

**SANDUSKY CITY SCHOOL DISTRICT**

*Sandusky City Schools*

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**Single Audit Reports**

**June 30, 2012**

**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, 2011 through June 30, 2012. 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

March 1, 2013

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012**

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	\$272,084	\$0	\$272,084	\$0
National School Lunch Program	3L60	10.555	1,074,426	246,582	1,074,426	246,582
Total Nutrition Cluster			1,346,510	246,582	1,346,510	246,582
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	995,989	0	1,015,216	0
Special Education-Grants to States - ARRA	3DJ0	84.391	4,027	0	11,683	0
Special Education-Preschool Grants	3C50	84.173	42,554	0	36,088	0
Special Education-Preschool Grants - ARRA	3DL0	84.392	181	0	197	0
Total Special Education Cluster			1,042,751	0	1,063,184	0
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	2,007,970	0	1,855,224	0
Title I Grants to Local Educational Agencies-ARRA	3DK0	84.389	96,524	0	126,310	0
Total Title I Cluster			2,104,494	0	1,981,534	0
Title II-D Cluster:						
Education Technology State Grants	3S20	84.318	4,700	0	4,559	0
Education Technology State Grants - ARRA	3DM0	84.386	20,817	0	70,586	0
Total Title II-D Cluster			25,517	0	75,145	0
Adult Basic Education Grant	3660	84.002	101,694	0	102,370	0
Career & Technical Education Basic Grants to States	3L90	84.048	89,700	0	92,483	0
Safe and Drug Free Schools and Communities	3D10	84.186	1,293	0	0	0
Reading First	3Y40	84.357	0	0	1,696	0
Improving Teacher Quality	3Y60	84.367	331,159	0	310,984	0
Education Jobs	3ET0	84.410	722,923	0	722,923	0
Direct Program:						
Federal Pell Grant Program	N/A	84.063	324,923	0	324,923	0
Federal Direct Student Loans	N/A	84.268	471,995	0	471,995	0
Total Department of Education			5,216,449	0	5,147,237	0
Total Federal Assistance			\$6,562,959	\$246,582	\$6,493,747	\$246,582

**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.

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2012. 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**

Management of the District is responsible for establishing and maintaining effective 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*.

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, 2012

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Education  
Sandusky City School District

### Compliance

We have audited the 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, 2012. 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, 2012.

### 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 governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2012, and have issued our report thereon dated December 28, 2012, which contained an unqualified opinion on those financial statements. 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, 2012

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012**

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any material reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were the any other significant control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs:	
	Improving Teacher Quality	84.367
	Education Jobs	84.410
	Student Financial Assistance Cluster:	
	Federal Pell Grant Program	84.063
	Federal Direct Student Loans	84.268
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	
(d)(1)(ix)	Low Risk Auditee?	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, 2012**

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



# **Comprehensive Annual Financial Report**

**for the year ended June 30, 2012**



**Sandusky City Schools  
Erie County, Ohio**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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# INTRODUCTORY SECTION

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# *Sandusky City Schools*

407 Decatur Street • Sandusky, Ohio 44870-2442 • 419-984-1005

*Kevin D. Robertson, CPA*  
Treasurer/CFO

December 28, 2012

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, 2012 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, 2012 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 129th 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 (2011-12), the average daily membership (ADM) was 3,811 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 475 full and part time employees. The District employs 279 certified staff members and 27 administrators. Additionally, the District employs 6 full-time adult education instructors and 163 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 (2011-12 school year) for a teacher with a bachelor's degree is \$35,516, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$75,959.

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, 2014.

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, 2014.

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, 2012, approximately 53% of the students reside within the District. Total enrollment as for fiscal year 2011-2012 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. Bowling Green State University, Terra Community College and Owen Community College utilize District facilities and staff for course offerings to area 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 2012 was 6.0%, compared with state and national unemployment rates of 7.2% and 8.2% 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 \$38,161 in the year 2011, 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 replacement of PASS funding with BRIDGE funding which has yet to be defined, recent changes in Personal Tangible Property Tax Reimbursements and current funding for community and non-public schools, especially scholarship 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 2011-12 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 2011-12 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. During the 2011-2012 school year, the District made a major commitment to new technology with the purchase of 420 iPads and the installation of wireless technology in all District buildings. 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 2012-13 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, continued expansion of the iPad initiative, 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 exhaustion of Ed Choice monies during the 2011-12 school year, the District will implement reductions to offset the funding loss .

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 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, 2011. 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, 2011. 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 2011 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



Eugene T.W. Sanders, Superintendent

**SANDUSKY CITY SCHOOL DISTRICT**  
**ERIE COUNTY, OHIO**  
 LIST OF PRINCIPAL OFFICERS  
 JUNE 30, 2012

<b>Name</b>	<b>Board of Education</b>		
	<b>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+	2013	Homemaker
Mr. Jeff Krabill *	2008	2015	Self Employed
Mrs. Martha Murray	2012	2015	Homemaker
Mrs. Kate Vargo	2012+	2015	Pharm. Rep.
Dr. Richard Koonce	2010	2013	Professor

\*\* President

\* Vice President

+ Appointed to fill unexpired term due to a resignation.

**Superintendent**

Mr. Eugene T.W. Sanders

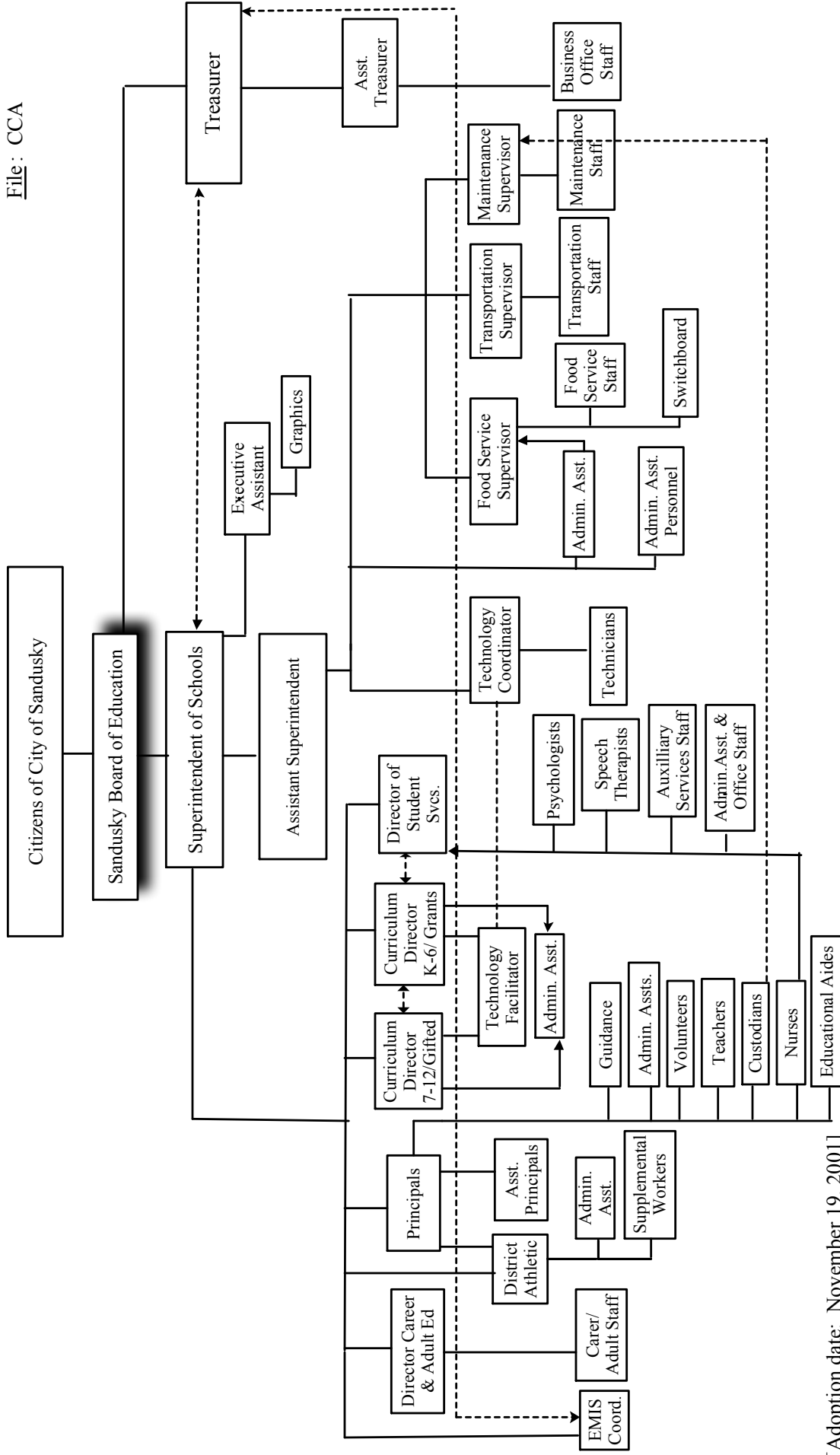
**Treasurer/CFO**

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





[Adoption date: November 19, 2001]  
 [Re-adoption date: January 8, 2007]  
 [Re-adoption date: December 10, 2008]  
 [Re-adoption date: January 12, 2009]  
 [Re-adoption date: August 15, 2011]

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, 2011

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



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Sandusky City School District, Ohio

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director

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# FINANCIAL SECTION

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**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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, 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, 2012

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
**(Unaudited)**

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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, 2012. 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 2012 are as follows:

- Net assets of governmental activities decreased \$3,150,616 which represents a 24.8% decrease from 2011.
- General revenues accounted for \$37,448,337 in revenue or 77% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$10,988,563 or 23% of total revenues of \$48,436,900 .
- The District had \$51,587,516 in expenses related to governmental activities; \$10,988,563 of these expenses were offset by program specific charges for services and grants or contributions. General revenues of \$37,448,337 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 2012?" 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, 2012**  
**(Unaudited)**

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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.

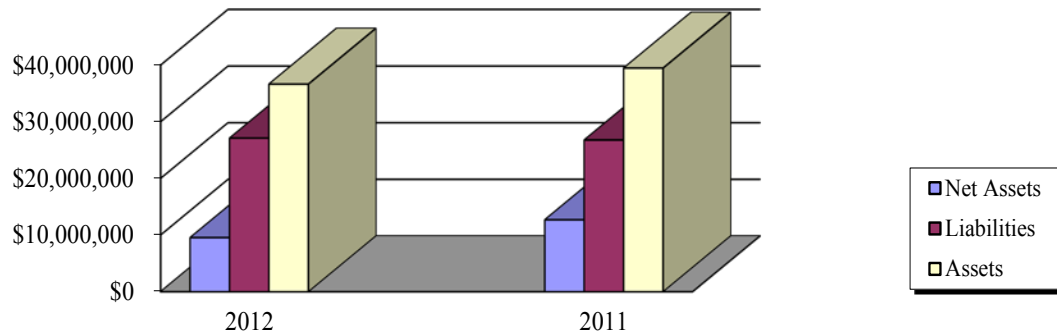
### **The District as a Whole**

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 2012 compared to fiscal year 2011:

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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

	Governmental Activities	
	2012	2011
Assets:		
Current and Other Assets	\$27,638,681	\$30,133,864
Capital Assets	9,009,791	9,341,758
<b>Total Assets</b>	<b>36,648,472</b>	<b>39,475,622</b>
Liabilities:		
Other Liabilities	21,757,331	21,697,306
Long-Term Liabilities	5,345,923	5,082,482
<b>Total Liabilities</b>	<b>27,103,254</b>	<b>26,779,788</b>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	8,095,561	8,898,289
Restricted	1,712,923	1,612,452
Unrestricted	(263,266)	2,185,093
<b>Total Net Assets</b>	<b>\$9,545,218</b>	<b>\$12,695,834</b>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$9,545,218 .

At year-end, capital assets represented 25% 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, 2012, was \$8,095,561 . 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, 2012**  
**(Unaudited)**

A portion of the District's net assets, \$1,712,923 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 decreased from fiscal year 2011 to fiscal year 2012 mainly because a decrease in cash. Other Liabilities increased mainly due to an increase in unearned revenue which was mainly due to an increase in tax receivable as a result of an increase in tax advances available.

Table 2 shows the changes in net assets for fiscal years 2012 and 2011.

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

	Governmental Activities	
	2012	2011
Revenues:		
Program Revenues		
Charges for Services and Sales	\$1,692,431	\$1,812,020
Operating Grants and Contributions	9,296,132	10,799,672
General Revenues		
Property Taxes	17,662,820	18,135,675
Grants and Entitlements not Restricted to Specific Programs	19,187,047	19,364,728
Other	598,470	391,871
Total Revenues	<u>48,436,900</u>	<u>50,503,966</u>
Program Expenses		
Instruction	32,320,969	33,000,997
Support Services:		
Pupil and Instructional Staff	4,796,871	3,987,785
School Administrative, General		
Administration, Fiscal and Business	3,969,144	4,254,596
Operations and Maintenance	3,280,303	3,587,482
Pupil Transportation	1,918,458	1,541,087
Central	1,330,662	1,358,070
Operation of Non-Instructional Services	2,855,443	2,697,028
Extracurricular Activities	1,065,669	1,178,272
Interest and Fiscal Charges	49,997	47,986
Total Program Expenses	<u>51,587,516</u>	<u>51,653,303</u>
Change in Net Assets	(3,150,616)	(1,149,337)
Net Assets Beginning of Year	<u>12,695,834</u>	<u>13,845,171</u>
Net Assets End of Year	<u>\$9,545,218</u>	<u>\$12,695,834</u>

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
**(Unaudited)**

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Of the total governmental activities revenues of \$48,436,900, \$10,988,563 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, \$17,662,820 (47%) comes from property tax levies and \$19,187,047 (51%) 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 76% of the District's revenues for governmental activities.

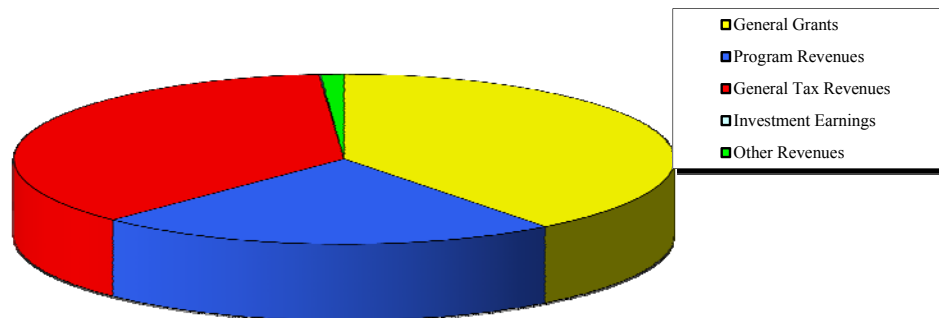
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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 2012.

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

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Revenues	2012	Percentage
General Grants	\$19,187,047	39.6%
Program Revenues	10,988,563	22.7%
General Tax Revenues	17,662,820	36.5%
Investment Earnings	40,283	0.1%
Other Revenues	558,187	1.1%
Total Revenue Sources	\$48,436,900	100.0%



Instruction comprises 62.7% of governmental program expenses. Support services expenses were 29.6% of governmental program expenses. All other program expenses including interest expense were 7.7%. 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, 2012**  
(Unaudited)

Revenues decreased from 2011 to 2012 mainly due to the District having a decrease in operating grants they received throughout the year when compared to 2011. Expenses remained consistent in fiscal year 2012 as compared to fiscal year 2011.

**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	
	2012	2011	2012	2011
Instruction	\$32,320,969	\$33,000,997	(\$25,791,877)	(\$25,222,030)
Support Services:				
Pupil and Instructional Staff	4,796,871	3,987,785	(3,881,317)	(2,683,321)
School Administrative, General				
Administration, Fiscal and Business	3,969,144	4,254,596	(3,719,803)	(4,010,196)
Operations and Maintenance	3,280,303	3,587,482	(3,259,958)	(3,563,955)
Pupil Transportation	1,918,458	1,541,087	(1,750,478)	(1,372,187)
Central	1,330,662	1,358,070	(1,279,010)	(1,124,379)
Operation of Non-Instructional Services	2,855,443	2,697,028	(59,669)	(66,974)
Extracurricular Activities	1,065,669	1,178,272	(806,844)	(950,583)
Interest and Fiscal Charges	49,997	47,986	(49,997)	(47,986)
Total Expenses	\$51,587,516	\$51,653,303	(\$40,598,953)	(\$39,041,611)

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$21,562,433 (87%) of the total \$24,840,728 governmental funds assets.

**General Fund:** Fund balance at June 30, 2012 was (\$956,058), a decrease in fund balance of \$1,424,589 from 2011. The primary reason for the decrease in fund balance was the District having a decrease in property taxes received and intergovernmental revenues (grant monies received) when compared to 2011.

**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, 2012**  
(Unaudited)

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During the course of fiscal year 2012, 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 \$39,191,780 and the original budgeted revenue was \$38,591,087. The difference was \$600,693. Of this difference, most was due to underestimates of tax and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General fund was \$1,453,412.

**Capital Assets and Long-Term Obligations**

*Capital Assets*

At the fiscal year end, the District had \$9,009,791 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2012 balances compared to fiscal year 2011:

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

---

	Governmental Activities	
	2012	2011
Land	\$1,928,926	\$1,928,926
Land Improvements	223,459	238,058
Buildings and Improvements	4,860,063	5,097,953
Furniture and Equipment	1,221,147	1,375,042
Vehicles	776,196	701,779
	<hr/>	<hr/>
Total Net Capital Assets	<u>\$9,009,791</u>	<u>\$9,341,758</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, 2012  
(Unaudited)**

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***Long-Term Obligations***

At June 30, 2012, the District had \$914,230 in capital leases outstanding, \$284,554 due within one year. Table 5 summarizes bonds outstanding.

**Table 5  
Outstanding Debt at Year End**

---

	Governmental Activities	
	2012	2011
Capital Leases	\$914,230	\$443,469

See Notes 9 – 10 in the notes to the basic financial statements for further details on the District’s outstanding debt.

**For the Future**

In 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, the new funding formula has not been released and 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.

Erie County is currently undergoing property valuation reappraisal for calendar year 2012 tax valuation. For the property located in the Sandusky City School District, an overall 4% reduction is anticipated, with an impact beginning in fiscal year 2013. The impact of the revaluation is anticipated to be limited to a reduction in inside millage, 3.45 mills for the District, and a 5.4 mill operating levy approved by voters in 2007. All other levies are at an effective rate sufficiently below their voted rate to absorb this reduction in valuation without a decrease in revenue.

These scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

**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) 984-1005 or, Sandusky City School District, 407 Decatur Street, Sandusky, Ohio 44870.

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Sandusky City School District, Ohio  
Statement of Net Assets  
June 30, 2012

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$6,826,319
Receivables:	
Taxes	20,279,440
Accounts	16,762
Interest	26,945
Intergovernmental	399,107
Inventory	90,108
Nondepreciable Capital Assets	1,928,926
Depreciable Capital Assets, Net	<u>7,080,865</u>
 Total Assets	 <u>36,648,472</u>
Liabilities:	
Accounts Payable	358,165
Accrued Wages and Benefits	5,678,840
Unearned Revenue	15,162,326
Claims Payable	558,000
Long-Term Liabilities:	
Due Within One Year	1,184,344
Due In More Than One Year	<u>4,161,579</u>
 Total Liabilities	 <u>27,103,254</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	8,095,561
Restricted for:	
Debt Service	11,895
Capital Projects	919,638
Other Purposes	331,983
Perpetual Care:	
Expendable	141,129
Nonexpendable	10,000
Other Grants	57,733
Education Foundation	26,209
District Managed Student Activities	104,295
State Grants	33,998
Federal Grants	76,043
Unrestricted	<u>(263,266)</u>
 Total Net Assets	 <u>\$9,545,218</u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

	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	\$21,639,724	\$347,764	\$840,885	(\$20,451,075)
Special	7,748,222	137,454	3,663,566	(3,947,202)
Vocational	1,449,564	0	337,307	(1,112,257)
Adult/continuing	1,100,334	611,089	587,101	97,856
Other	383,125	580	3,346	(379,199)
Support Services:				
Pupil	1,905,257	0	168,844	(1,736,413)
Instructional Staff	2,891,614	0	746,710	(2,144,904)
General Administration	194,969	0	206	(194,763)
School Administration	2,844,207	0	249,135	(2,595,072)
Fiscal	775,946	0	0	(775,946)
Business	154,022	0	0	(154,022)
Operations and Maintenance	3,280,303	20,345	0	(3,259,958)
Pupil Transportation	1,918,458	0	167,980	(1,750,478)
Central	1,330,662	0	51,652	(1,279,010)
Operation of Non-Instructional Services	2,855,443	316,374	2,479,400	(59,669)
Extracurricular Activities	1,065,669	258,825	0	(806,844)
Interest and Fiscal Charges	49,997	0	0	(49,997)
Total Governmental Activities	<u>\$51,587,516</u>	<u>\$1,692,431</u>	<u>\$9,296,132</u>	<u>(40,598,953)</u>
General Revenues:				
Property Taxes Levied for:				
				16,789,561
				873,259
				19,187,047
				96,880
				83,824
				40,283
				377,483
Total General Revenues				<u>37,448,337</u>
Change in Net Assets				(3,150,616)
Net Assets Beginning of Year				<u>12,695,834</u>
Net Assets End of Year				<u>\$9,545,218</u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
 Balance Sheet  
 Governmental Funds  
 June 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$2,153,321	\$1,875,045	\$4,028,366
<b>Receivables:</b>			
Taxes	19,274,948	1,004,492	20,279,440
Accounts	13,256	3,506	16,762
Interest	0	26,945	26,945
Intergovernmental	39,750	359,357	399,107
Inventory	81,158	8,950	90,108
<b>Total Assets</b>	<b>21,562,433</b>	<b>3,278,295</b>	<b>24,840,728</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	258,264	87,622	345,886
Accrued Wages and Benefits	5,033,353	645,487	5,678,840
Compensated Absences	523,662	40,208	563,870
Deferred Revenue	16,703,212	938,481	17,641,693
<b>Total Liabilities</b>	<b>22,518,491</b>	<b>1,711,798</b>	<b>24,230,289</b>
<b>Fund Balances:</b>			
Nonspendable	81,158	18,950	100,108
Restricted	0	1,674,006	1,674,006
Assigned	344,766	26,673	371,439
Unassigned	(1,381,982)	(153,132)	(1,535,114)
<b>Total Fund Balances</b>	<b>(956,058)</b>	<b>1,566,497</b>	<b>610,439</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$21,562,433</b>	<b>\$3,278,295</b>	<b>\$24,840,728</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, 2012

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Total Governmental Fund Balance		\$610,439
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.		9,009,791
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,400,495	
Intergovernmental	<u>78,872</u>	
		2,479,367
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.		2,227,674
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		(3,867,823)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(914,230)</u>
Net Assets of Governmental Activities		<u>\$9,545,218</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, 2012

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$16,869,375	\$873,875	\$17,743,250
Revenue in Lieu of Taxes	96,381	499	96,880
Tuition and Fees	1,091,477	0	1,091,477
Investment Earnings	10,852	27,741	38,593
Intergovernmental	21,437,693	7,292,426	28,730,119
Extracurricular Activities	56,749	196,399	253,148
Charges for Services	2,624	324,258	326,882
Other Revenues	380,344	103,577	483,921
<b>Total Revenues</b>	<b>39,945,495</b>	<b>8,818,775</b>	<b>48,764,270</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	19,759,657	816,690	20,576,347
Special	5,717,120	2,160,438	7,877,558
Vocational	1,394,157	77,965	1,472,122
Adult/continuing	825,888	299,144	1,125,032
Other	382,838	0	382,838
<b>Support Services:</b>			
Pupil	1,705,117	168,364	1,873,481
Instructional Staff	2,064,739	672,912	2,737,651
General Administration	194,969	0	194,969
School Administration	2,610,321	239,981	2,850,302
Fiscal	747,635	19,515	767,150
Business	152,069	2,909	154,978
Operations and Maintenance	3,177,557	65,784	3,243,341
Pupil Transportation	1,554,611	157,245	1,711,856
Central	794,171	540,881	1,335,052
Operation of Non-Instructional Services	0	2,846,582	2,846,582
Extracurricular Activities	786,629	270,519	1,057,148
Capital Outlay	0	463,250	463,250
<b>Debt Service:</b>			
Principal Retirement	203,714	0	203,714
Interest and Fiscal Charges	49,997	0	49,997
<b>Total Expenditures</b>	<b>42,121,189</b>	<b>8,802,179</b>	<b>50,923,368</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,175,694)</b>	<b>16,596</b>	<b>(2,159,098)</b>
<b>Other Financing Sources (Uses):</b>			
Issuance of Capital Leases	674,475	0	674,475
Proceeds from Sale of Capital Assets	1,630	0	1,630
Transfers In	75,000	0	75,000
Transfers (Out)	0	(75,000)	(75,000)
<b>Total Other Financing Sources (Uses)</b>	<b>751,105</b>	<b>(75,000)</b>	<b>676,105</b>
<b>Net Change in Fund Balance</b>	<b>(1,424,589)</b>	<b>(58,404)</b>	<b>(1,482,993)</b>
<b>Fund Balance Beginning of Year</b>	<b>468,531</b>	<b>1,624,901</b>	<b>2,093,432</b>
<b>Fund Balance End of Year</b>	<b>(\$956,058)</b>	<b>\$1,566,497</b>	<b>\$610,439</b>

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, 2012

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Net Change in Fund Balance - Total Governmental Funds (\$1,482,993)

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	245,278	
Depreciation Expense	<u>(545,706)</u>	(300,428)

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.

(31,539)

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

Delinquent Property Taxes	(80,430)	
Intergovernmental	<u>(246,940)</u>	(327,370)

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.

203,714

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	391,128	
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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.

(928,653)

Proceeds from capital leases are an other financing source in the funds,  
 but a capital lease issuance increases long-term liabilities in the statement  
 of net assets.

(674,475)

Change in Net Assets of Governmental Activities

(\$3,150,616)

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Net Assets  
Proprietary Fund  
June 30, 2012

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	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$2,797,953</u>
Total Assets	<u>2,797,953</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	12,279
Claims Payable	<u>558,000</u>
Total Liabilities	<u>570,279</u>
Net Assets:	
Unrestricted	<u>2,227,674</u>
Total Net Assets	<u><u>\$2,227,674</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, 2012

	Governmental Activities- Internal Service Fund
Operating Revenues:	
Charges for Services	\$5,558,413
Other Revenues	<u>12</u>
Total Operating Revenues	<u>5,558,425</u>
Operating Expenses:	
Contractual Services	6,050,532
Materials and Supplies	300
Other Expenses	<u>443,071</u>
Total Operating Expenses	<u>6,493,903</u>
Operating Income (Loss)	<u>(935,478)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>6,825</u>
Total Non-Operating Revenues (Expenses)	<u>6,825</u>
Change in Net Assets	(928,653)
Net Assets Beginning of Year	<u>3,156,327</u>
Net Assets End of Year	<u><u>\$2,227,674</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, 2012

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$5,558,425
Cash Payments for Claims	(6,173,268)
Cash Payments for Other Disbursements	<u>(443,071)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,057,914)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>6,825</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>6,825</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,051,089)
Cash and Cash Equivalents Beginning of Year	<u>3,849,042</u>
Cash and Cash Equivalents End of Year	<u><u>2,797,953</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(935,478)
Changes in Assets & Liabilities:	
Increase (Decrease) in Payables	(81,436)
Increase (Decrease) in Accrued Liabilities	<u>(41,000)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$1,057,914)</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$7,097,039	\$99,425
Receivables:		
Taxes	0	753,371
Accounts	0	50
Intergovernmental	0	2,602
Total Assets	<u>7,097,039</u>	<u>855,448</u>
Liabilities:		
Accounts Payable	0	1,094
Other Liabilities	0	854,354
Total Liabilities	<u>0</u>	<u>\$855,448</u>
Net Assets:		
Held in Trust	<u>7,097,039</u>	
Total Net Assets	<u>\$7,097,039</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, 2012

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	Private Purpose Trust
Additions:	
Donations	\$64,367
Investment Earnings	60,881
Total Additions	<u>125,248</u>
Deductions:	
Scholarships	<u>131,066</u>
Total Deductions	<u>131,066</u>
Change in Net Assets	(5,818)
Net Assets Beginning of Year	<u>7,102,857</u>
Net Assets End of Year	<u><u>\$7,097,039</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, 2012**

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**Note 1 - Description of the School District**

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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 163 non-certified employees, 279 certified employees, 6 full-time adult education instructors and 27 administrators, to provide services to approximately 3,800 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**

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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.

**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, 2012**

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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 participated in NOECA, 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 \$76,823 to NOECA in fiscal year 2012 for services provided. Financial information can be obtained from Betty Schwiefert, who serves as Controller, 2900 South Columbus Avenue, Sandusky, Ohio 44870.

Tri-Rivers Educational Computer Association (TRECA) – During fiscal year 2012, the District began migrating its data to Tri-Rivers Educational Computer Association (TRECA) beginning with fiscal services in February 2012. Effective July 1, 2012, all services formerly housed at NOECA will be transferred to TRECA. TRECA is an Information Technology Center (ITC) Site (formerly known as a Data Acquisition Site or DA Site) - a consortium of over 30 Ohio School Districts located primarily in Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot counties. We provide software, hardware, staff development, and technology integration support for our member schools. As one of 20+ ITC-sites around the state, we are a member of the Ohio Education Computer Network (OECN) which provides fiscal, support, and student services statewide to Ohio's school districts. Beyond these core services, TRECA also provides additional services to our member schools and contracted institutions. In addition, TRECA is the home of the TRECA Digital Academy, an online digital K-12 community school.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**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.

**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.

**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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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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.

**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.

**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, 2012**

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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, 2012**

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**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, 2012, but which were levied to finance fiscal year 2013 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, 2012 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, 2012**

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*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.

**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 2012, 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 2012. 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, 2012.

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 2012 amounted to \$10,852, \$27,741 credited to other governmental funds and \$6,825 credited to the internal service fund.

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 \$3,035,248. The amount of common stock available for expenditure is reported in net assets available in trust for scholarships on the statement of fiduciary net assets. A committee has been created to authorize the spending of the investment income.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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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.

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expensed/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 inventory is equally offset by a nonspendable fund balance 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.

**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):

<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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**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.

**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 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, 2012 on the fund financial statements.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2012 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.

**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.

**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.

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. Formal action (resolution) by the Board of Education is needed to establish, modify, or rescind resources.

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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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.

**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 \$1,712,923 in restricted net assets, none were restricted by enabling legislation.

**Parochial Schools**

Within the District boundaries, St. Mary's, Sts. Peter and Paul and Holy Angels Elementary Schools 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.

**Estimates**

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

**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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**Note 3 - Accountability**

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Fund balances at June 30, 2012 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
General	\$956,058
Other Governmental Funds:	
Public School Preschool	203
Title VI-B	3,607
Food Service	139,229
Title I School Improvement	1,143

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**

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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.

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;

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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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, 2012**

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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, 2012, \$514,742 of the District's bank balance of \$10,473,973 was covered by the FDIC.

**Investments**

As of June 30, 2012, the District had the following investments and maturities:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Funds	\$518,893	0.00
Corporate Bonds	22,961	6.25
Stock	<u>3,035,248</u>	0.00
	<u><u>\$3,577,102</u></u>	
Portfolio Weighted Average Maturity		0.04

*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, 2012**

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*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, 2012:

	<u>Fair Value</u>	<u>% of Total</u>
Money Market Funds	\$518,893	14.51%
Corporate Bonds	22,961	0.64%
Stock	3,035,248	84.85%
	<u>\$3,577,102</u>	<u>100.00%</u>

**Note 5 - Interfund Transactions**

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Interfund transactions at June 30, 2012, consisted of the following transfers in and transfers out:

	Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$75,000	\$0
Other Governmental Funds	<u>0</u>	<u>75,000</u>
Total All Funds	<u>\$75,000</u>	<u>\$75,000</u>

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**

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Real property taxes collected in 2012 were levied after April 1, 2011 on the assessed values as of January 1, 2011, 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, 2012**

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Tangible personal property tax revenue received during calendar year 2012 (other than public utility property tax) represents the collection of 2012 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 2012 were levied after April 1, 2011, on the value as of December 31, 2011. 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 2012, 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, 2012. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2012 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, 2012, was \$2,571,736 for General Fund and \$144,883 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, 2012**

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The assessed values upon which the fiscal year 2012 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$470,895,600
Public Utility Personal	<u>14,018,140</u>
Total	<u><u>\$484,913,740</u></u>

**Note 7 – Receivables**

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Receivables at June 30, 2012 consisted of taxes, accounts (billings for user charged services and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

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**

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Capital asset activity for the fiscal year ended June 30, 2012, 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	2,962,200	43,664	31,321	2,974,543
Vehicles	<u>2,209,709</u>	<u>201,614</u>	<u>105,978</u>	<u>2,305,345</u>
Totals at Historical Cost	<u>21,199,333</u>	<u>245,278</u>	<u>137,299</u>	<u>21,307,312</u>
Less Accumulated Depreciation:				
Land Improvements	111,632	14,599	0	126,231
Buildings & Improvements	8,650,855	237,890	0	8,888,745
Furniture & Equipment	1,587,158	173,577	7,339	1,753,396
Vehicles	<u>1,507,930</u>	<u>119,640</u>	<u>98,421</u>	<u>1,529,149</u>
Total Accumulated Depreciation	<u>11,857,575</u>	<u>545,706</u>	<u>105,760</u>	<u>12,297,521</u>
Governmental Activities Capital Assets, Net	<u><u>\$9,341,758</u></u>	<u><u>(\$300,428)</u></u>	<u><u>\$31,539</u></u>	<u><u>\$9,009,791</u></u>

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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Depreciation expense was charged to governmental functions as follows

Instruction:	
Regular	\$300,344
Special	9,427
Vocational	12,435
Adult	1,420
Support Services:	
Pupil	921
School Administration	14,475
Fiscal	1,192
Operations and Maintenance	23,745
Pupil Transportation	105,813
Central	45,890
Operation of Non-Instructional Services	21,523
Extracurricular Activities	8,521
Total Depreciation Expense	<u><u>\$545,706</u></u>

**Note 9 - Capital Leases - Lessee Disclosure**

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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, \$839,076, and \$793,500 respectively. These amounts represent the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2012 totaled \$203,714 paid by the general fund.

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, 2012:

Fiscal Year Ending June 30	Payment
2013	\$353,767
2014	306,369
2015	160,860
2016	159,960
2017	137,555
Total Minimum Lease Payments	<u>\$1,118,511</u>
Amount Representing Interest	<u>(204,281)</u>
Present Value of Minimum Lease Payments	<u><u>\$914,230</u></u>

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**Note 10 - Long-Term Obligations**

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due In One Year</u>
<b>Governmental Activities:</b>					
Capital Leases	\$443,469	\$674,475	\$203,714	\$914,230	\$284,554
Total Long Term Debt	443,469	674,475	203,714	914,230	284,554
Compensated Absences	4,639,013	530,226	737,546	4,431,693	899,790
Total Governmental Activities	<u>\$5,082,482</u>	<u>\$1,204,701</u>	<u>\$941,260</u>	<u>\$5,345,923</u>	<u>\$1,184,344</u>

Capital lease payments will be paid from the general fund.

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 11 - Risk Management**

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**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 2012, the District has contracted with Ohio Casualty Insurance Company to provide insurance coverage in the

<u>Limits of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General Liability		
Each Occurrence	\$1,000,000	\$1,000
Aggregate	3,000,000	0
Fleet:		
Comprehensive/Collision	1,000,000	5,000
Umbrella Liability and Fleet	3,000,000	10,000
Buildings and Contents	99,711,071	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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**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 \$558,000 reported in the basic financial statements at June 30, 2012, 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:

	Beginning Balance	Current Year Claims	Claims Payments	Balance End of Year
2012	\$599,000	\$6,131,968	\$6,172,968	\$558,000
2011	458,000	5,384,944	5,243,944	599,000

**Workers’ Compensation Rating Program**

The District participates in the Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan (GRP), a public entity risk pool (Note 2). 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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**Note 12 - Pension Plans**

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**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, 2012, the allocation to pension and death benefits is 12.7%. The remaining 1.3% 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, 2012, 2011, and 2010 were \$852,576 \$874,680, and \$820,936, respectively; 57% has been actually contributed for fiscal year 2012 and 100% has been actually contributed for fiscal years 2011 and 2010. 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.

**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).



**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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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.

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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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.

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, 2012, were 10% of covered payroll for members and 14% for employers. The District's required contributions to STRS for the years ended June 30, 2012, 2011, and 2010 were \$3,134,760, \$3,236,004, and \$2,943,444, respectively; 85% has been actually contributed for fiscal year 2012 and 100% has been actually contributed for fiscal years 2011 and 2010. 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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**Note 13 - Post Employment Benefits**

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**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 2012 was \$99.90 for most participants, but could be as high as \$319.70 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 2012, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2012, 2011 and 2010 were \$45,674, \$47,483, and \$44,565, 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.

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, 2012, the health care allocation was 0.55%. 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 2012, 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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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required contributions assigned to health care for the years ended June 30, 2012, 2011, and 2010 were \$33,494, \$89,342, and \$26,974, respectively; 57% has been actually contributed for fiscal year 2012 and 100% has been actually contributed for fiscal years 2011 and 2010.

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.

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, 2012, 2011 and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law. The District required contributions for the years ended June 30, 2012, 2011, and 2010 were \$223,911, \$231,143, and \$210,246, respectively; 85% has been actually contributed for fiscal year 2012 and 100% has been actually contributed for fiscal years 2011 and 2010.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**Note 14 – Contingencies**

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**Student Attendance Data Review**

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure 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 General Fund or other applicable funds. This also encompasses the Auditor of State’s ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

**Litigation**

The District is not currently a party to any legal proceedings.

**Note 15 - Statutory Reserves**

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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, 2012, the reserve activity was as follows:

	Textbooks	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2011	(\$905,027)	\$0
Current Year Set Aside Requirements	0	561,996
Qualified Disbursements	0	(1,203,439)
Elimination per H.B. 30 of the Ohio 129th General Assembly	905,027	0
Set Aside Reserve Balance as of June 30, 2012	<u>\$0</u>	<u>(\$641,443)</u>
Restricted Cash as of June 30, 2012	<u>\$0</u>	<u>\$0</u>

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2012**

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**Note 16 – Fund Balances**

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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	8,950	90,108
<b>Total Nonspendable</b>	<b>81,158</b>	<b>18,950</b>	<b>100,108</b>
<b>Restricted for:</b>			
Other Grants	0	57,733	57,733
Special Trust	0	331,983	331,983
District Managed Student Activity	0	104,295	104,295
Auxiliary Services	0	44,649	44,649
Education Foundation	0	26,209	26,209
Able/Job Grant	0	11,963	11,963
Vocational Education	0	7,114	7,114
Basic Educational Opportunity Grant	0	185	185
Drug Free Schools	0	1,457	1,457
EHA PreSchool Grant	0	3,136	3,136
Adult Basic Education	0	5,395	5,395
Stimulus Title II	0	583	583
Improving Teacher Quality	0	21,821	21,821
Title I	0	108,750	108,750
Perpetual Care	0	141,129	141,129
Debt Service	0	11,895	11,895
Permanent Improvement	0	795,709	795,709
<b>Total Restricted</b>	<b>0</b>	<b>1,674,006</b>	<b>1,674,006</b>
<b>Assigned to:</b>			
Public Schools	78,722	0	78,722
Replacement	0	26,673	26,673
Encumbrances	266,044	0	266,044
<b>Total Assigned</b>	<b>344,766</b>	<b>26,673</b>	<b>371,439</b>
<b>Unassigned (Deficit)</b>	<b>(1,381,982)</b>	<b>(153,132)</b>	<b>(1,535,114)</b>
<b>Total Fund Balance</b>	<b>(\$956,058)</b>	<b>\$1,566,497</b>	<b>\$610,439</b>

# **REQUIRED SUPPLEMENTARY INFORMATION**

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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, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$16,738,248	\$16,998,789	\$17,002,155	\$3,366
Revenue in lieu of taxes	94,885	96,362	96,381	19
Tuition and Fees	492,392	500,056	500,155	99
Investment Earnings	10,684	10,850	10,852	2
Intergovernmental	21,095,798	21,424,167	21,428,410	4,243
Charges for Services	2,583	2,623	2,624	1
Other Revenues	156,497	158,933	158,964	31
<b>Total Revenues</b>	<b>38,591,087</b>	<b>39,191,780</b>	<b>39,199,541</b>	<b>7,761</b>
Expenditures:				
Current:				
Instruction:				
Regular	19,587,243	19,883,635	19,237,324	646,311
Special	6,067,938	6,159,757	5,959,536	200,221
Vocational	1,495,975	1,518,612	1,469,250	49,362
Other	389,802	395,700	382,838	12,862
Support Services:				
Pupil	1,777,393	1,804,289	1,745,641	58,648
Instructional Staff	1,943,640	1,973,051	1,908,918	64,133
General Administration	200,342	203,374	196,763	6,611
School Administration	2,635,926	2,675,812	2,588,836	86,976
Fiscal	760,481	771,988	746,895	25,093
Business	152,905	155,218	150,173	5,045
Operations and Maintenance	3,388,346	3,439,618	3,327,814	111,804
Pupil Transportation	1,538,812	1,562,097	1,511,322	50,775
Central	941,001	955,240	924,190	31,050
Extracurricular Activities	730,758	741,815	717,703	24,112
Debt Service:				
Principal Retirement	207,419	210,558	203,714	6,844
Interest and Fiscal Charges	50,906	51,677	49,997	1,680
<b>Total Expenditures</b>	<b>41,868,887</b>	<b>42,502,441</b>	<b>41,120,914</b>	<b>1,381,527</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,277,800)</b>	<b>(3,310,661)</b>	<b>(1,921,373)</b>	<b>1,389,288</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,605	1,630	1,630	0
Advances In	40,518	41,149	41,157	8
Advances (Out)	(95,525)	(96,970)	(93,818)	3,152
<b>Total Other Financing Sources (Uses)</b>	<b>(53,402)</b>	<b>(54,191)</b>	<b>(51,031)</b>	<b>3,160</b>
<b>Net Change in Fund Balance</b>	<b>(3,331,202)</b>	<b>(3,364,852)</b>	<b>(1,972,404)</b>	<b>1,392,448</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,425,831	3,425,831	3,425,831	0
<b>Fund Balance End of Year</b>	<b>\$94,629</b>	<b>\$60,979</b>	<b>\$1,453,427</b>	<b>\$1,392,448</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, 2012**

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**Note 1 - Budgetary Process**

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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 2012, 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 2012.

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).

**Sandusky City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Fiscal Ended June 30, 2012**

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4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
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	(\$1,424,589)
Revenue Accruals	285,331
Expenditure Accruals	406,491
Issuance of Debt	(674,475)
Transfers In	(75,000)
Advances In	134,975
Advances (Out)	(131,870)
Encumbrances	(484,603)
Funds Budgeted Elsewhere	(8,664)
Budget Basis	(\$1,972,404)

# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **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 2012.

### **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 2012.

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	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	\$1,027,047	\$11,895	\$711,919	\$124,184	\$1,875,045
<b>Receivables:</b>					
Taxes	0	0	1,004,492	0	1,004,492
Accounts	3,506	0	0	0	3,506
Interest	0	0	0	26,945	26,945
Intergovernmental	359,357	0	0	0	359,357
Inventory	8,950	0	0	0	8,950
<b>Total Assets</b>	<b>1,398,860</b>	<b>11,895</b>	<b>1,716,411</b>	<b>151,129</b>	<b>3,278,295</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	53,202	0	34,420	0	87,622
Accrued Wages and Benefits	645,487	0	0	0	645,487
Compensated Absences	40,208	0	0	0	40,208
Deferred Revenue	78,872	0	859,609	0	938,481
<b>Total Liabilities</b>	<b>817,769</b>	<b>0</b>	<b>894,029</b>	<b>0</b>	<b>1,711,798</b>
<b>Fund Balances:</b>					
Nonspendable	8,950	0	0	10,000	18,950
Restricted	725,273	11,895	795,709	141,129	1,674,006
Assigned	0	0	26,673	0	26,673
Unassigned	(153,132)	0	0	0	(153,132)
<b>Total Fund Balances</b>	<b>581,091</b>	<b>11,895</b>	<b>822,382</b>	<b>151,129</b>	<b>1,566,497</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,398,860</b>	<b>\$11,895</b>	<b>\$1,716,411</b>	<b>\$151,129</b>	<b>\$3,278,295</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, 2012

	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	\$873,875	\$0	\$873,875
Revenue in Lieu of Taxes	0	0	499	0	499
Investment Earnings	6,821	0	0	20,920	27,741
Intergovernmental	7,074,390	0	218,036	0	7,292,426
Extracurricular Activities	196,399	0	0	0	196,399
Charges for Services	324,258	0	0	0	324,258
Other Revenues	103,577	0	0	0	103,577
<b>Total Revenues</b>	<b>7,705,445</b>	<b>0</b>	<b>1,092,410</b>	<b>20,920</b>	<b>8,818,775</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	808,628	0	8,062	0	816,690
Special	2,160,438	0	0	0	2,160,438
Vocational	77,965	0	0	0	77,965
Adult/continuing	299,144	0	0	0	299,144
<b>Support Services:</b>					
Pupil	168,364	0	0	0	168,364
Instructional Staff	672,912	0	0	0	672,912
School Administration	239,981	0	0	0	239,981
Fiscal	154	0	19,361	0	19,515
Business	2,909	0	0	0	2,909
Operations and Maintenance	0	0	65,784	0	65,784
Pupil Transportation	9,915	0	147,330	0	157,245
Central	16,200	0	524,681	0	540,881
Operation of Non-Instructional Services	2,846,582	0	0	0	2,846,582
Extracurricular Activities	270,519	0	0	0	270,519
Capital Outlay	0	0	463,250	0	463,250
<b>Total Expenditures</b>	<b>7,573,711</b>	<b>0</b>	<b>1,228,468</b>	<b>0</b>	<b>8,802,179</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>131,734</b>	<b>0</b>	<b>(136,058)</b>	<b>20,920</b>	<b>16,596</b>
<b>Other Financing Sources (Uses):</b>					
Transfers (Out)	(75,000)	0	0	0	(75,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(75,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(75,000)</b>
<b>Net Change in Fund Balance</b>	<b>56,734</b>	<b>0</b>	<b>(136,058)</b>	<b>20,920</b>	<b>(58,404)</b>
<b>Fund Balance Beginning of Year</b>	<b>524,357</b>	<b>11,895</b>	<b>958,440</b>	<b>130,209</b>	<b>1,624,901</b>
<b>Fund Balance End of Year</b>	<b>\$581,091</b>	<b>\$11,895</b>	<b>\$822,382</b>	<b>\$151,129</b>	<b>\$1,566,497</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.

**Adult Education** - The adult education is used to account for educational opportunities offered on a tuition basis to adults living within the community. This fund is split between a special revenue fund and the general fund for GAAP reporting purposes. The special revenue portion only accounts for grant monies the District received and spent during the fiscal year and is included in the Nonmajor Special Revenue Funds - Combining Balance Sheet on page 65 and the Statement of Revenues, Expenditures and Combining Statement of Revenues, Expenditures and Changes in Fund Balance on page 69. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) is shown combined (not split between the special revenue fund and general fund) and is included in the Other General Funds section on page 103.

**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.

**Education Jobs** – Fund used to provide compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

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Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2012

	Other Grants	Special Trust	District Managed Student Activity	Auxiliary Services	Management Information
Assets:					
Equity in Pooled Cash and Investments	\$58,098	\$331,983	\$114,591	\$85,991	\$0
Receivables:					
Accounts	0	0	1,034	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>58,098</b>	<b>331,983</b>	<b>115,625</b>	<b>85,991</b>	<b>0</b>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	365	0	11,330	8,556	0
Accrued Wages and Benefits	0	0	0	32,786	0
Compensated Absences	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>365</b>	<b>0</b>	<b>11,330</b>	<b>41,342</b>	<b>0</b>
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	57,733	331,983	104,295	44,649	0
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>57,733</b>	<b>331,983</b>	<b>104,295</b>	<b>44,649</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$58,098</b>	<b>\$331,983</b>	<b>\$115,625</b>	<b>\$85,991</b>	<b>\$0</b>

Public School PreSchool	SchoolNet OneNet	Education Foundation	Able/Job Grant	Adult Basic Education	Title VI B	Vocational Education
\$7,392	\$0	\$26,209	\$18,494	\$1,965	\$49,809	\$15,084
0	0	0	0	0	0	0
14,800	0	0	0	5,880	149,471	3,415
0	0	0	0	0	0	0
<u>22,192</u>	<u>0</u>	<u>26,209</u>	<u>18,494</u>	<u>7,845</u>	<u>199,280</u>	<u>18,499</u>
0	0	0	0	70	0	7,970
22,095	0	0	6,531	0	172,416	0
0	0	0	0	0	0	0
300	0	0	0	2,380	30,471	3,415
<u>22,395</u>	<u>0</u>	<u>0</u>	<u>6,531</u>	<u>2,450</u>	<u>202,887</u>	<u>11,385</u>
0	0	0	0	0	0	0
0	0	26,209	11,963	5,395	0	7,114
(203)	0	0	0	0	(3,607)	0
<u>(203)</u>	<u>0</u>	<u>26,209</u>	<u>11,963</u>	<u>5,395</u>	<u>(3,607)</u>	<u>7,114</u>
<u>\$22,192</u>	<u>\$0</u>	<u>\$26,209</u>	<u>\$18,494</u>	<u>\$7,845</u>	<u>\$199,280</u>	<u>\$18,499</u>

Continued

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2012

	Basic Educational Opportunity Grant	Title I	Drug-Free School Grant	EHA PreSchool Grant	Improving Teacher Quality
Assets:					
Equity in Pooled Cash and Investments	\$0	\$267,613	\$1,457	\$4,857	\$35,445
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	12,936	121,056	0	7,113	29,774
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>12,936</b>	<b>388,669</b>	<b>1,457</b>	<b>11,970</b>	<b>65,219</b>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	16,374	0	0	0
Accrued Wages and Benefits	0	213,162	0	6,721	42,624
Compensated Absences	0	34,327	0	0	0
Deferred Revenue	12,751	16,056	0	2,113	774
<b>Total Liabilities</b>	<b>12,751</b>	<b>279,919</b>	<b>0</b>	<b>8,834</b>	<b>43,398</b>
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	185	108,750	1,457	3,136	21,821
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>185</b>	<b>108,750</b>	<b>1,457</b>	<b>3,136</b>	<b>21,821</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$12,936</b>	<b>\$388,669</b>	<b>\$1,457</b>	<b>\$11,970</b>	<b>\$65,219</b>

Miscellaneous Federal Grants	Food Service	Adult Education	Stimulus Title II	Title I School Improvement	Education Jobs	Total Nonmajor Special Revenue Funds
\$0	\$4,864	\$0	\$583	\$2,612	\$0	\$1,027,047
0	2,472	0	0	0	0	3,506
0	0	0	10,596	4,316	0	359,357
0	8,950	0	0	0	0	8,950
0	16,286	0	11,179	6,928	0	1,398,860
0	8,537	0	0	0	0	53,202
0	141,097	0	0	8,055	0	645,487
0	5,881	0	0	0	0	40,208
0	0	0	10,596	16	0	78,872
0	155,515	0	10,596	8,071	0	817,769
0	8,950	0	0	0	0	8,950
0	0	0	583	0	0	725,273
0	(148,179)	0	0	(1,143)	0	(153,132)
0	(139,229)	0	583	(1,143)	0	581,091
\$0	\$16,286	\$0	\$11,179	\$6,928	\$0	\$1,398,860

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, 2012

	Other Grants	Special Trust	District Managed Student Activity	Auxiliary Services	Management Information
Revenues:					
Investment Earnings	\$0	\$795	\$0	\$162	\$0
Intergovernmental	0	0	0	383,940	0
Extracurricular Activities	0	0	196,399	0	0
Charges for Services	0	0	7,884	0	0
Other Revenues	30,285	200	60,454	1,251	0
<b>Total Revenues</b>	<b>30,285</b>	<b>995</b>	<b>264,737</b>	<b>385,353</b>	<b>0</b>
Expenditures:					
Current:					
Instruction:					
Regular	3,010	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	1,000	0	0	0	0
Instructional Staff	0	0	0	0	0
School Administration	0	0	0	0	536
Fiscal	0	0	0	0	154
Business	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	21,095	0	0	337,602	0
Extracurricular Activities	0	0	270,519	0	0
<b>Total Expenditures</b>	<b>25,105</b>	<b>0</b>	<b>270,519</b>	<b>337,602</b>	<b>690</b>
Excess of Revenues Over (Under) Expenditures	5,180	995	(5,782)	47,751	(690)
Other Financing Sources (Uses):					
Transfers (Out)	0	(75,000)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(75,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	5,180	(74,005)	(5,782)	47,751	(690)
Fund Balance Beginning of Year	52,553	405,988	110,077	(3,102)	690
<b>Fund Balance End of Year</b>	<b>\$57,733</b>	<b>\$331,983</b>	<b>\$104,295</b>	<b>\$44,649</b>	<b>\$0</b>

Public School PreSchool	SchoolNet OneNet	Education Foundation	Able/Job Grant	Adult Basic Education	Title VI B	Vocational Education
\$0	\$0	\$5,864	\$0	\$0	\$0	\$0
119,974	16,200	0	30,000	105,194	1,015,976	86,700
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	6,674	0	0	0	0
119,974	16,200	12,538	30,000	105,194	1,015,976	86,700
76,873	0	0	100	0	0	0
0	0	0	0	0	455,064	0
0	0	0	0	0	0	77,965
0	0	0	0	90,467	0	0
0	0	0	0	0	167,364	0
42,450	0	0	31,019	3,912	129,119	9,600
0	0	0	0	4,570	175,129	0
0	0	0	0	0	0	0
0	0	2,909	0	0	0	0
2,511	0	0	0	0	0	0
0	16,200	0	0	0	0	0
0	0	0	0	0	92,621	0
0	0	0	0	0	0	0
121,834	16,200	2,909	31,119	98,949	1,019,297	87,565
(1,860)	0	9,629	(1,119)	6,245	(3,321)	(865)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,860)	0	9,629	(1,119)	6,245	(3,321)	(865)
1,657	0	16,580	13,082	(850)	(286)	7,979
(\$203)	\$0	\$26,209	\$11,963	\$5,395	(\$3,607)	\$7,114

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, 2012

	Basic Educational Opportunity Grant	Title I	Drug-Free School Grant	EHA PreSchool Grant	Improving Teacher Quality
<b>Revenues:</b>					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	312,837	1,958,312	1,293	44,235	331,159
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>312,837</b>	<b>1,958,312</b>	<b>1,293</b>	<b>44,235</b>	<b>331,159</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	0	0	0	0	0
Special	0	1,385,205	0	1,234	266,747
Vocational	0	0	0	0	0
Adult/continuing	0	0	0	0	0
<b>Support Services:</b>					
Pupil	0	0	0	0	0
Instructional Staff	0	320,799	0	40,051	41,287
School Administration	0	59,746	0	0	0
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Pupil Transportation	0	7,404	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	324,923	46,974	0	0	0
Extracurricular Activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>324,923</b>	<b>1,820,128</b>	<b>0</b>	<b>41,285</b>	<b>308,034</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(12,086)</b>	<b>138,184</b>	<b>1,293</b>	<b>2,950</b>	<b>23,125</b>
<b>Other Financing Sources (Uses):</b>					
Transfers (Out)	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>
<b>Net Change in Fund Balance</b>	<b>(12,086)</b>	<b>138,184</b>	<b>1,293</b>	<b>2,950</b>	<b>23,125</b>
<b>Fund Balance Beginning of Year</b>	<b>12,271</b>	<b>(29,434)</b>	<b>164</b>	<b>186</b>	<b>(1,304)</b>
<b>Fund Balance End of Year</b>	<b>\$185</b>	<b>\$108,750</b>	<b>\$1,457</b>	<b>\$3,136</b>	<b>\$21,821</b>

Miscellaneous Federal Grants	Food Service	Adult Education	Stimulus Title II	Title I School Improvement	Education Jobs	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$6,821
0	1,625,965	208,677	5,317	105,688	722,923	7,074,390
0	0	0	0	0	0	196,399
0	316,374	0	0	0	0	324,258
0	4,713	0	0	0	0	103,577
0	1,947,052	208,677	5,317	105,688	722,923	7,705,445
0	0	0	5,722	0	722,923	808,628
0	0	0	0	52,188	0	2,160,438
0	0	0	0	0	0	77,965
0	0	208,677	0	0	0	299,144
0	0	0	0	0	0	168,364
858	0	0	0	53,817	0	672,912
0	0	0	0	0	0	239,981
0	0	0	0	0	0	154
0	0	0	0	0	0	2,909
0	0	0	0	0	0	9,915
0	0	0	0	0	0	16,200
0	2,023,367	0	0	0	0	2,846,582
0	0	0	0	0	0	270,519
858	2,023,367	208,677	5,722	106,005	722,923	7,573,711
(858)	(76,315)	0	(405)	(317)	0	131,734
0	0	0	0	0	0	(75,000)
0	0	0	0	0	0	(75,000)
(858)	(76,315)	0	(405)	(317)	0	56,734
858	(62,914)	0	988	(826)	0	524,357
\$0	(\$139,229)	\$0	\$583	(\$1,143)	\$0	\$581,091

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, 2012

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$29,270	\$30,285	\$1,015
Total Revenues	29,270	30,285	1,015
Expenditures:			
Current:			
Instruction:			
Regular	18,250	6,380	11,870
Support Services:			
Pupil	2,860	1,000	1,860
Operation of Non-Instructional Services	59,187	20,691	38,496
Total Expenditures	80,297	28,071	52,226
Net Change in Fund Balance	(51,027)	2,214	53,241
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	52,697	52,697	0
Fund Balance End of Year	\$1,670	\$54,911	\$53,241

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, 2012

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$46,822	\$795	(\$46,027)
Other Revenues	11,779	200	(11,579)
Total Revenues	58,601	995	(57,606)
Other Financing Sources (Uses):			
Transfers (Out)	(300,000)	(75,000)	225,000
Total Other Financing Sources (Uses)	(300,000)	(75,000)	225,000
Net Change in Fund Balance	(241,399)	(74,005)	167,394
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	405,986	405,986	0
Fund Balance End of Year	\$164,587	\$331,981	\$167,394

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, 2012

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$188,431	\$196,399	\$7,968
Charges for Services	7,564	7,884	320
Other Revenues	57,072	59,485	2,413
Total Revenues	253,067	263,768	10,701
Expenditures:			
Current:			
Extracurricular Activities	375,679	299,674	76,005
Total Expenditures	375,679	299,674	76,005
Net Change in Fund Balance	(122,612)	(35,906)	86,706
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	122,614	122,614	0
Fund Balance End of Year	\$2	\$86,708	\$86,706

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, 2012

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$162	\$162	\$0
Intergovernmental	385,176	385,191	15
Total Revenues	385,338	385,353	15
Expenditures:			
Current:			
Operation of Non-Instructional Services	426,750	351,096	75,654
Total Expenditures	426,750	351,096	75,654
Net Change in Fund Balance	(41,412)	34,257	75,669
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	41,412	41,412	0
Fund Balance End of Year	\$0	\$75,669	\$75,669

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, 2012

	Management Information Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
School Administration	537	536	1
Fiscal	500	500	0
Total Expenditures	1,037	1,036	1
Net Change in Fund Balance	(1,037)	(1,036)	1
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,037	1,037	0
Fund Balance End of Year	\$0	\$1	\$1

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, 2012

	Public School PreSchool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$140,274	\$125,474	(\$14,800)
Total Revenues	140,274	125,474	(14,800)
Expenditures:			
Current:			
Instruction:			
Regular	90,703	76,380	14,323
Support Services:			
Instructional Staff	46,849	39,451	7,398
Pupil Transportation	2,982	2,511	471
Total Expenditures	140,534	118,342	22,192
Net Change in Fund Balance	(260)	7,132	7,392
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	260	260	0
Fund Balance End of Year	\$0	\$7,392	\$7,392



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, 2012

	SchoolNet OneNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,200	\$16,200	\$0
Total Revenues	16,200	16,200	0
Expenditures:			
Current:			
Support Services:			
Central	16,200	16,200	0
Total Expenditures	16,200	16,200	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, 2012

	Education Foundation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$5,853	\$5,864	\$11
Other Revenues	5,858	5,869	11
Total Revenues	11,711	11,733	22
Expenditures:			
Current:			
Support Services:			
Business	27,268	2,909	24,359
Total Expenditures	27,268	2,909	24,359
Excess of Revenues Over (Under) Expenditures	(15,557)	8,824	24,381
Other Financing Sources (Uses):			
Transfers In	804	805	1
Total Other Financing Sources (Uses)	804	805	1
Net Change in Fund Balance	(14,753)	9,629	24,382
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,580	16,580	0
Fund Balance End of Year	\$1,827	\$26,209	\$24,382

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, 2012

	Able/Job Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$30,000	\$30,000	\$0
Total Revenues	30,000	30,000	0
Expenditures:			
Current:			
Instruction:			
Regular	175	100	75
Support Services:			
Instructional Staff	42,908	24,488	18,420
Total Expenditures	43,083	24,588	18,495
Net Change in Fund Balance	(13,083)	5,412	18,495
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,083	13,083	0
Fund Balance End of Year	\$0	\$18,495	\$18,495

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, 2012

	Adult Basic Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$107,568	\$101,694	(\$5,874)
Total Revenues	107,568	101,694	(5,874)
Expenditures:			
Current:			
Instruction:			
Adult/continuing	100,833	93,723	7,110
Support Services:			
Instructional Staff	4,243	3,944	299
School Administration	5,132	4,770	362
Total Expenditures	110,208	102,437	7,771
Excess of Revenues Over (Under) Expenditures	(2,640)	(743)	1,897
Other Financing Sources (Uses):			
Transfers In	108	102	(6)
Transfers (Out)	(110)	(102)	8
Total Other Financing Sources (Uses)	(2)	0	2
Net Change in Fund Balance	(2,642)	(743)	1,899
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,642	2,642	0
Fund Balance End of Year	\$0	\$1,899	\$1,899

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, 2012

	Title VI B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,157,863	\$1,000,003	(\$157,860)
Total Revenues	<u>1,157,863</u>	<u>1,000,003</u>	<u>(157,860)</u>
Expenditures:			
Current:			
Instruction:			
Special	537,192	446,907	90,285
Support Services:			
Pupil	203,431	169,241	34,190
Instructional Staff	157,149	130,737	26,412
School Administration	211,225	175,725	35,500
Operation of Non-Instructional Services	<u>125,358</u>	<u>104,289</u>	<u>21,069</u>
Total Expenditures	<u>1,234,355</u>	<u>1,026,899</u>	<u>207,456</u>
Excess of Revenues Over (Under) Expenditures	<u>(76,492)</u>	<u>(26,896)</u>	<u>49,596</u>
Other Financing Sources (Uses):			
Transfers In	5,700	4,923	(777)
Transfers (Out)	<u>(5,918)</u>	<u>(4,923)</u>	<u>995</u>
Total Other Financing Sources (Uses)	<u>(218)</u>	<u>0</u>	<u>218</u>
Net Change in Fund Balance	(76,710)	(26,896)	49,814
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>76,710</u>	<u>76,710</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$49,814</u>	<u>\$49,814</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, 2012

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$93,115	\$89,700	(\$3,415)
Total Revenues	93,115	89,700	(3,415)
Expenditures:			
Current:			
Instruction:			
Vocational	99,193	95,543	3,650
Support Services:			
Instructional Staff	11,742	11,310	432
Total Expenditures	110,935	106,853	4,082
Excess of Revenues Over (Under) Expenditures	(17,820)	(17,153)	667
Other Financing Sources (Uses):			
Advances (Out)	(1,245)	(1,199)	46
Total Other Financing Sources (Uses)	(1,245)	(1,199)	46
Net Change in Fund Balance	(19,065)	(18,352)	713
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,065	19,065	0
Fund Balance End of Year	\$0	\$713	\$713

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, 2012

	Basic Educational Opportunity Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$324,923	\$324,923	\$0
Total Revenues	324,923	324,923	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	324,923	324,923	0
Total Expenditures	324,923	324,923	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, 2012

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,660,821	\$1,995,982	(\$664,839)
Total Revenues	<u>2,660,821</u>	<u>1,995,982</u>	<u>(664,839)</u>
Expenditures:			
Current:			
Instruction:			
Regular	72,979	52,928	20,051
Special	2,017,249	1,463,019	554,230
Support Services:			
Instructional Staff	502,195	364,219	137,976
School Administration	88,708	64,336	24,372
Pupil Transportation	10,209	7,404	2,805
Central	39,623	28,737	10,886
Operation of Non-Instructional Services	69,451	50,370	19,081
Total Expenditures	<u>2,800,414</u>	<u>2,031,013</u>	<u>769,401</u>
Excess of Revenues Over (Under) Expenditures	<u>(139,593)</u>	<u>(35,031)</u>	<u>104,562</u>
Other Financing Sources (Uses):			
Transfers In	5,298	3,974	(1,324)
Transfers (Out)	(5,479)	(3,974)	1,505
Total Other Financing Sources (Uses)	<u>(181)</u>	<u>0</u>	<u>181</u>
Net Change in Fund Balance	<u>(139,774)</u>	<u>(35,031)</u>	<u>104,743</u>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>139,775</u>	<u>139,775</u>	<u>0</u>
Fund Balance End of Year	<u>\$1</u>	<u>\$104,744</u>	<u>\$104,743</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, 2012

	Drug-Free School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,294	\$1,293	(\$1)
Total Revenues	1,294	1,293	(1)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,450	1,385	65
Total Expenditures	1,450	1,385	65
Excess of Revenues Over (Under) Expenditures	(156)	(92)	64
Other Financing Sources (Uses):			
Transfers In	164	164	0
Transfers (Out)	(172)	(164)	8
Total Other Financing Sources (Uses)	(8)	0	8
Net Change in Fund Balance	(164)	(92)	72
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	164	164	0
Fund Balance End of Year	\$0	\$72	\$72

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, 2012

	EHA PreSchool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$49,015	\$42,735	(\$6,280)
Total Revenues	49,015	42,735	(6,280)
Expenditures:			
Current:			
Instruction:			
Special	1,588	1,234	354
Support Services:			
Instructional Staff	43,999	34,186	9,813
School Administration	1,192	926	266
Total Expenditures	46,779	36,346	10,433
Excess of Revenues Over (Under) Expenditures	2,236	6,389	4,153
Other Financing Sources (Uses):			
Advances (Out)	(2,453)	(1,906)	547
Transfers In	833	726	(107)
Transfers (Out)	(934)	(726)	208
Total Other Financing Sources (Uses)	(2,554)	(1,906)	648
Net Change in Fund Balance	(318)	4,483	4,801
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	318	318	0
Fund Balance End of Year	\$0	\$4,801	\$4,801

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, 2012

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$418,463	\$331,159	(\$87,304)
Total Revenues	418,463	331,159	(87,304)
Expenditures:			
Current:			
Instruction:			
Special	347,130	269,698	77,432
Support Services:			
Instructional Staff	86,606	67,287	19,319
Total Expenditures	433,736	336,985	96,751
Net Change in Fund Balance	(15,273)	(5,826)	9,447
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,273	15,273	0
Fund Balance End of Year	\$0	\$9,447	\$9,447

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, 2012

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,696	1,696	0
Total Expenditures	1,696	1,696	0
Net Change in Fund Balance	(1,696)	(1,696)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,696	1,696	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, 2012

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,376,294	\$1,379,383	\$3,089
Charges for Services	313,246	313,949	703
Other Revenues	4,702	4,713	11
Total Revenues	<u>1,694,242</u>	<u>1,698,045</u>	<u>3,803</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>1,753,794</u>	<u>1,753,793</u>	<u>1</u>
Total Expenditures	<u>1,753,794</u>	<u>1,753,793</u>	<u>1</u>
Net Change in Fund Balance	(59,552)	(55,748)	3,804
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>60,319</u>	<u>60,319</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$767</u></u>	<u><u>\$4,571</u></u>	<u><u>\$3,804</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, 2012

	Stimulus Title II Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$36,013	\$25,517	(\$10,496)
Total Revenues	36,013	25,517	(10,496)
Expenditures:			
Current:			
Instruction:			
Regular	55,978	48,826	7,152
Support Services:			
Instructional Staff	30,269	26,402	3,867
Total Expenditures	86,247	75,228	11,019
Excess of Revenues Over (Under) Expenditures	(50,234)	(49,711)	523
Other Financing Sources (Uses):			
Transfers In	100	71	(29)
Transfers (Out)	(81)	(71)	10
Total Other Financing Sources (Uses)	19	0	(19)
Net Change in Fund Balance	(50,215)	(49,711)	504
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	50,216	50,216	0
Fund Balance End of Year	\$1	\$505	\$504

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, 2012

	Title I School Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$172,135	\$109,488	(\$62,647)
Total Revenues	172,135	109,488	(62,647)
Expenditures:			
Current:			
Instruction:			
Special	82,221	52,188	30,033
Support Services:			
Instructional Staff	96,431	61,208	35,223
Total Expenditures	178,652	113,396	65,256
Excess of Revenues Over (Under) Expenditures	(6,517)	(3,908)	2,609
Other Financing Sources (Uses):			
Transfers In	1,163	740	(423)
Transfers (Out)	(1,166)	(740)	426
Total Other Financing Sources (Uses)	(3)	0	3
Net Change in Fund Balance	(6,520)	(3,908)	2,612
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,520	6,520	0
Fund Balance End of Year	\$0	\$2,612	\$2,612

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, 2012

	Education Jobs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$722,923	\$722,923	\$0
Total Revenues	722,923	722,923	0
Expenditures:			
Current:			
Instruction:			
Regular	722,923	722,923	0
Total Expenditures	722,923	722,923	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



## **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, 2012

	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	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,895	11,895	0
Fund Balance End of Year	\$11,895	\$11,895	\$0

## **NONMAJOR CAPITAL PROJECT 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, 2012

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$685,246	\$26,673	\$711,919
Receivables:			
Taxes	1,004,492	0	1,004,492
Total Assets	<u>1,689,738</u>	<u>26,673</u>	<u>1,716,411</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	34,420	0	34,420
Deferred Revenue	859,609	0	859,609
Total Liabilities	<u>894,029</u>	<u>0</u>	<u>894,029</u>
Fund Balances:			
Restricted	795,709	0	795,709
Assigned	0	26,673	26,673
Total Fund Balances	<u>795,709</u>	<u>26,673</u>	<u>822,382</u>
Total Liabilities and Fund Balances	<u>\$1,689,738</u>	<u>\$26,673</u>	<u>\$1,716,411</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, 2012

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$873,875	\$0	\$873,875
Revenue in Lieu of Taxes	499	0	499
Intergovernmental	218,036	0	218,036
<b>Total Revenues</b>	<b>1,092,410</b>	<b>0</b>	<b>1,092,410</b>
Expenditures:			
Current:			
Instruction:			
Regular	8,062	0	8,062
Support Services:			
Fiscal	19,361	0	19,361
Operations and Maintenance	65,784	0	65,784
Pupil Transportation	147,330	0	147,330
Central	524,681	0	524,681
Capital Outlay	463,250	0	463,250
<b>Total Expenditures</b>	<b>1,228,468</b>	<b>0</b>	<b>1,228,468</b>
Net Change in Fund Balance	(136,058)	0	(136,058)
Fund Balance Beginning of Year	931,767	26,673	958,440
Fund Balance End of Year	<u>\$795,709</u>	<u>\$26,673</u>	<u>\$822,382</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, 2012

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$880,664	\$880,666	\$2
Revenue in lieu of taxes	499	499	0
Intergovernmental	218,035	218,036	1
Total Revenues	1,099,198	1,099,201	3
Expenditures:			
Current:			
Instruction:			
Regular	11,492	8,062	3,430
Support Services:			
Fiscal	27,599	19,361	8,238
Operations and Maintenance	149,894	105,153	44,741
Pupil Transportation	210,017	147,330	62,687
Central	791,759	555,430	236,329
Capital Outlay	697,920	489,600	208,320
Total Expenditures	1,888,681	1,324,936	563,745
Net Change in Fund Balance	(789,483)	(225,735)	563,748
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	789,484	789,484	0
Fund Balance End of Year	\$1	\$563,749	\$563,748

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, 2012

---

	Replacement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
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, 2012

---

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$312	\$312
Total Revenues	0	312	312
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	312	312
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	123,873	123,873	0
Fund Balance End of Year	\$123,873	\$124,185	\$312

## **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, 2012

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$49,889	\$49,927	\$38
Other Revenues	24,302	24,320	18
Total Revenues	74,191	74,247	56
Expenditures:			
Current:			
Extracurricular Activities	150,600	78,796	71,804
Total Expenditures	150,600	78,796	71,804
Net Change in Fund Balance	(76,409)	(4,549)	71,860
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	76,409	76,409	0
Fund Balance End of Year	\$0	\$71,860	\$71,860

(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, 2012

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$610,472	\$611,090	\$618
Intergovernmental	208,466	208,677	211
Other Revenues	137,132	137,271	139
Total Revenues	956,070	957,038	968
Expenditures:			
Current:			
Instruction:			
Adult/continuing	1,160,972	1,012,581	148,391
Total Expenditures	1,160,972	1,012,581	148,391
Excess of Revenues Over (Under) Expenditures	(204,902)	(55,543)	149,359
Other Financing Sources (Uses):			
Advances In	93,723	93,818	95
Advances (Out)	(38,152)	(38,052)	100
Total Other Financing Sources (Uses)	55,571	55,766	195
Net Change in Fund Balance	(149,331)	223	149,554
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,112	3,112	0
Fund Balance End of Year	(\$146,219)	\$3,335	\$149,554

(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 District 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, 2012

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	Scholarship Trust	Endowment	Total
Assets:			
Equity in Pooled Cash and Investments	<u>\$679,098</u>	<u>\$6,417,941</u>	<u>\$7,097,039</u>
Total Assets	<u>679,098</u>	<u>6,417,941</u>	<u>7,097,039</u>
Liabilities:			
Accounts Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets:			
Held in Trust	<u>679,098</u>	<u>6,417,941</u>	<u>7,097,039</u>
Total Net Assets	<u><u>\$679,098</u></u>	<u><u>\$6,417,941</u></u>	<u><u>\$7,097,039</u></u>

Sandusky City School District, Ohio  
 Combining Statement of Changes in Fiduciary Net Assets  
 Private Purpose Trust Funds  
 For the Fiscal Year Ended June 30, 2012

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	Scholarship Trust	Endowment	Total
Additions:			
Donations	\$64,367	\$0	\$64,367
Investment Earnings	1,406	59,475	60,881
Total Additions	<u>65,773</u>	<u>59,475</u>	<u>125,248</u>
Deductions:			
Scholarships	63,122	67,944	131,066
Total Deductions	<u>63,122</u>	<u>67,944</u>	<u>131,066</u>
Change in Net Assets	2,651	(8,469)	(5,818)
Net Assets Beginning of Year	<u>676,447</u>	<u>6,426,410</u>	<u>7,102,857</u>
Net Assets End of Year	<u><u>\$679,098</u></u>	<u><u>\$6,417,941</u></u>	<u><u>\$7,097,039</u></u>

Sandusky City School District, Ohio  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2012

	District Agency			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$3,509	\$1,256,755	\$1,256,755	\$3,509
Receivables:				
Taxes	731,558	753,371	731,558	753,371
Intergovernmental	13,546	2,602	13,546	2,602
Total Assets	<u>748,613</u>	<u>2,012,728</u>	<u>2,001,859</u>	<u>759,482</u>
Liabilities:				
Other Liabilities	<u>748,613</u>	<u>2,012,728</u>	<u>2,001,859</u>	<u>759,482</u>
Total Liabilities	<u>\$748,613</u>	<u>\$2,012,728</u>	<u>\$2,001,859</u>	<u>\$759,482</u>
	Student Managed Activity			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$96,835	\$134,719	\$135,638	\$95,916
Receivables:				
Accounts	68	50	68	50
Total Assets	<u>96,903</u>	<u>134,769</u>	<u>135,706</u>	<u>95,966</u>
Liabilities:				
Accounts Payable	3,674	1,094	3,674	1,094
Other Liabilities	93,229	133,675	132,032	94,872
Total Liabilities	<u>\$96,903</u>	<u>\$134,769</u>	<u>\$135,706</u>	<u>\$95,966</u>
	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$100,344	\$1,391,474	\$1,392,393	\$99,425
Receivables:				
Taxes	731,558	753,371	731,558	753,371
Accounts	68	50	68	50
Intergovernmental	13,546	2,602	13,546	2,602
Total Assets	<u>845,516</u>	<u>2,147,497</u>	<u>2,137,565</u>	<u>855,448</u>
Liabilities:				
Accounts Payable	3,674	1,094	3,674	1,094
Other Liabilities	841,842	2,146,403	2,133,891	854,354
Total Liabilities	<u>\$845,516</u>	<u>\$2,147,497</u>	<u>\$2,137,565</u>	<u>\$855,448</u>



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# STATISTICAL SECTION

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## **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.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$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	\$8,095,561
Restricted	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	1,712,923
Unrestricted	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	(263,266)
<b>Total Governmental Activities Net Assets</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>\$9,545,218</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$115,191	\$118,279	\$110,021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unrestricted	151,029	69,613	(36,805)	0	0	0	0	0	0	0
<b>Total Business-Type Activities Net Assets</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>\$0</b>
<b>Total Primary Government</b>										
Invested in Capital Assets, Net of Related Debt	\$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	\$8,095,561
Restricted	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	1,712,923
Unrestricted	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	(263,266)
<b>Total Primary Government Net Assets</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>	<b>\$9,545,218</b>

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$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	\$32,320,969
Pupil	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	1,905,257
Instructional Staff	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	2,891,614
General Administration	202,519	200,544	290,483	262,873	251,748	225,384	219,506	274,123	237,888	194,969
School Administration	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	2,844,207
Fiscal	679,525	776,412	747,826	773,037	816,087	827,379	790,838	724,600	772,658	775,946
Business	245,576	149,517	163,970	171,953	182,226	167,861	173,166	165,646	165,412	154,022
Operations and Maintenance	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	3,280,303
Pupil Transportation	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	1,918,458
Central	296,428	658,779	617,090	1,309,047	878,440	869,701	961,596	1,211,148	1,358,070	1,330,662
Operation of Non-Instructional Services	217,417	189,885	365,104	2,883,539	3,116,826	3,398,658	3,051,796	2,920,946	2,697,028	2,855,443
Extracurricular Activities	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	1,065,669
Intergovernmental Pass-through	501,876	483,133	475,587	425,781	466,340	0	0	0	0	0
Interest and Fiscal Charges	82,383	91,145	75,913	68,650	62,932	44,512	26,930	56,430	47,986	49,997
Total Governmental Activities Expenses	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	51,587,516
<b>Business-Type Activities:</b>										
Food Service	1,753,978	1,857,460	1,918,480	0	0	0	0	0	0	0
Adult Education	970,572	867,829	820,179	0	0	0	0	0	0	0
Total Business-Type Activities Expenses	2,724,550	2,725,289	2,738,659	0	0	0	0	0	0	0
Total Primary Government Expenses	\$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	\$51,587,516

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instruction	\$180,347	\$128,090	\$146,638	\$715,705	\$1,037,687	\$1,002,817	\$1,269,069	\$1,342,013	\$1,202,149	\$1,096,887
Pupil	63	9	0	0	0	0	0	0	0	0
Instructional Staff	2,985	0	0	0	0	0	0	0	0	0
School Administration	0	0	0	0	5,833	0	0	0	0	0
Operations and Maintenance	28,166	29,151	31,429	28,694	16,965	24,900	34,410	17,499	20,367	20,345
Operation of Non-Instructional Services	0	0	0	655,354	644,676	580,145	522,798	407,386	361,815	316,374
Extracurricular Activities	304,763	326,083	314,422	309,071	271,084	233,068	211,569	237,687	227,689	258,825
Operating Grants and Contributions	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	9,296,132
Capital Grants and Contributions	451,653	88,275	0	0	146,949	60,707	57,267	0	0	0
<b>Total Governmental Activities Program Revenues</b>	<b>5,902,203</b>	<b>5,710,336</b>	<b>6,805,472</b>	<b>12,123,624</b>	<b>14,530,549</b>	<b>12,560,305</b>	<b>12,898,656</b>	<b>13,214,002</b>	<b>12,611,692</b>	<b>10,988,563</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	949,670	696,928	662,188	0	0	0	0	0	0	0
Adult Education	695,097	626,650	575,775	0	0	0	0	0	0	0
Operating Grants and Contributions	1,257,519	1,296,815	1,383,770	0	0	0	0	0	0	0
<b>Total Business-Type Activities Program Revenues</b>	<b>2,902,286</b>	<b>2,620,393</b>	<b>2,621,733</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Primary Government Program Revenues</b>	<b>\$8,804,489</b>	<b>\$8,330,729</b>	<b>\$9,427,205</b>	<b>\$12,123,624</b>	<b>\$14,530,549</b>	<b>\$12,560,305</b>	<b>\$12,898,656</b>	<b>\$13,214,002</b>	<b>\$12,611,692</b>	<b>\$10,988,563</b>
<b>Net (Expense)/Revenue</b>	<b>(\$35,226,195)</b>	<b>(\$35,085,185)</b>	<b>(\$35,244,630)</b>	<b>(\$37,883,873)</b>	<b>(\$34,983,999)</b>	<b>(\$36,234,027)</b>	<b>(\$37,373,761)</b>	<b>(\$37,772,813)</b>	<b>(\$39,041,611)</b>	<b>(\$40,598,953)</b>
<b>Total Government Net Expense</b>										

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue	(\$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)	(\$40,598,953)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	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	16,789,561
Property Taxes Levied for Debt Service Purposes	279,572	256,231	264,594	283,257	293,068	277,686	77,442	0	0	0
Property Taxes Levied for Capital Projects Purposes	628,736	515,487	554,784	596,734	572,833	512,033	504,584	787,009	901,848	873,259
Grants and Entitlements Not Restricted to Specific Programs	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	19,187,047
Payment in Lieu of Taxes	0	0	0	0	0	0	0	92,764	96,184	96,880
Unrestricted Contributions	0	0	0	0	0	0	0	73,476	119,684	83,824
Investment Earnings	181,966	102,701	227,824	440,921	545,097	406,737	168,072	40,751	64,347	40,283
Other Revenues	262,101	305,452	340,526	390,260	350,511	322,576	335,074	706,190	111,656	377,483
Total Governmental Activities General Revenues	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	37,448,337
Special Items	0	0	0	0	(543,770)	0	0	0	0	0
Business-Type Activities:										
Investment Earnings	0	1,568	0	0	0	0	0	0	0	0
Total Business-Type Activities General Revenues	0	1,568	0	0	0	0	0	0	0	0
Change in Net Assets	\$66,807	(\$1,690,581)	\$1,353,656	(\$969,725)	\$349,903	\$288,778	\$616,774	(\$230,591)	(\$1,149,337)	(\$3,150,616)

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011(1)	2012(1)
<b>General Fund</b>										
Reserved	\$2,930,724	\$891,202	\$1,915,740	\$1,664,279	\$1,506,725	\$1,903,046	\$2,536,281	\$1,962,854	\$0	\$0
Unreserved	51,359	(715,758)	(143,758)	(167,288)	(81,769)	(340,751)	(208,243)	(171,629)	0	0
<b>Nonspendable</b>										
Assigned									81,158	81,158
Unassigned									106,107	344,766
									281,266	(1,381,982)
<b>Total General Fund</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>(956,058)</b>
<b>All Other Governmental Funds</b>										
Reserved	661,396	547,633	503,733	379,096	544,164	464,214	310,790	384,961	0	0
Unreserved, Reported in:										
Special Revenue Funds	229,694	439,300	324,138	61,438	(34,131)	(135,860)	(190,478)	398,779	0	0
Debt Service Funds	135,109	107,780	120,732	142,945	156,171	269,920	281,697	281,697	0	0
Capital Project Funds	1,465,274	519,727	582,865	558,361	345,598	235,258	165,891	146,510	0	0
Permanent Fund	66,864	75,649	76,174	81,610	86,207	90,256	86,415	87,613	0	0
<b>Nonspendable</b>										
Restricted									18,674	18,950
Assigned									1,686,944	1,674,006
Unassigned									26,673	26,673
									(107,390)	(153,132)
<b>Total All Other Governmental Funds</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>	<b>\$1,566,497</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 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$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	\$17,743,250
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	92,764	96,184	96,880
Tuition and Fees	15,138	76,161	78,315	475,684	701,787	703,259	1,037,870	1,293,012	1,152,390	1,091,477
Investment Earnings	165,834	88,501	188,216	375,605	497,826	350,636	131,761	40,751	64,347	38,593
Intergovernmental	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	28,730,119
Extracurricular Activities	301,273	250,147	265,631	257,721	271,084	236,953	215,229	224,471	217,955	253,148
Charges for Services	0	0	0	637,528	631,607	565,621	500,573	469,603	419,837	326,882
Other Revenues	1,029,049	515,760	542,372	728,151	1,231,978	806,795	820,605	797,163	253,178	483,921
Total Revenues	\$40,758,398	\$38,680,977	\$43,721,191	\$48,497,061	\$49,125,317	\$50,192,042	\$50,611,678	\$50,842,363	\$50,769,704	\$48,764,270

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	\$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	\$31,433,897
Pupil	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	1,873,481
Instructional Staff	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	2,737,651
General Administration	202,519	200,544	290,483	262,873	251,748	225,384	219,506	274,123	237,888	194,969
School Administration	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	2,850,302
Fiscal	661,892	751,115	750,121	774,424	800,062	849,145	795,071	714,646	802,536	767,150
Business	231,606	157,280	165,455	166,666	179,790	170,505	164,658	198,493	156,735	154,978
Operation and Maintenance	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	3,243,341
Pupil Transportation	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	1,711,856
Central	464,240	639,614	613,444	723,054	846,349	892,227	942,876	1,162,619	1,332,429	1,335,052
Operation of Non-Instructional Services	164,257	154,312	325,029	2,814,713	3,133,310	3,464,353	3,012,506	2,925,210	2,678,475	2,846,582
Extracurricular Activities	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	1,057,148
Intergovernmental Pass-through	501,876	483,133	475,587	425,781	466,094	0	0	0	0	0
Capital Outlay	2,359,729	1,630,296	577,370	1,334,529	899,370	807,741	783,844	773,940	412,540	463,250
Debt Service										
Principal Retirement	265,648	368,346	358,226	484,516	476,908	456,362	386,275	211,285	192,320	203,714
Interest and Fiscal Charges	75,847	102,414	76,618	69,354	63,618	45,198	27,431	56,430	47,986	49,997
Bond Issuance Costs	42,032	0	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$41,991,299</b>	<b>\$42,296,855</b>	<b>\$41,948,112</b>	<b>\$49,695,909</b>	<b>\$49,412,163</b>	<b>\$50,226,251</b>	<b>\$50,156,735</b>	<b>\$51,250,660</b>	<b>\$51,769,195</b>	<b>\$50,923,368</b>

Debt Service as a Percentage of Noncapital Expenditures      0.92%      1.12%      1.05%      1.12%      1.10%      1.01%      0.83%      0.53%      0.47%      0.50%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses):										
Issuance of Capital Leases	\$1,068,959	\$0	\$0	\$474,690	\$0	\$0	\$0	\$516,633	\$0	\$674,475
Accrued Interest on Sale of Bonds	2,156	0	0	0	0	0	0	0	0	0
Premium on Bonds Sold	79,749	0	0	0	0	0	0	0	0	0
Proceeds From Sale of Bonds	1,090,000	0	0	0	0	0	0	0	0	0
Payment To Refunding Bond Escrow Agent	(1,277,717)	0	0	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	3,689	1,227	300	5,055	133,897	0	15,371	96	2,138	1,630
Transfers In	0	40,000	0	40,000	0	166,354	0	56,952	271,377	75,000
Transfers (Out)	(25,000)	(65,000)	(2,250)	(40,000)	0	(166,354)	(26)	(56,952)	(271,377)	(75,000)
Total Other Financing Sources (Uses)	941,836	(23,773)	(1,950)	479,745	133,897	0	15,345	516,729	2,138	676,105
Net Change in Fund Balances	(\$291,065)	(\$3,639,651)	\$1,771,129	(\$719,103)	(\$152,949)	(\$34,209)	\$470,288	\$108,432	(\$997,353)	(\$1,482,993)

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
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
2011	470,895,600	0	14,018,140	484,913,740	1,385,467,829	76.91

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

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Calendar Year	District Direct Rates	Overlapping Rates		
		Erie County	City of Sandusky	Library
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	4.25	1.50
2011	76.91	8.80	4.25	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

2011		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$40,177,360	8.29%
Ohio Edison Company	10,499,620	2.17%
Norfolk & Western Railway Company	4,300,480	0.89%
Firelands Regional Medical Center	3,840,670	0.79%
Key Real Estate Ltd.	3,656,490	0.75%
S&S Realty Ltd.	3,456,310	0.71%
Columbia Gas of Ohio	2,414,260	0.50%
Myers Industries Inc.	2,306,800	0.48%
Providence Residential Community Corp.	2,074,890	0.43%
CNL Income Sandusky Marina LLC	1,995,010	0.41%
	<u>\$74,721,890</u>	<u>15.42%</u>

2002		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$34,567,220	7.68%
S&S Realty Ltd.	3,448,880	0.77%
Firelands Regional Medical Center	3,138,510	0.70%
Norfolk & Western Railway Company	3,082,530	0.68%
Sandusky International, Inc	2,212,600	0.49%
Sandusky Housing Trust	1,994,040	0.44%
Fort James Operating Co.	1,834,980	0.41%
Sandusky Limited	1,834,440	0.41%
Hoty Marine Group	1,312,410	0.29%
Key Real Estate	1,307,890	0.29%
	<u>\$54,733,500</u>	<u>12.16%</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
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%
2011	20,271,460	18,904,661	93.26%	1,106,137	20,010,798	98.71%

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		Debt Service Fund Balance	General Bonded Debt Outstanding		Percentage of Estimated Actual Value of Taxable Property (1)	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Leases		Net General Obligation Bonds	Net General Obligation Bonds			
2003	\$1,090,000	\$1,019,779	\$166,847	\$923,153	\$923,153	0.07%	0.04%	\$33
2004	885,000	917,901	122,236	762,764	762,764	0.05%	0.03%	27
2005	695,000	811,143	146,035	548,965	548,965	0.04%	0.02%	20
2006	505,000	1,052,785	165,671	339,329	339,329	0.02%	0.01%	12
2007	320,000	822,345	209,513	110,487	110,487	0.01%	0.00%	4
2008	135,000	581,716	298,281	0	0	0.00%	0.00%	0
2009	0	330,441	281,697	0	0	0.00%	0.00%	0
2010	0	635,789	281,697	0	0	0.00%	0.00%	0
2011	0	443,469	11,895	0	0	0.00%	0.00%	0
2012	0	914,230	11,895	0	0	0.00%	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, 2012  
 Schedule 13

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Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Erie County	\$16,655,175	23.57%	\$3,925,625
Sandusky City	<u>20,814,023</u>	100.00%	<u>20,814,023</u>
Subtotal, Overlapping Debt	<u>37,469,198</u>		<u>24,739,648</u>
District Direct Debt	<u>914,230</u>	100.00%	<u>914,230</u>
Total Direct and Overlapping Debt	<u><u>\$38,383,428</u></u>		<u><u>\$25,653,878</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 2012

Assessed value (1)	\$484,913,740
Debt limit (9% of assessed value)	43,642,237
Debt applicable to limit	0
Debt Fund balance	0
Net Debt Applicable to Limit	0
Legal debt margin	\$43,642,237

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$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	\$43,642,237
Total Net Debt Applicable to Limit	923,153	762,764	548,965	339,329	110,487	0	0	0	0	0
Legal Debt Margin	\$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	\$43,642,237

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.28%	1.68%	1.19%	0.75%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2012 is calendar year 2011)

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

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Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
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	2,827,187	36,446	7.3%
2009	27,844	2,693,239	34,939	11.5%
2010	25,793	2,786,959	36,177	10.4%
2011	25,793	2,928,925	38,161	8.7%

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

Sandusky City School District, Ohio  
Major Employers (1)  
Current Fiscal Year and Two Fiscal Periods ago (2)  
Schedule 16

2012

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Cedar Fair/CedarPoint	Serv	(4)	(5)
Erie County Government	Govt	(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)
Kyklos Bearing Inc.	Mfg	(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 two years prior 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Certificated Staff Training										
Non-Degree	1	1	0	0	0	0	0	0	0	0
Bachelors Degree	86	58	50	52	40	32	39	39	19	15
Bachelors Degree +12	48	43	45	41	35	24	21	21	16	10
Bachelors Degree +24	104	88	75	84	80	88	72	72	64	52
Masters Degree	56	89	100	102	100	103	108	108	100	88
Masters Degree +12	25	31	36	40	44	44	48	48	62	54
Masters Degree +24	38	42	40	41	46	51	71	71	67	60
Total Certificated Staff Training	358	352	346	360	345	342	359	359	328	279

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administration:	31	31	30	30	30	29	25	25	27	27
Adult Education:	11	10	10	11	10	10	6	6	6	6
Certificated Staff:										
Teaching Staff:										
Preschool	4	4	4	4	4	5	5	6	5	5
Elementary School K-6	149	146	138	145	130	127	132	130	128	107
Jr. High School 7-8	54	49	46	41	47	45	43	48	34	40
High School 9-12	93	87	88	89	87	86	92	93	92	82
Tutors	26	26	31	45	41	44	26	26	27	15
Others	16	21	20	17	17	17	15	30	27	12
Auxiliary Positions:										
Counselors	9	10	10	10	10	9	9	9	9	8
Speech Therapists	4	5	5	5	5	5	5	4	4	6
Psychologists	3	4	4	4	4	4	4	4	4	4
<b>Total Certified Staff</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>	<b>279</b>
Support Staff:										
Secretarial	32	31	32	34	33	33	33	33	32	31
Teacher Aides	57	48	38	38	35	36	38	30	50	40
Technical	0	0	0	0	0	0	1	1	1	1
Cafeteria Workers	39	39	38	36	34	34	34	34	30	29
Custodial	37	40	36	35	32	31	30	30	29	24
Maintenance	4	4	4	4	4	4	4	4	4	4
Bus Driver	26	27	25	26	31	33	33	33	30	32
Mechanics	2	2	2	2	2	2	2	2	2	2
<b>Total Support Staff</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>163</b>
<b>Grand Total</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>	<b>475</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
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%
2012	3,811	50,256,404	51,587,516	8,346	1.14%	279	14	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



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

School Elementary:	Fiscal Year										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Campbell Elementary (1884/1991)	28,860	28,860	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)
Square feet	250	250	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)
Capacity	195	197	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)
Enrollment	78%	79%	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)
Percent of Capacity (1)											
Hancock Elementary (1923/1928/1931/1949/1966)	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223
Square feet	525	525	525	525	525	525	525	525	525	525	525
Capacity	335	344	342	336	320	323	324	327	327	327	349
Enrollment	64%	66%	65%	64%	61%	62%	62%	62%	62%	62%	66%
Percent of Capacity (1)											
Madison Elementary (1939/1991)	29,937	29,937	29,937	29,937	29,937	29,937	29,937	29,937	(3)	(3)	(3)
Square feet	250	250	250	250	250	250	250	250	(3)	(3)	(3)
Capacity	229	220	242	203	238	231	151	151	(3)	(3)	(3)
Enrollment	92%	88%	97%	81%	95%	92%	60%	60%	(3)	(3)	(3)
Percent of Capacity (1)											
Mills Elementary (1954/1991)	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605
Square feet	475	475	475	475	475	475	475	475	475	475	475
Capacity	301	301	295	278	317	304	288	333	333	305	305
Enrollment	63%	63%	62%	59%	67%	64%	61%	70%	70%	64%	64%
Percent of Capacity (1)											
Monroe Elementary (1894/1903/1991)	32,638	32,638	32,638	32,638	(2)	(3)	(3)	(3)	(3)	(3)	(3)
Square feet	325	325	325	325	(2)	(3)	(3)	(3)	(3)	(3)	(3)
Capacity	203	209	243	240	(2)	(3)	(3)	(3)	(3)	(3)	(3)
Enrollment	62%	64%	75%	74%	(2)	(3)	(3)	(3)	(3)	(3)	(3)
Percent of Capacity (1)											
Ontario Elementary (1952/1968)	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347	42,347
Square feet	500	500	500	500	500	500	500	500	500	500	500
Capacity	345	354	356	344	381	368	377	415	415	422	422
Enrollment	69%	71%	71%	69%	76%	74%	75%	83%	83%	84%	84%
Percent of Capacity (1)											

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	306	289	311	309	324	317	280	340	340	385
Percent of Capacity (1)	82%	77%	83%	82%	86%	85%	75%	91%	91%	103%
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	362	324	357	358	400	392	389	408	408	402
Percent of Capacity (1)	66%	59%	65%	65%	73%	71%	71%	74%	74%	73%
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	281	316	294	303	336	260	241	450	450	444
Percent of Capacity (1)	56%	63%	59%	61%	67%	52%	48%	90%	90%	89%
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	281	316	294	303	336	260	241	450	450	444
Percent of Capacity (1)	56%	63%	59%	61%	67%	52%	48%	90%	90%	89%
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	1,288	1,238	1,220	1,184	1,191	1,252	1,276	1,119	1,119	861
Percent of Capacity (1)	57%	55%	54%	53%	53%	56%	57%	50%	50%	38%
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	52	46	35	57	57	57	57	57	57	57
Percent of Capacity (1)	30%	26%	20%	33%	33%	33%	33%	33%	33%	33%

Source: District Records

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

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# 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 14, 2013**