	0	0
Premium on Bonds Sold	0	79,749	0	0	0	0	0	0	0	0
Proceeds From Sale of Bonds	0	1,090,000	0	0	0	0	0	0	0	0
Payment To Refunding Bond Escrow Agent	0	(1,277,717)	0	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	3,689	1,227	300	5,055	133,897	0	15,371	96	2,138
Transfers In	14,000	0	40,000	0	40,000	0	166,354	0	56,952	271,377
Transfers (Out)	(39,000)	(25,000)	(65,000)	(2,250)	(40,000)	0	(166,354)	(26)	(56,952)	(271,377)
Total Other Financing Sources (Uses)	(25,000)	941,836	(23,773)	(1,950)	479,745	133,897	0	15,345	516,729	2,138
Net Change in Fund Balances	\$2,527,548	(\$291,065)	(\$3,639,651)	\$1,771,129	(\$719,103)	(\$152,949)	(\$34,209)	\$470,288	\$108,432	(\$997,353)

Source: District Records



Sandusky City School District, Ohio  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Calendar Years (1)  
 Schedule 8

Calendar Year	Real Property Assessed Value	Tangible Personal Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2001	\$357,159,460	\$76,042,536	\$17,532,410	\$450,734,406	\$1,287,812,589	66.00
2002	361,711,830	70,518,286	17,798,430	450,028,546	1,285,795,846	66.00
2003	421,567,300	64,275,034	17,514,670	503,357,004	1,438,162,869	71.35
2004	424,339,140	70,733,492	16,654,580	511,727,212	1,462,077,749	71.35
2005	423,965,430	61,717,130	16,151,090	501,833,650	1,433,810,429	71.35
2006	475,044,720	47,462,890	15,306,600	537,814,210	1,536,612,029	71.35
2007	479,749,690	16,223,675	15,507,850	511,481,215	1,461,374,900	76.75
2008	476,798,370	16,445,780	11,862,000	505,106,150	1,443,160,429	76.85
2009	472,478,410	13,774,340	12,639,290	498,892,040	1,425,405,829	76.90
2010	474,487,430	0	13,386,270	487,873,700	1,393,924,857	76.90

Source: County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. House Bill 66 phased out tangible personal property with the last collection during 2010. Telephone personal property was assessed at 10% for 2009, 5% for 2010, and eliminated in 2011.

Sandusky City School District, Ohio  
 Direct and Overlapping Property Tax Rates  
 Last Ten Calendar Years  
 Schedule 9

---

Calendar Year	District Direct Rates	Overlapping Rates		
		Erie County	City of Sandusky	Library
2001	66.00	8.30	4.25	1.26
2002	66.00	8.30	4.25	1.26
2003	71.35	8.30	4.25	0.70
2004	71.35	8.80	4.25	0.70
2005	71.35	8.80	4.25	0.70
2006	71.35	8.80	4.25	0.70
2007	76.75	8.80	4.25	0.70
2008	76.85	8.80	4.25	0.70
2009	76.90	8.80	4.25	1.50
2010	76.90	8.80	5.25	1.50

Source: County Auditor

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Sandusky City School District, Ohio  
Principal Property Tax Payers  
Current and Nine Calendar Years Ago  
Schedule 10

2010		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$40,054,550	8.21%
Ohio Edison Company	9,524,510	1.95%
Firelands Regional Medical Center	4,401,000	0.90%
Norfolk & Western Railway Company	4,205,200	0.86%
S&S Realty Ltd.	3,456,310	0.71%
Key Real Estate Ltd.	3,385,990	0.69%
CNL Income Sandusky Marina LLC	2,494,360	0.51%
Myers Industries Inc.	2,306,800	0.47%
Providence Residential Community Corp.	2,194,100	0.45%
Sandusky Housing Trust	1,890,540	0.39%
	<u>\$73,913,360</u>	<u>15.14%</u>

2001		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$35,236,470	7.82%
Ohio Edison Company	7,595,770	1.69%
Ameritech	3,978,050	0.88%
Norfolk & Western Railway Company	3,470,390	0.77%
S&S Realty Ltd.	3,422,450	0.76%
Hoty Marine Group	2,128,460	0.47%
Sandusky Foundry & Machine	2,059,330	0.46%
Sandusky Housing Trust	1,994,040	0.44%
Decatur Street Facility, Inc.	1,902,230	0.42%
Sandusky Limited	1,850,670	0.41%
	<u>\$63,637,860</u>	<u>14.12%</u>

Source: County Auditor

Sandusky City School District, Ohio  
Property Tax Levies and Collections  
Last Ten Calendar Years  
Schedule 11

Calendar Year (1)	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$18,508,626	\$17,870,781	96.55%	\$637,845	\$18,508,626	100.00%
2002	18,347,729	17,526,738	95.53%	537,681	18,064,419	98.46%
2003	17,652,495	16,948,132	96.01%	704,363	17,652,495	100.00%
2004	20,442,705	19,382,866	94.82%	800,794	20,183,660	98.73%
2005	21,223,829	20,481,044	96.50%	742,785	21,223,829	100.00%
2006	20,720,288	19,775,595	95.44%	944,693	20,720,288	100.00%
2007	19,393,383	18,429,294	95.03%	964,089	19,393,383	100.00%
2008	19,473,593	18,217,297	93.55%	997,192	19,214,489	98.67%
2009	19,576,235	18,305,209	93.51%	901,441	19,206,650	98.11%
2010	20,126,714	18,994,615	94.38%	1,132,099	20,126,714	100.00%

Source: County Auditor

(1) - Per county auditor, amounts in earlier years based on fiscal years; amounts have been readjusted to reflect calendar year.

Sandusky City School District, Ohio  
 Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Schedule 12

---

Fiscal Year	General Bonded Debt Outstanding		Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Total Primary Government		
2002	\$1,395,000	\$1,395,000	0.06%	\$50
2003	1,090,000	1,090,000	0.04%	39
2004	885,000	885,000	0.03%	32
2005	695,000	695,000	0.03%	25
2006	505,000	505,000	0.02%	18
2007	320,000	320,000	0.01%	11
2008	135,000	135,000	0.00%	5
2009	0	0	0.00%	0
2010	0	0	N/A	N/A
2011	0	0	N/A	N/A

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

Sandusky City School District, Ohio  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2011  
 Schedule 13

---

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Erie County	\$17,313,100	23.60%	\$4,085,892
Sandusky City	<u>21,240,865</u>	100.00%	<u>21,240,865</u>
Subtotal, Overlapping Debt	<u>38,553,965</u>		<u>25,326,757</u>
District Direct Debt	<u>0</u>	100.00%	<u>0</u>
Total Direct and Overlapping Debt	<u><u>\$38,553,965</u></u>		<u><u>\$25,326,757</u></u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Sandusky City School District, Ohio  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value (1)	\$487,873,700
Debt limit (9% of assessed value)	43,908,633
Debt applicable to limit	0
Debt Fund balance	0
Net Debt Applicable to Limit	0
Legal debt margin	\$43,908,633

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$40,566,097	\$40,502,569	\$45,302,130	\$46,055,449	\$45,165,029	\$48,403,279	\$46,033,309	\$45,459,554	\$44,900,284	\$43,908,633
Total Net Debt Applicable to Limit	1,120,563	923,153	762,764	548,965	339,329	110,487	0	0	0	0
Legal Debt Margin	\$39,445,534	\$39,579,416	\$44,539,366	\$45,506,484	\$44,825,700	\$48,292,792	\$46,033,309	\$45,459,554	\$44,900,284	\$43,908,633

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.76%	2.28%	1.68%	1.19%	0.75%	0.23%	0.00%	0.00%	0.00%	0.00%
---	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2011 is calendar year 2010)

Sandusky City School District, Ohio  
Demographic and Economic Statistics  
Last Ten Calendar Years  
Schedule 15

---

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2001	27,844	\$2,388,819	\$30,151	4.7%
2002	27,844	2,447,057	31,116	5.7%
2003	27,844	2,565,919	32,699	6.1%
2004	27,844	2,588,899	33,038	6.5%
2005	27,844	2,602,778	33,464	6.4%
2006	27,844	2,693,496	34,730	5.9%
2007	27,844	2,770,246	35,807	5.9%
2008	27,844	2,839,643	36,717	7.3%
2009	27,844	2,788,834	36,236	7.3%
2010	25,793	N/A	N/A	10.4%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau
- (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie County
- (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie County
- (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average for Erie County

N/A - Information not available



Sandusky City School District, Ohio  
 Major Employers (1)  
 Current Fiscal Year and Prior Fiscal Period (2)  
 Schedule 16

2011

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Cedar Fair/CedarPoint	Serv	(4)	(5)
Kyklos Bearing Inc.	Mfg	(4)	(5)
Firelands Regional Medical Center	Serv	(4)	(5)
Ford Motor Co/ACH	Mfg	(4)	(5)
Freudenberg NOK	Mfg	(4)	(5)
International Automotive Components	Mfg	(4)	(5)
Kalahari Resorts	Serv	(4)	(5)
Meijer Inc.	Trade	(4)	(5)
Sandusky City Schools	Govt	(4)	(5)
State of Ohio	Govt	(4)	(5)

2010

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Cedar Fair/CedarPoint	Serv	(4)	(5)
Kyklos Bearing Inc.	Mfg	(4)	(5)
Firelands Regional Medical Center	Serv	(4)	(5)
Ford Motor Co/ACH	Mfg	(4)	(5)
Freudenberg NOK	Mfg	(4)	(5)
International Automotive Components	Mfg	(4)	(5)
Kalahari Resorts	Serv	(4)	(5)
Meijer Inc.	Trade	(4)	(5)
Sandusky City Schools	Govt	(4)	(5)
State of Ohio	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Erie County

(2) - Only current fiscal year and prior year available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Sandusky City School District, Ohio  
 Certificated Staff Training  
 Last Ten Fiscal Years  
 Schedule 17

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Certificated Staff Training</b>										
Non-Degree	1	1	1	0	0	0	0	0	0	0
Bachelors Degree	87	86	58	50	52	40	32	39	39	19
Bachelors Degree +12	43	48	43	45	41	35	24	21	21	16
Bachelors Degree +24	110	104	88	75	84	80	88	72	72	64
Masters Degree	54	56	89	100	102	100	103	108	108	100
Masters Degree +12	25	25	31	36	40	44	44	48	48	62
Masters Degree +24	35	38	42	40	41	46	51	71	71	67
<b>Total Certificated Staff Training</b>	<b>355</b>	<b>358</b>	<b>352</b>	<b>346</b>	<b>360</b>	<b>345</b>	<b>342</b>	<b>359</b>	<b>359</b>	<b>328</b>

Source: District Records

Sandusky City School District, Ohio  
 Full Time Equivalents (FTE) by Function/Program  
 Last Ten Fiscal Years  
 Schedule 18

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Administration:	30	31	31	30	30	30	29	25	25	27
Adult Education:	11	11	10	10	11	10	10	6	6	6
Certificated Staff:										
Teaching Staff:										
Preschool	4	4	4	4	4	4	5	5	6	5
Elementary School K-6	149	149	146	138	145	130	127	132	130	128
Jr. High School 7-8	54	54	49	46	41	47	45	43	48	34
High School 9-12	94	93	87	88	89	87	86	92	93	92
Tutors	26	26	26	31	45	41	44	26	26	27
Others	14	16	21	20	17	17	17	15	30	27
Auxiliary Positions:										
Counselors	9	9	10	10	10	10	9	9	9	9
Speech Therapists	5	4	5	5	5	5	5	5	4	4
Psychologists	3	3	4	4	4	4	4	4	4	4
<b>Total Certified Staff</b>	<b>358</b>	<b>358</b>	<b>352</b>	<b>346</b>	<b>360</b>	<b>345</b>	<b>342</b>	<b>331</b>	<b>350</b>	<b>330</b>
Support Staff:										
Secretarial	31	32	31	32	34	33	33	33	33	32
Teacher Aides	60	57	48	38	38	35	36	38	30	50
Technical	0	0	0	0	0	0	0	1	1	1
Cafeteria Workers	40	39	39	38	36	34	34	34	34	30
Custodial	40	37	40	36	35	32	31	30	30	29
Maintenance	4	4	4	4	4	4	4	4	4	4
Bus Driver	26	26	27	25	26	31	33	33	33	30
Mechanics	2	2	2	2	2	2	2	2	2	2
<b>Total Support Staff</b>	<b>203</b>	<b>197</b>	<b>191</b>	<b>175</b>	<b>175</b>	<b>171</b>	<b>173</b>	<b>175</b>	<b>167</b>	<b>178</b>
<b>Grand Total</b>	<b>602</b>	<b>597</b>	<b>584</b>	<b>561</b>	<b>576</b>	<b>556</b>	<b>554</b>	<b>537</b>	<b>548</b>	<b>541</b>

Source: District Records

Sandusky City School District, Ohio  
 Operating Statistics  
 Last Ten Fiscal Years  
 Schedule 19

Fiscal Year	Enrollment	Operating Expenditure (1)	Expenses (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Student Attendance Percentage	Percentage of Students Receiving Free or Reduced-Price Meals
2002	4,386	\$37,423,702	\$40,934,833	\$6,895	0.52%	341	13	94.03%	39.30%
2003	4,302	39,323,890	44,030,684	7,584	9.99%	342	13	94.30%	57.10%
2004	4,262	40,298,213	43,415,914	7,842	3.40%	333	13	97.63%	55.60%
2005	4,186	41,012,516	44,671,835	7,662	(2.30%)	327	13	96.30%	60.60%
2006	4,058	47,876,864	50,007,497	8,313	8.50%	341	12	94.50%	61.80%
2007	3,864	48,035,885	49,514,548	7,882	(5.18%)	326	12	94.20%	58.12%
2008	3,836	48,962,148	48,794,332	8,190	3.91%	324	12	95.30%	71.50%
2009	3,641	48,986,616	50,272,417	8,585	4.82%	313	12	94.00%	71.00%
2010	3,451	50,265,435	50,986,815	8,484	(1.18%)	333	10	94.00%	74.10%
2011	3,400	51,164,335	51,653,303	8,252	(2.73%)	330	10	93.70%	68.32%

Source: District Records

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6

(2) - Expenses is Total Expenses from Schedule 2

(3) - From Ohio Department of Education

**THIS PAGE INTENTIONALLY LEFT BLANK**



Sandusky City School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 20

School	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary:										
Campbell Elementary (1884/1991)										
Square feet	28,860	28,860	28,860	28,860	(2)	(2)	(2)	(2)	(2)	(3)
Capacity	250	250	250	250	(2)	(2)	(2)	(2)	(2)	(3)
Enrollment	208	195	197	(2)	(2)	(2)	(2)	(2)	(2)	(3)
Percent of Capacity (1)	83%	78%	79%	(2)	(2)	(2)	(2)	(2)	(2)	(3)
Hancock Elementary (1923/1928/1931/1949/1966)										
Square feet	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	322	335	344	342	336	320	323	324	327	327
Percent of Capacity (1)	61%	64%	66%	65%	64%	61%	62%	62%	62%	62%
Madison Elementary (1939/1991)										
Square feet	29,937	29,937	29,937	29,937	29,937	29,937	29,937	29,937	29,937	(3)
Capacity	250	250	250	250	250	250	250	250	250	(3)
Enrollment	230	229	220	242	203	238	231	151	(3)	(3)
Percent of Capacity (1)	92%	92%	88%	97%	81%	95%	92%	60%	(3)	(3)
Mills Elementary (1954/1991)										
Square feet	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	314	301	301	295	278	317	304	288	333	333
Percent of Capacity (1)	66%	63%	63%	62%	59%	67%	64%	61%	70%	70%
Monroe Elementary (1894/1903/1991)										
Square feet	32,638	32,638	32,638	32,638	32,638	(2)	(3)	(3)	(3)	(3)
Capacity	325	325	325	325	325	(2)	(3)	(3)	(3)	(3)
Enrollment	196	203	209	243	240	(2)	(3)	(3)	(3)	(3)
Percent of Capacity (1)	60%	62%	64%	75%	74%	(2)	(3)	(3)	(3)	(3)
Ontario Elementary (1952/1968)										
Square feet	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	341	345	354	356	344	381	368	377	415	415
Percent of Capacity (1)	68%	69%	71%	71%	69%	76%	74%	75%	83%	83%

Source: District Records

- (1) - Enrollment divided by Capacity
- (2) - School closed
- (3) - Building Sold

Sandusky City School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 20 (continued)

School	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary (continued):										
Osborne Elementary (1890/1991)										
Square feet	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842
Capacity	375	375	375	375	375	375	375	375	375	375
Enrollment	298	306	289	311	309	317	280	340	340	340
Percent of Capacity (1)	79%	82%	77%	83%	82%	86%	75%	91%	91%	91%
Venice Heights Elementary (1970)										
Square feet	43,740	43,740	43,740	43,740	43,740	43,740	43,740	43,740	43,740	43,740
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	368	362	324	357	358	400	392	389	408	408
Percent of Capacity (1)	67%	66%	59%	65%	65%	73%	71%	71%	74%	74%
Junior High:										
Adams Jr. High (1867/1914/1977)										
Square feet	91,935	91,935	91,935	91,935	91,935	91,935	91,935	91,935	91,935	91,935
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	303	281	316	294	303	336	260	241	450	450
Percent of Capacity (1)	61%	56%	63%	59%	61%	67%	52%	48%	90%	90%
Jackson Jr. High (1898/1927/1937)										
Square feet	86,994	86,994	86,994	86,994	86,994	86,994	86,994	86,994	86,994	86,994
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	337	281	316	294	303	336	260	241	450	450
Percent of Capacity (1)	67%	56%	63%	59%	61%	67%	52%	48%	90%	90%
High School:										
Sandusky High School (1957/1967/1970/1973)										
Square feet	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000
Capacity	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Enrollment	1,290	1,288	1,238	1,220	1,184	1,191	1,252	1,276	1,119	1,119
Percent of Capacity (1)	57%	57%	55%	54%	53%	53%	56%	57%	50%	50%
Alternative School:										
Baker Alternative School (1874/1924)										
Square feet	24,635	24,635	24,635	24,635	24,635	24,635	24,635	24,635	24,635	24,635
Capacity	175	175	175	175	175	175	175	175	175	175
Enrollment	46	52	46	35	57	46	46	46	46	46
Percent of Capacity (1)	26%	30%	26%	20%	33%	26%	26%	26%	26%	26%

Source: District Records

- (1) - Enrollment divided by Capacity
- (2) - School closed
- (3) - Building Sold

**THIS PAGE INTENTIONALLY LEFT BLANK**







# Dave Yost • Auditor of State

**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  
MARCH 8, 2012**