

City of Sandusky  
Erie County, Ohio

*Reports Issued Pursuant to  
Government Auditing Standards  
And Uniform Guidance*

For the Year Ended  
December 31, 2015





# Dave Yost • Auditor of State

City Council  
City of Sandusky  
222 Meigs Street  
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of the City of Sandusky, Erie County, prepared by Rea & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

August 16, 2016

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**City of Sandusky**  
**Erie County, Ohio**  
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June 24, 2016

To the City Commission  
City of Sandusky  
Erie County, Ohio  
222 Meigs Street  
Sandusky, OH 44870

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2016, wherein we noted the City restated net position to account for the implementation of Governmental Accounting Standard Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*", and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*."

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Rea & Associates, Inc.*

Medina, Ohio



June 24, 2016

To the City Commission  
City of Sandusky  
Erie County, Ohio  
222 Meigs Street  
Sandusky, OH 44870

**Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

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

We have audited the City of Sandusky's, Erie County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

**Report on Internal Control over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2015, and have issued our report thereon dated June 24, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Rea & Associates, Inc.*

Medina, Ohio

CITY OF SANDUSKY  
ERIE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Direct</i>			
Community Development Block Grant - Entitlement Grants	N/A	14.218	\$ 760,297
<i>Passed Through Ohio Development Services Agency</i>			
Community Housing Impact Preservation	A-C-13-2DM-2 (2014)	14.239	187,088
	A-C-13-2DM-2 (2015)	14.239	92,144
Total Community Housing Impact Preservation			<u>279,232</u>
Total United States Department of Housing and Urban Development			<u>1,039,529</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
<i>Direct</i>			
Federal Transit Grant	N/A	20.507	255,197
Total Federal Transit Grant			<u>255,197</u>
<i>Passed Through Ohio Department of Transportation</i>			
Job Access - Reverse Commute Program	14-JARC-0022-071	20.516	64,796
	14-JARC-4022-071	20.516	35,343
	15-JARC-0022-071	20.516	47,957
	15-JARC-4022-071	20.516	26,381
	EHTA 0081	20.516	7,483
Total Job Access - Reverse Commute Program			<u>181,960</u>
Formula Grants for Rural Areas	TRANSIT 10539	20.509	40,263
	TRANSIT 10567	20.509	65,682
	TRANSIT 10568	20.509	94,479
	TRANSIT 10626	20.509	40,263
	TRANSIT 10734	20.509	102,500
	TRANSIT 10735	20.509	23,050
	TRANSIT 10756	20.509	23,050
	TRANSIT 10806	20.509	23,050
	TRANSIT 10876	20.509	50,000
	15 TRANSIT 10477	20.509	90,263
	TRANSIT 11018	20.509	33,488
	TRANSIT 11019	20.509	33,488
	TRANSIT 11066	20.509	33,488
	15-SCH-19	20.509	150
	15-SCH-22	20.509	167
	15-SCH-23	20.509	41
	15-SCH-24	20.509	137
	15-SCH-34	20.509	434
	TRANSIT 11283	20.509	25,806
	TRANSIT 11284	20.509	62,830
	TRANSIT 11285	20.509	36,724
Total Formula Grants for Rural Areas			<u>779,353</u>
Highway Planning and Construction	PID #79275	20.205	597,130
	PID #82672	20.205	1,232,720
	PID #90453	20.205	730,385
	PID #95653	20.205	239,333
Total Highway Planning and Construction	PID #85934	20.205	<u>4,733</u>
			<u>2,804,301</u>
Total United States Department of Transportation			<u>4,020,811</u>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
<i>Pass Through Ohio Department of Public Safety</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2012-JG-A02-6944A	16.738	12,796
Total United States Department of Justice			<u>12,796</u>
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Direct</i>			
Assistance to Firefighters Grant	EMW-2010-FH-00803	97.044	1,698
Total United States Department of Homeland Security			<u>1,698</u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<u>\$ 5,074,834</u>

The accompanying notes are an integral part of this Schedule

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Sandusky (City) under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C – SUBRECIPIENTS**

The City passes certain federal awards received from the United States Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of federal awards to subrecipients when paid in cash. Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant – Entitlement	14.218	\$ 244,798

The City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015 (Continued)**

**NOTE D – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and for economic development. The Federal Department of Housing and Urban Development (HUD) granted money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards when drawn from HUD. Loans repaid, including interest, are used to make additional loans. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property, business assets to include equipment, inventory and receivables, and personal assets. At December 31, 2015, the gross amount of loans outstanding under this program was \$681,169.

Activity in the CDBG revolving loan fund during 2015 is as follows:

Beginning loans receivable balance as of January 1, 2015:	\$ 743,110
Loans made:	63,500
Loan principal repaid on loans issued prior to 2015:	(125,441)
Loans written off:	<u>0</u>
Ending loan receivable balance as of December 31, 2015:	<u>\$ 681,169</u>
Ending loan receivable balance as of December 31, 2015:	\$ 681,169
Cash balance on hand in the revolving loan fund as of December 31, 2015:	537,193
Interest subsidies and administrative costs expended during 2015	<u>58,639</u>
<b>Total value of RLF portion of the CDBG 14.218 program</b>	<b>1,277,001</b>
Other grants administered through the 14.218 program	<u>760,297</u>
<b>Total CDBG 14.218 program</b>	<b><u>\$ 2,037,298</u></b>

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2015, the City estimates \$197,575 to be uncollectible.

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015 (Continued)**

**NOTE E – HOME REVOLVING LOAN PROGRAM**

The City has established a revolving loan program to provide low-interest loans to eligible persons to rehabilitate homes, for rental housing rehabilitation, and down payment assistance. HUD granted money for these loans to the City, passed through the Ohio Department of Development. The initial loan of this money would be recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are also included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2015, the gross amount of loans outstanding under this program was \$1,706,694. Loans written off are \$24,909.

**NOTE F – MATCHING REQUIREMENTS**

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

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
DECEMBER 31, 2015**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any internal control deficiencies reported for major programs which were not considered to be material?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
(d) (1) (vii)	Major Programs (list): Highway Planning and Construction Community Development Block Grant - Entitlement	CFDA #20.205 CFDA #14.218
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: > all others
(d) (1) (ix)	Low Risk Auditee under 2 CFR 200.520	Yes

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

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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NONE



**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR ENDED DECEMBER 31, 2015**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Noted Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
2014-001	ORC 57505.41 (B) & (D) - expenditures plus encumbrances exceeding appropriations	Yes	Corrected

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# **City of Sandusky, Ohio**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the year ended December 31, 2015**

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# Introductory

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# CITY OF SANDUSKY, OHIO

## COMPREHENSIVE

### ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015

Prepared By:

Department of Finance

Hank S. Solowiej, CPA  
Finance Director

Sally A. Poggiali  
Senior Accountant/Auditor

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Senior Accounting Clerk II

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Senior Accounting Clerk II

Lois Huff  
Senior Accounting Clerk II

Kaye L. Conway  
Senior Accounting Clerk II





**CITY OF SANDUSKY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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**DEPARTMENT OF FINANCE**  
**HANK S. SOLOWIEJ, CPA, FINANCE DIRECTOR**

222 Meigs Street  
Sandusky, Ohio 44870  
Phone (419) 627-5888  
Fax (419) 627-5892

June 24, 2016

To the City Commission and Citizens of Sandusky:

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2015, is herewith submitted. This report is prepared according to generally accepted accounting principles (GAAP). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by its financial activity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The City has a framework of internal controls established to insure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The independent public accountant has issued an unmodified opinion on the City of Sandusky's basic financial statements for the year ended December 31, 2015. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

The City of Sandusky, located in Erie County, is a home rule municipal corporation founded in 1818 under the laws of the State of Ohio and, as such, operates under its own Charter adopted in 1914. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of the State of Ohio. The City operates under the City Commission - City Manager form of government. The seven City Commissioners are elected at-large and serve four-year terms. The president of the City Commission serves as the Ex-Officio Mayor. For 2015, the City Manager, Finance Director, Law Director, and Clerk of Commission are appointed by, and serve at the pleasure of, the City Commission. However, on November 3, 2015, voters approved two changes to the City Charter involving the reporting structure for the Finance Director and Law Director. Effective January 1, 2016, these two positions report directly to the City Manager.

The City of Sandusky is ideally located. Sandusky Bay on Lake Erie is larger than any of Ohio's inland lakes and in conjunction with Lake Erie provides a wide spectrum of recreational activities to the citizens as well as to visitors. Sandusky is the largest city in Erie County and is the county seat. The population of the City of Sandusky is 25,793, based on the 2010 Census conducted by the U.S. Census Bureau.

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

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

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

Within commuting distance are several public and private two-year and four-year colleges and universities including Firelands College, University of Toledo, Bowling Green State University, Ohio Business College, and Lorain County Community College. Public education for grades K through 12 is provided by the Sandusky City School District whose boundaries are coterminous with those of the City.

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

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

The construction of several indoor waterpark resorts over the past several years has made the area a year round tourist destination. In 2001, Great Wolf Lodge completed the construction of a 271-room resort near the City with a 22,000 square foot indoor water amusement park. In 2004, Cedar Point completed construction of Castaway Bay, a 35,000 square foot indoor, year-round, waterpark. Castaway Bay is located at the entrance to the Cedar Point Causeway within the City. Finally, the Kalahari Resort and Convention Center, located near the City, opened in 2005 and includes an 80,000 square foot indoor waterpark. In 2011, Kalahari spent \$22 million to boost its existing convention space to 250,000 square feet, which increased the conference capacity from 2,200 people to 5,200 people, making it the largest independently owned convention center in the Midwest. In 2007, the Green Tree Inn on Cleveland Road opened another waterpark facility titled "The Rain". Further waterpark expansion was completed at the Green Tree Inn during 2008.

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

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

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

The City maintains a bond rating of Aa3 with Moody's Investor Services.

The City negotiates with three bargaining units: American Federation of State, County, and Municipal Employees Local No. 1519, the Fraternal Order of Police - Lodge No. 17, and the International Association of Fire Fighters - Local No. 327. Current agreements expired on December 31, 2015.

## **LOCAL ECONOMY**

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

During the past ten years, the unemployment rate (not seasonally adjusted) has fluctuated from a high of 12.4 percent in December 2009 to an estimated 5.9 percent in December 2015. The 2014 median family income for the City is an estimated \$45,208, compared to the County, State, and national medians of \$48,204, \$48,849, and \$53,482, respectively. The 2014 median value of owner-occupied housing units for the City is an estimated \$82,400, compared to the County, State, and national medians of \$131,900, \$129,600, and \$175,700, respectively.

## **LONG-TERM FINANCIAL PLANNING**

The City Commission approved the City Strategic Plan in February 2005. The Strategic Plan is a tool that is used by the City Commission and staff to guide decisions made on behalf of the citizens of the City. If maintained successfully, the strategy will result in growth and overall positive results in the City. The overall purpose of the Strategic Plan is making the City a place where people choose to live, work, and play.

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

- Development of Housing
- Development of Business
- Promotion of the City
- Relationships with Other Local Organizations
- Cultural Diversity
- Customer-Focused Organization

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

- Identify the general goal that it supports;
- Define the steps to complete the plan;
- Identify the City staff responsible for its completion;
- Contain an estimate of resources necessary to complete the plan;
- Contain a timeline;
- Contain an estimate of the impact;
- Define how success is measured.

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

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

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

The City will be updating its Comprehensive Master Plan along with the Strategic Plan in 2016. In addition, the City will be adopting a Bicentennial Vision Plan in 2016 that will guide City decisions as it prepares for its bicentennial celebration in 2018. Finally, the voters also approved changes to the City Charter on November 3, 2015, which became effective on January 1, 2016.

### **RELEVANT FINANCIAL POLICIES**

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

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

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



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

## MAJOR INITIATIVES

The City has a unique position as a tourist center due to the City's location on Sandusky Bay, with over twenty-two miles of shoreline within the City limits, and the location of Cedar Point Amusement Park within the City. Several years ago, the City enhanced its shoreline by entering into a development agreement with a private developer in order to implement improvements to the City's Battery Park Marina and adjacent park. These improvements included not only the marina and park, but also a restaurant and a break wall. Battery Park is now a successful commercial operation which has further enhanced the use of the City's waterfront. Further improvements to the City's waterfront include Shoreline Park which consists of shore protection, bridges, sidewalks, parking, a gazebo, playground equipment, landscaping, and lighting as well as the 1.7 mile Bay-Front Corridor, a linear park linking major attractions located on the City's central waterfront with a continuous walkway. In 1998, the City received a very generous donation (over \$1 million) from a long-time Sandusky benefactor to develop a plaza at the foot of Columbus Avenue as part of the Bay-Front Corridor development; that project was completed in 2000. All of these waterfront improvements are part of the Port Development Plan adopted by the City Commission in 1991 and updated in 1996.

Besides Battery Park Marina, there are other marinas which have developed over the last decade, including a \$5 million, 700 slip marina created from idle industrial space and a 210 slip marina complex completed by a local legal firm, which also erected a waterfront office center on that site. The Lyman Harbor Marina project rehabilitated an abandoned industrial site into a transient marina and entertainment complex and received tax abatement for its \$2.94 million project. There are over 8,000 slips available in the Sandusky Bay area.

Implementation of the Sandusky Bay Pathway Master Plan, which trails along the lakefront, began in 2004 with Phase 1 and Phase 2 construction beginning in 2005. The pathway provides a route that offers a means of exercise, relaxation, and access to public parks and facilities and provides a scenic view of the Sandusky Bay. Phase 3 was completed during 2009 with the assistance of a grant through the Ohio Department of Natural Resources Recreational Trails Program.

Cedar Point, a 364-acre amusement and theme park, is located on a peninsula extending into Lake Erie from the City. Developed as a resort area in 1870, Cedar Point is open daily from early May to early October, attracting in excess of 3 million visitors each season to its numerous rides and attractions. Cedar Point also includes a recreational vehicle area, marina, restaurants, and hotels with a combined capacity of almost 1,100 beds, which are open during Cedar Point's season. A water park attraction, with a separate entrance, is included at the park as well as "Challenge Park", with miniature golf, bungee jumping, and grand prix racing. Cedar Point employs 3,700 seasonal employees, primarily college students, and approximately 400 year-round employees.

Significant capital expenditures on new attractions are made every year at Cedar Point. These expenditures have aggregated over \$85 million during the last few years. Cedar Point opened "Breakers Express" hotel in 2001. In 2003, they opened another new roller coaster, its 16th; called the "Top Thrill Dragster", it is one of the tallest and fastest in the world. In 2004, they completed their first year-round attraction - Castaway Bay Indoor Water Park Resort. In 2005, Cedar Point unveiled "maXair". In 2006, Cedar Point added a world-record-breaking thrill ride - "Skyhawk.", the tallest ride of its kind in the world, standing 103 feet above the ground and featuring two giant swinging arms.

In 2007, Cedar Point added its 17th roller coaster, “Maverick”. The addition of this coaster gave the park more scream machines than any park in the world. Maverick’s cost of approximately \$21 million makes it one of the single largest investments in the park’s 137-year history. In 2008, capital improvements included a new children’s area featuring seven rides and a family lounge area. This area replaced the former Peanuts Playground. In addition, a new corporate headquarters building was constructed adjacent to the current corporate office. In 2009, the \$1 million Starlight Experience, a nighttime LED light extravaganza with floats themed to the four seasons was added. In 2010, Cedar Point added “Shoot the Rapids,” a new flume ride located on the park’s Frontier Trail. This was a \$10.5 million investment. For the 2011 season, Cedar Point debuted the new ride “WindSeeker,” a 301-foot tall tower that spins riders almost thirty stories high along the shoreline of Lake Erie. “WindSeeker” was a \$5 million investment by Cedar Point. In 2012, Cedar Point invested \$1 million in the “Dinosaurs Alive!” attraction. This attraction is located on four acres on the wooded island that is located in the lagoons toward the back of the park. The attraction is multi-sensory and interactive as guests can see approximately fifty life-size dinosaurs that roar and move. In 2013, Cedar Point introduced another record-breaking coaster. Named “GateKeeper”, this winged roller coaster is the longest winged roller coaster in the world and boasts the longest drop of any winged coaster on the planet. With the addition of “GateKeeper” and the redesign to the park’s main entrance, Cedar Point invested approximately \$30 million on improvements for the 2013 season. For the 2014 season, Cedar Point added Pipe Scream and Lake Erie Eagles, two new family rides which will be located in the Gemini Midway near the back of the park. In addition, a two-year renovation project of the historical Hotel Breakers began during the winter of 2013. Phase one included upgrading a portion of the exterior of Hotel Breakers. Phase two took place over the 2014-2015 winter season and included both interior and exterior renovations. In 2015, Cedar Point introduced a dynamically new roller coaster riding experience when it unleashed “Rougarou.” Rougarou, named after a terrifying werewolf-like creature in French folklore, features floorless trains that reach speeds up to sixty miles per hour as riders feet dangle inches above the track and murky waters below. The 2016 season will feature another record breaking roller coaster at Cedar Point as it introduces the world’s tallest, fastest, and longest dive coaster named “Valravn.” Valravn will feature a completely vertical 90-degree angle drop and reach a top speed of seventy-five miles per hour. Valravn will shatter an astonishing ten world records when it debuts in 2016 and will be a \$25 million investment by Cedar Point.

In 2004, the Firelands Regional Medical Center began planning for a construction project to ease parking constraints, to expand capacity for increasing admissions and outpatient visits, and to focus concerns on one of the top health issues in Sandusky and Erie County, the prevention and treatment of cancer. A 600-space parking garage, which features free parking, was completed and opened in December 2005. Firelands Professional Center I, which houses the new Cancer Center along with physician offices, opened in August 2006. Firelands Regional Medical Center’s East Tower opened in spring 2008. The building features a new main entrance and lobby, complete with a gift shop and cafe, registration services, financial counseling, pre-surgical testing, the cashier’s office, centralized scheduling, the clergy’s office, and the Heart Institute, all on the first floor. In addition, the emergency services department has expanded and is connected to the tower’s first floor. Thirteen state-of-the-art operating room suites, specifically equipped for open heart, vascular, orthopedic, neurological, and general surgery, are located on the second floor along with recovery bays and private consultation rooms for surgeons to meet with family members. The third and fourth floors house private patient rooms. In February 2013, Firelands Regional Medical Center announced construction on the renovation and relocation of its inpatient rehabilitation unit. The \$6.5 million project includes 25,826 square feet of space located on the fifth floor of the hospital’s patient tower at the Main Campus facility.

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

The City has established a number of programs to encourage economic development, including the Sandusky Revolving Loan Program. The City has maintained its Labor Surplus Area Designation and its Impacted City Certification by the State Department of Development. These designations help the City provide additional economic development tools for use with manufacturing and commercial development projects. The City has negotiated with new and existing businesses to help them locate or expand within the City using these and other City and State development tools and incentives. In the past several years, the City has provided support to local businesses by selling over twenty acres of business park land to local companies. A number of businesses were able to expand because of tax abatements that the City and the School District provided and the availability of City revolving loan funds.

The City purchased the Chesapeake Building in 1999 and also adopted an urban renewal plan to revitalize about forty acres of the waterfront, including the Chesapeake property, and that area is now referred to as the “Paper District”. In 2002, the Bay-Front Corridor Committee was established to act as an advisory committee on the selection of a developer. They received proposals from six developers and selected Mid-States Development Corporation (Mid-States) to develop certain properties. The City received a State grant to pay for acquisition, environmental cleanup, and demolition of part of the project site and also issued urban revitalization notes for that purpose. Mid-States redeveloped the Chesapeake Building into 190 condominium units a few years ago; thereafter, the development agreement with Mid-States was terminated in March 2009. Construction on a lighted public concrete walkway around the Chesapeake Building was completed in 2009 and a sixty-two slip transient public marina and amphitheater was completed in 2011. The City issued \$2,500,000 in urban renewal temporary revenue bonds in 2012 to provide resources to pay for a portion of that project. Debt charges on that financing are expected to be met from “urban renewal service payments” (commonly referred to as “payments in lieu of taxes”) from this redevelopment. In 2013, urban renewal revenue bonds were issued to retire the temporary bonds. The urban renewal bonds will be retired over a seven-year period.

In 2010, the City invested over \$137,000 for the installation of an 18,720 watt commercial solar system on the roof of the City’s greenhouse. The Solar Array panel system consists of seventy-eight panels at 240-watts each that will provide up to 70 percent of the greenhouse’s energy needs. A portion of this project was funded by a grant through the Ohio Department of Development.

Construction of a new Holiday Inn Express began in late 2014. The project included demolition of the north wing of the Quality Inn and features a new five story, seventy-three room hotel. The total project investment was approximately \$6,000,000 and was completed in early 2016.

On November 4, 2014, voters approved an income tax increase of 0.25 percent to pay for designated City services and functions. The City Commission also approved an admissions tax increase of 1 percent, effective on January 1, 2015.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-fourth time a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandusky for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "H.S. Solowiej".

Hank S. Solowiej, CPA  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

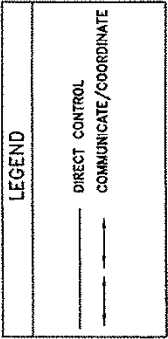
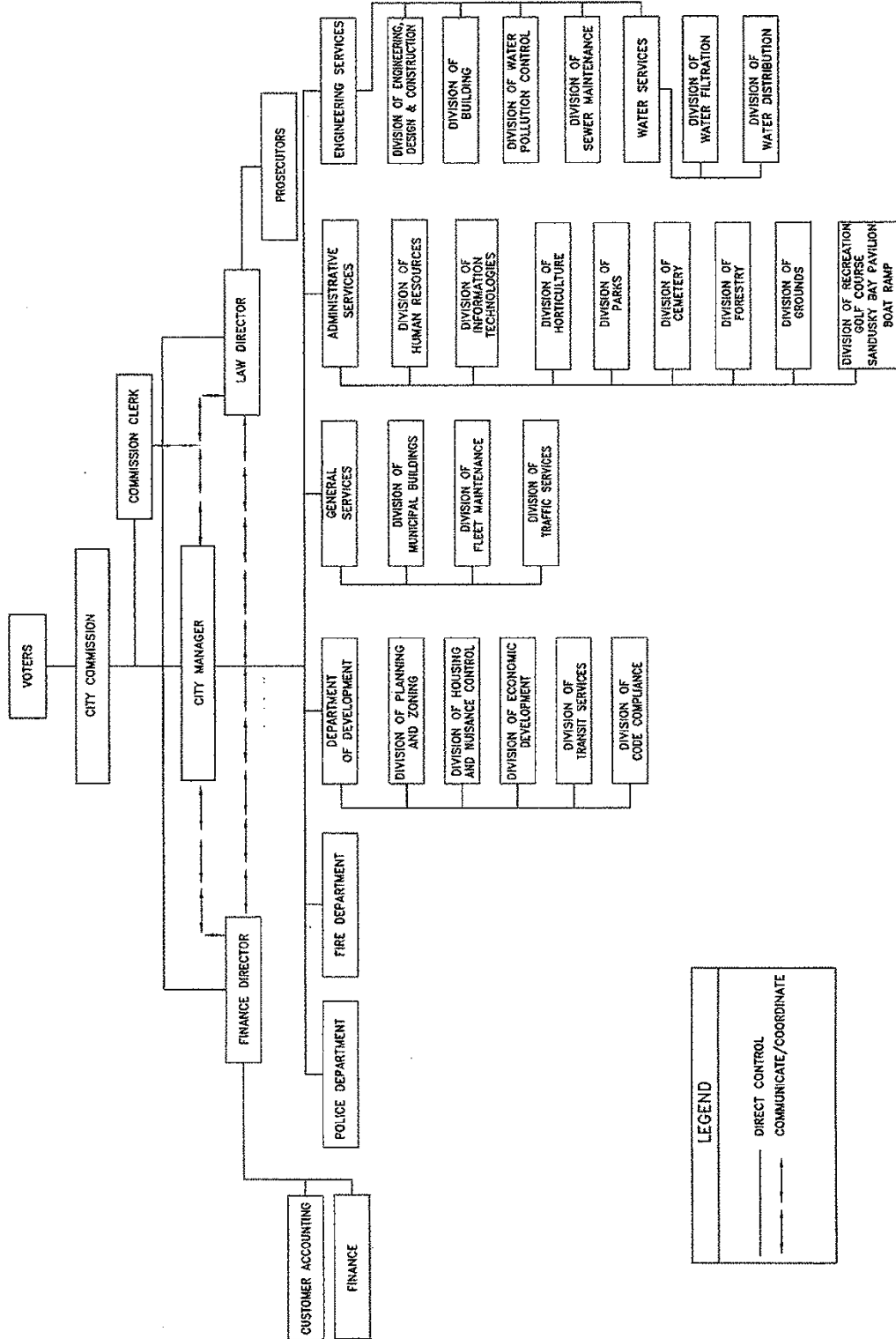
**City of Sandusky  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

# ORGANIZATIONAL CHART City of Sandusky



CITY OF SANDUSKY, OHIO

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ELECTED PUBLIC OFFICIALS  
December 31, 2015

**CITY COMMISSION**

Dennis E. Murray, Jr.  
President/Ex-Officio Mayor  
Term Expires 12-31-17  
First took office 01-01-14

Richard R. Brady  
Vice-President  
Term Expires 12-31-17  
First took office 01-01-14

Naomi R. Twine  
Term Expires 12-31-17  
First took office 01-01-14

Julie A. Farrar  
Term Expires 12-31-15  
First took office 01-01-08

Jeffrey S. Smith  
Term Expires 12-31-15  
First took office 01-01-12

Scott J. Schell  
Term Expires 12-31-15  
First took office 03-10-14

C. Wesley Poole  
Term Expires 12-31-15  
First took office 01-01-12

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APPOINTED OFFICIALS  
December 31, 2015

**CITY MANAGER**

Eric L. Wobser

**FINANCE DIRECTOR**

Hank S. Solowiej, CPA

**LAW DIRECTOR**

Donald C. Icsman

**CLERK OF COMMISSION**

Kelly Kresser





# Financial

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June 24, 2016

To the City Commission  
City of Sandusky  
Erie County, Ohio  
222 Meigs Street  
Sandusky, OH 44870

## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of a Matter***

As described in Note 3, the City restated the net position balance to account for the implementation of Governmental Accounting Standard Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*", and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*." Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of the City's Proportionate Share of the Net Pension Liability, and Schedules of the City's Contributions on pages 5-13, 83-84, and 85-87, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Medina, Ohio



**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
Unaudited

The discussion and analysis of the City of Sandusky's financial performance provides an overview of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

**HIGHLIGHTS**

Highlights for 2015 are as follows:

In total, the City's net position increased \$3,164,388, or 4 percent from the prior year. The increase for governmental activities was almost 14 percent while business-type activities decreased less than 1 percent.

The City's Water and Sewer enterprise funds had operating income in 2015, indicating operating revenues are currently sufficient to cover operating expenses. Rates in the Water and Sewer enterprise funds have generally kept these funds with positive operating income; the City increased rates for both water and sewer in 2015, the first rate increases since 2003.

**USING THIS ANNUAL REPORT**

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

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

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

**REPORTING THE CITY AS A WHOLE**

The statement of net position and the statement of activities reflect how the City did financially during 2015. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2015  
Unaudited

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

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

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

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

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

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

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

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



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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net position for 2015 and 2014.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and Other Assets	\$25,080,742	\$24,526,982	\$10,901,242	\$12,931,399	\$35,981,984	\$37,458,381
Capital Assets, Net	45,963,068	44,740,822	86,111,624	87,155,101	132,074,692	131,895,923
Total Assets	71,043,810	69,267,804	97,012,866	100,086,500	168,056,676	169,354,304
<b>Deferred Outflows of Resources</b>						
Deferred Charge on Refunding	484,609	550,455	0	0	484,609	550,455
Pension	2,630,911	1,751,321	596,624	398,204	3,227,535	2,149,525
Total Deferred Outflows of Resources	3,115,520	2,301,776	596,624	398,204	3,712,144	2,699,980
<b>Liabilities</b>						
Current and Other Liabilities	4,921,362	4,937,948	1,636,570	1,648,593	6,557,932	6,586,541
Long-Term Liabilities						
Pension	20,014,412	18,938,016	3,264,522	3,190,788	23,278,934	22,128,804
Other Amounts	16,710,796	18,879,879	43,959,971	46,494,222	60,670,767	65,374,101
Total Liabilities	41,646,570	42,755,843	48,861,063	51,333,603	90,507,633	94,089,446
<b>Deferred Inflows of Resources</b>						
Pension	57,350	0	57,352	0	114,702	0
Other Amounts	2,747,176	2,729,917	0	0	2,747,176	2,729,917
Total Deferred Inflows of Resources	2,804,526	2,729,917	57,352	0	2,861,878	2,729,917
<b>Net Position</b>						
Net Investment in Capital Assets	35,774,016	32,986,487	42,898,225	41,477,719	78,672,241	74,464,206
Restricted	10,360,424	10,778,812	0	0	10,360,424	10,778,812
Unrestricted (Deficit)	(16,426,206)	(17,681,479)	5,792,850	7,673,382	(10,633,356)	(10,008,097)
Total Net Position	\$29,708,234	\$26,083,820	\$48,691,075	\$49,151,101	\$78,399,309	\$75,234,921

During 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions", which significantly revises accounting for pension costs and liabilities. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB Statement No. 68, the net pension liability equals the City's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

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GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB Statement No. 68, the City is reporting a net pension liability and deferred outflows/inflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$95,214,200 to \$75,234,921.

Net position for governmental activities increased 14 percent from the prior year, although the above table reflects few changes of any significance. Within current and other assets, there was an increase in cash and cash equivalents of \$1.2 million due to an increase in the municipal income tax rate and a new admissions tax bringing in additional revenue. This increase is also reflected in the increase in unrestricted net position. The increase in the municipal income tax rate also resulted in a larger receivable at year end than in the prior year. These increases, however, were partially offset with a decrease in the receivable for special assessments due to the assessments being paid down and/or paid off. The only other change of note is the decrease in other long-term liabilities due to the retirement of debt. This reduction also contributed to the increase in the net investment in capital assets.

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Net position for business-type activities decreased less than 1 percent from the prior year; however, there were several significant changes. Note the \$2 million decrease in current and other assets and similar decreases in other long-term liabilities and unrestricted net position primarily due to the retirement of debt. The decrease in net capital assets is due to annual depreciation expense; however, the net investment in capital assets increased due to the retirement of the related debt.

Table 2 reflects the change in net position for 2015 and 2014.

Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$4,312,973	\$4,095,173	\$12,546,343	\$10,980,217	\$16,859,316	\$15,075,390
Operating Grants, Contributions, and Interest	2,947,200	3,789,724	0	0	2,947,200	3,789,724
Capital Grants and Contributions	3,262,302	1,512,023	14,000	113,852	3,276,302	1,625,875
Total Program Revenues	10,522,475	9,396,920	12,560,343	11,094,069	23,082,818	20,490,989
General Revenues						
Property Taxes	2,211,939	2,014,649	0	0	2,211,939	2,014,649
Payment in Lieu of Taxes	565,102	569,888	0	0	565,102	569,888
Municipal Income Taxes	11,126,894	7,297,336	0	0	11,126,894	7,297,336
Other Local Taxes	4,950,083	3,878,441	0	0	4,950,083	3,878,441
Franchise Taxes	394,181	387,086	0	0	394,181	387,086
Grants and Entitlements not Restricted to Specific Programs	798,901	806,031	0	0	798,901	806,031
Interest	182,148	239,432	1,215	948	183,363	240,380
Other	1,166,975	900,535	171,105	204,243	1,338,080	1,104,778
Total General Revenues	21,396,223	16,093,398	172,320	205,191	21,568,543	16,298,589
Total Revenues	31,918,698	25,490,318	12,732,663	11,299,260	44,651,361	36,789,578
<u>Program Expenses</u>						
Security of Persons and Property						
Police	5,668,020	5,347,693	0	0	5,668,020	5,347,693
Fire	6,368,780	5,940,342	0	0	6,368,780	5,940,342
Other	267,254	271,810	0	0	267,254	271,810
Public Health	315,232	308,648	0	0	315,232	308,648
Leisure Time Activities	639,183	542,957	0	0	639,183	542,957
Community Environment	2,968,448	4,315,542	0	0	2,968,448	4,315,542
Transportation	6,192,685	6,107,625	0	0	6,192,685	6,107,625
General Government						
Municipal Court	982,558	1,057,957	0	0	982,558	1,057,957
Other	4,031,589	3,452,889	0	0	4,031,589	3,452,889
Interest and Fiscal Charges	886,182	844,566	0	0	886,182	844,566
Water	0	0	5,657,845	5,976,511	5,657,845	5,976,511
Sewer	0	0	7,509,197	7,193,792	7,509,197	7,193,792
Total Expenses	28,319,931	28,190,029	13,167,042	13,170,303	41,486,973	41,360,332

(continued)

**CITY OF SANDUSKY**  
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Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Increase (Decrease) in Net Position before Transfers	\$3,598,767	(\$2,699,711)	(\$434,379)	(\$1,871,043)	\$3,164,388	(\$4,570,754)
Transfers	25,647	(285,706)	(25,647)	285,706	0	0
Increase (Decrease) in Net Position	3,624,414	(2,985,417)	(460,026)	(1,585,337)	3,164,388	(4,570,754)
Net Position Beginning of Year	26,083,820	n/a	49,151,101	n/a	75,234,921	n/a
Net Position End of Year	<u>\$29,708,234</u>	<u>\$26,083,820</u>	<u>\$48,691,075</u>	<u>\$49,151,101</u>	<u>\$78,399,309</u>	<u>\$75,234,921</u>

The information necessary to restate the 2014 beginning balance and the 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$2,149,525 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned adjusted by deferred outflows/inflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, 2015 statements report pension expense of \$2,344,082. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed.

Total 2015 Program Expenses under GASB Statement No. 68	\$41,486,973
Pension Expense under GASB Statement No. 68	(2,344,082)
2015 Contractually Required Contribution	2,157,260
Adjusted 2015 Program Expenses	<u>41,300,151</u>
Total 2014 Program Expenses under GASB Statement No. 27	<u>(41,360,332)</u>
Decrease in Program Expenses not Related to Pension	<u><u>(\$60,181)</u></u>

For governmental activities, program revenues increased 12 percent from the prior year. A decrease in transit system related grants led to a decrease in operating grants and contributions; however, this was more than offset by an increase in grants from the Ohio Department of Transportation increasing capital grants and contributions. Most general revenue sources were similar to the prior year; the exceptions being the increase in municipal income taxes and other local taxes. There was a .25 percent increase in the municipal income tax rate and a 1 percent admissions tax that become effective on January 1, 2015. Governmental activities expenses increased less than 1 percent from the prior year, not a significant change. The decrease in the community environment program was related to additional costs in the prior year for building demolition and brownfields rehabilitation.

The City's business-type activities are largely funded through charges for services which increased significantly from the prior year due to rate increases for both water and sewer utilities. Expenses were very similar to the prior year. Despite the increase in revenues and the negligible change in expenses from the prior year, net position decreased slightly in 2015.

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

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Security of Persons and Property				
Police	\$5,668,020	\$5,347,693	\$5,279,256	\$4,892,330
Fire	6,368,780	5,940,342	5,356,123	4,978,957
Other	267,254	271,810	267,254	271,810
Public Health	315,232	308,648	181,744	199,674
Leisure Time Activities	639,183	542,957	337,097	226,661
Community Environment	2,968,448	4,315,542	1,505,645	2,449,205
Transportation	6,192,685	6,107,625	387,329	1,841,111
General Government				
Municipal Court	982,558	1,057,957	(195,247)	(117,207)
Other	4,031,589	3,452,889	3,792,073	3,206,002
Interest and Fiscal Charges	886,182	844,566	886,182	844,566
Total Expenses	<u>\$28,319,931</u>	<u>\$28,190,029</u>	<u>\$17,797,456</u>	<u>\$18,793,109</u>

It should be noted that for all governmental activities, 63 percent of the costs for services in 2015 were provided for through general revenues (compared to 67 percent in 2014), that being primarily property taxes, municipal income taxes, tourism taxes, and State shared revenues.

Although the dependence on general revenues is substantial, there are several programs which were supported through program revenues in 2015. Program revenues received for the leisure time activities program covered 47 percent of the expenses of this program. The majority of these revenues are generated by charges for services in the City's park and recreation programs. Community environment activities received 49 percent of its support through program revenues in 2015. This is primarily the result of various community development block grant programs. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating grants in the form of state levied motor vehicle license fees and gas taxes.

The negative net cost of services for the Municipal Court indicates that program revenues are sufficient to cover the costs of these programs. Under Ohio Law, judges can establish restricted accounts to offset programs of the court. As such, there are various court related funds that provide for certain court activities. The combined operations of the court resulted in the \$195,247 negative net cost of services; however, revenues generated from these other restricted accounts established by the judges are not available to offset the day to day cost of running the court paid from the General Fund.

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**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The City's major governmental funds are the General Fund, the General Bond Retirement debt service fund, and the Capital Projects capital projects fund. There was a 14 percent increase in fund balance in the General Fund. Revenues increased over \$4.1 million (25 percent) due largely to the .25 percent increase in municipal income taxes and the 1 percent admissions tax (other local taxes). Expenditures increased \$1.3 million (almost 9 percent overall) with modest increases in all programs.

Fund balance increased \$84,509 in the General Bond Retirement debt service fund, not a significant change.

The Capital Projects capital projects fund had a significant increase in fund balance, going from a negative balance in the prior year to a balance of \$892,557 at the end of 2015. This was due to grant resources received in 2015 for various projects. Note there was also a substantial increase in expenditures in 2015 due to these projects.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

The City's enterprise funds consist of the Water and Sewer funds. Both the Water and Sewer Funds had an operating income for the year although both funds had a modest decrease in net position due to interest payments on debt.

For the Water Fund, both revenues and expenses were similar to the prior year (slight increase in revenues and slight decrease in expenses). Water rates were increased in 2015 for both the base rate (\$2.31 increase) and the per cubic foot rate (\$1.07 increase). This was the first rate increase since 2003.

For the Sewer Fund, charges for services revenue increase substantially due to the increase in the base rate (\$3.94 increase) and the per cubic foot rate (\$2.23 increase). This was the first rate increase since 2003. Expenses increased almost 9 percent with the most significant increases in personal costs and contractual services.

**BUDGETARY HIGHLIGHTS**

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute. The annual appropriations ordinance cannot be adopted prior to the second Monday in January of each year per City Charter. The City approves a temporary appropriations ordinance until the annual appropriations are approved. The City's most significant budgeted fund is the General Fund. For revenues, there was little change from the original budget to the final budget as well as from the final budget to actual revenues. The same is true for expenditures.

The General Fund supports many of the City's major activities such as the Police Department and Fire Department as well as most general government operations.

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets - The City's net investment in capital assets for governmental and business-type activities as of December 31, 2015, was \$35,324,559 and \$42,898,225, respectively. The primary additions for governmental activities included ongoing construction (mainly street reconstruction and resurfacing projects). The primary additions for the business-type activities were related to water treatment plant improvements, wastewater treatment plant improvements, and water and sewer line improvement/replacement. Disposals were minimal for both governmental and business-type activities. For further information on the City's capital assets, refer to Note 12 to the basic financial statements.

Debt - At December 31, 2015, the City had \$2,350,000 in bond anticipation notes payable from governmental activities. The City also has a number of long-term obligations outstanding. These obligations included \$10,713,509 in general obligation bonds, \$1,580,000 in revenue bonds, \$2,356,309 in special assessment bonds, \$1,500,000 in general obligation revenue bonds, \$41,713,399 in Ohio Water Development Authority loans, and \$351,262 in other long-term loans. Of these total long-term obligations, \$43,348,015 will be repaid from business-type activities.

During 2015, the City Commission authorized the issuance of \$2,350,000 in bond anticipation notes. The 2015 various improvement notes were issued to partially retire notes previously issued for various purposes. The City also had a current refunding of outstanding general obligation bonds, in the amount of \$7,549,069, and special assessment bonds, in the amount of \$180,931.

In addition to the debt discussed above, the City's long-term obligations also includes the net pension liability and compensated absences. For further information on the City's debt, refer to Notes 19 and 20 to the basic financial statements.

**CURRENT ISSUES**

In November 2014, the voters approved a .25 percent income tax increase to pay for designated City services and functions. The City Commission also approved a 1 percent admissions tax increase effective on January 1, 2015.

The City continued to work on the Bicentennial Vision/Strategic Plan throughout 2015 and focused on five priority areas that will be targeted in upcoming years: Vibrant City, Livable City, Connected City, Destination City, and Celebrated City. The Plan was adopted by the City Commission in January 2016.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Hank S. Solowiej, CPA, Finance Director, 222 Meigs Street, Sandusky, Ohio 44870.

City of Sandusky  
Statement of Net Position  
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$12,132,964	\$7,094,194	\$19,227,158
Cash and Cash Equivalents in Segregated Accounts	28,633	0	28,633
Accounts Receivable	513,332	1,608,298	2,121,630
Accrued Interest Receivable	29,718	0	29,718
Due from Other Governments	1,384,804	986,503	2,371,307
Municipal Income Taxes Receivable	2,728,228	0	2,728,228
Other Local Taxes Receivable	51,477	0	51,477
Materials and Supplies Inventory	262,811	1,212,247	1,475,058
Property Taxes Receivable	2,421,990	0	2,421,990
Payment in Lieu of Taxes Receivable	575,490	0	575,490
Notes Receivable	2,319,788	0	2,319,788
Special Assessments Receivable	2,631,507	0	2,631,507
Nondepreciable Capital Assets	14,311,107	3,075,193	17,386,300
Depreciable Capital Assets, Net	31,651,961	83,036,431	114,688,392
<b>Total Assets</b>	<b>71,043,810</b>	<b>97,012,866</b>	<b>168,056,676</b>
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding Pension	484,609	0	484,609
	2,630,911	596,624	3,227,535
<b>Total Deferred Inflows of Resources</b>	<b>3,115,520</b>	<b>596,624</b>	<b>3,712,144</b>
<u>Liabilities</u>			
Accrued Wages Payable	499,704	151,886	651,590
Accounts Payable	414,139	373,411	787,550
Contracts Payable	1,060,579	110,204	1,170,783
Due to Other Governments	461,792	160,374	622,166
Accrued Interest Payable	53,807	840,695	894,502
Notes Payable	2,350,000	0	2,350,000
Retainage Payable	81,341	0	81,341
Long-Term Liabilities			
Due Within One Year	2,433,687	2,720,157	5,153,844
Due in More Than One Year			
Net Pension Liability	20,014,412	3,264,522	23,278,934
Other Amounts Due in More Than One Year	14,277,109	41,239,814	55,516,923
<b>Total Liabilities</b>	<b>41,646,570</b>	<b>48,861,063</b>	<b>90,507,633</b>
<u>Deferred Inflows of Resources</u>			
Property Taxes	2,171,686	0	2,171,686
Payment in Lieu of Taxes	575,490	0	575,490
Pension	57,350	57,352	114,702
<b>Total Deferred Inflows of Resources</b>	<b>2,804,526</b>	<b>57,352</b>	<b>2,861,878</b>

(continued)



City of Sandusky  
Statement of Net Position  
December 31, 2015  
(continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Net Position</u>			
Net Investment in Capital Assets	\$35,774,016	\$42,898,225	\$78,672,241
Restricted for			
Capital Projects	3,812,217	0	3,812,217
Debt Service	1,076,680	0	1,076,680
Other Purposes			
Street Maintenance	671,240	0	671,240
State Grants	2,618,076	0	2,618,076
Federal Grants	122,759	0	122,759
Court Operations	778,753	0	778,753
Park Operations	198,049	0	198,049
Cemetery Operations	660,097	0	660,097
Other	422,553	0	422,553
Unrestricted (Deficit)	<u>(16,426,206)</u>	<u>5,792,850</u>	<u>(10,633,356)</u>
Total Net Position	<u>\$29,708,234</u>	<u>\$48,691,075</u>	<u>\$78,399,309</u>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Activities  
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$5,668,020	\$313,471	\$75,293	\$0
Fire	6,368,780	943,899	28,758	40,000
Other	267,254	0	0	0
Public Health	315,232	133,488	0	0
Leisure Time Activities	639,183	275,402	16,488	10,196
Community Environment	2,968,448	151,613	825,046	486,144
Transportation	6,192,685	1,153,575	1,936,567	2,715,214
General Government				
Municipal Court	982,558	1,113,257	64,548	0
Other	4,031,589	228,268	500	10,748
Interest and Fiscal Charges	886,182	0	0	0
<b>Total Governmental Activities</b>	<b>28,319,931</b>	<b>4,312,973</b>	<b>2,947,200</b>	<b>3,262,302</b>
<u>Business-Type Activities</u>				
Water	5,657,845	5,327,914	0	10,000
Sewer	7,509,197	7,218,429	0	4,000
<b>Total Business-Type Activities</b>	<b>13,167,042</b>	<b>12,546,343</b>	<b>0</b>	<b>14,000</b>
<b>Total</b>	<b>\$41,486,973</b>	<b>\$16,859,316</b>	<b>\$2,947,200</b>	<b>\$3,276,302</b>

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (Note 3)

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$5,279,256)	\$0	(\$5,279,256)
(5,356,123)	0	(5,356,123)
(267,254)	0	(267,254)
(181,744)	0	(181,744)
(337,097)	0	(337,097)
(1,505,645)	0	(1,505,645)
(387,329)	0	(387,329)
195,247	0	195,247
(3,792,073)	0	(3,792,073)
(886,182)	0	(886,182)
(17,797,456)	0	(17,797,456)
0	(319,931)	(319,931)
0	(286,768)	(286,768)
0	(606,699)	(606,699)
(17,797,456)	(606,699)	(18,404,155)
1,537,824	0	1,537,824
252,790	0	252,790
421,325	0	421,325
565,102	0	565,102
9,939,811	0	9,939,811
659,492	0	659,492
527,591	0	527,591
4,950,083	0	4,950,083
394,181	0	394,181
798,901	0	798,901
182,148	1,215	183,363
1,166,975	171,105	1,338,080
21,396,223	172,320	21,568,543
25,647	(25,647)	0
21,421,870	146,673	21,568,543
3,624,414	(460,026)	3,164,388
26,083,820	49,151,101	75,234,921
\$29,708,234	\$48,691,075	\$78,399,309

City of Sandusky  
Balance Sheet  
Governmental Funds  
December 31, 2015

	General	General Bond Retirement	Capital Projects
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,302,391	\$51,224	\$4,008,449
Cash and Cash Equivalents in Segregated Accounts	28,633	0	0
Accounts Receivable	290,014	0	0
Accrued Interest Receivable	26,962	0	0
Interfund Receivable	5,400	0	0
Due from Other Governments	342,054	24,402	423,920
Municipal Income Taxes Receivable	2,421,303	170,514	0
Other Local Taxes Receivable	14,147	0	0
Materials and Supplies Inventory	98,815	0	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	110,821	0	0
Property Taxes Receivable	1,680,980	460,543	0
Payment in Lieu of Taxes Receivable	2,238	616	0
Notes Receivable	0	0	100,000
Special Assessments Receivable	0	0	0
<b>Total Assets</b>	<b>\$9,323,758</b>	<b>\$707,299</b>	<b>\$4,532,369</b>
<u>Liabilities</u>			
Accrued Wages Payable	\$471,825	\$0	\$251
Accounts Payable	169,617	0	36,400
Contracts Payable	0	0	1,029,101
Interfund Payable	0	0	0
Due to Other Governments	268,718	0	4,320
Accrued Interest Payable	0	0	5,549
Notes Payable	0	0	2,350,000
Retainage Payable	0	0	77,843
<b>Total Liabilities</b>	<b>910,160</b>	<b>0</b>	<b>3,503,464</b>
<u>Deferred Inflows of Resources</u>			
Property Taxes	1,506,959	412,866	0
Payment in Lieu of Taxes	2,238	616	0
Unavailable Revenue	1,982,858	163,942	136,348
<b>Total Deferred Inflows of Resources</b>	<b>3,492,055</b>	<b>577,424</b>	<b>136,348</b>
<u>Fund Balance</u>			
Nonspendable	212,012	0	0
Restricted	0	129,875	892,557
Committed	0	0	0
Assigned	146,885	0	0
Unassigned (Deficit)	4,562,646	0	0
<b>Total Fund Balance</b>	<b>4,921,543</b>	<b>129,875</b>	<b>892,557</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$9,323,758</b>	<b>\$707,299</b>	<b>\$4,532,369</b>

See Accompanying Notes to the Basic Financial Statements

Other Governmental	Total Governmental Funds
\$3,360,079	\$11,722,143
0	28,633
223,318	513,332
2,756	29,718
0	5,400
594,428	1,384,804
136,411	2,728,228
37,330	51,477
163,996	262,811
0	110,821
280,467	2,421,990
572,636	575,490
2,219,788	2,319,788
2,631,507	2,631,507
<u>\$10,222,716</u>	<u>\$24,786,142</u>
\$27,628	\$499,704
208,122	414,139
31,478	1,060,579
5,400	5,400
188,754	461,792
0	5,549
0	2,350,000
3,498	81,341
<u>464,880</u>	<u>4,878,504</u>
251,861	2,171,686
572,636	575,490
3,348,251	5,631,399
<u>4,172,748</u>	<u>8,378,575</u>
163,996	376,008
5,577,270	6,599,702
87,151	87,151
0	146,885
(243,329)	4,319,317
<u>5,585,088</u>	<u>11,529,063</u>
<u>\$10,222,716</u>	<u>\$24,786,142</u>



City of Sandusky  
 Reconciliation of Total Governmental Fund Balance  
 to Net Position of Governmental Activities  
 December 31, 2015

Total Governmental Fund Balance \$11,529,063

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 45,963,068

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	396,696	
Accrued Interest Receivable	29,173	
Due from Other Governments	853,603	
Municipal Income Taxes Receivable	1,469,816	
Other Local Taxes Receivable	300	
Delinquent Property Taxes Receivable	250,304	
Special Assessments Receivable	<u>2,631,507</u>	
		5,631,399

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due. (48,258)

Deferred outflows of resources include deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds. 484,609

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General Obligation Bonds Payable	(10,713,509)	
Revenue Bonds Payable	(1,580,000)	
Special Assessment Bonds Payable	(2,356,309)	
Loans Payable	(216,646)	
Compensated Absences Payable	<u>(1,844,332)</u>	
		(16,710,796)

The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.

Deferred Outflows - Pension	2,630,911	
Deferred Inflows - Pension	(57,350)	
Net Pension Liability	<u>(20,014,412)</u>	
		(17,440,851)

An internal service fund is used by management to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position. 300,000

Net Position of Governmental Activities \$29,708,234

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2015

	General	General Bond Retirement	Capital Projects
<u>Revenues</u>			
Property Taxes	\$1,515,024	\$415,078	\$0
Payment in Lieu of Taxes	2,648	373	0
Municipal Income Taxes	9,969,045	661,551	0
Other Local Taxes	4,951,043	0	0
Special Assessments	0	0	0
Charges for Services	1,044,539	0	561,738
Fees, Licenses, and Permits	665,386	0	119,744
Fines and Forfeitures	1,001,000	0	0
Intergovernmental	709,836	50,274	3,132,670
Interest	174,976	0	1,750
Other	737,952	248	67,053
<b>Total Revenues</b>	<b>20,771,449</b>	<b>1,127,524</b>	<b>3,882,955</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police	4,701,035	0	37,679
Fire	4,639,388	0	391,459
Other	267,254	0	0
Public Health	224,258	0	0
Leisure Time Activities	503,402	0	4,132
Community Environment	1,554,086	0	189,233
Transportation	979	0	259,253
General Government			
Municipal Court	914,077	0	6,008
Other	3,153,291	0	89,658
Other	0	0	286
Capital Outlay	0	0	4,122,674
Debt Service:			
Principal Retirement	79,604	1,319,866	0
Interest and Fiscal Charges	9,752	640,530	13,910
<b>Total Expenditures</b>	<b>16,047,126</b>	<b>1,960,396</b>	<b>5,114,292</b>
Excess of Revenues Over (Under) Expenditures	4,724,323	(832,872)	(1,231,337)
<u>Other Financing Sources (Uses)</u>			
General Obligation Bonds Issued	0	6,774,069	0
Special Assessment Bonds Issued	0	0	0
Premium on General Obligation Bonds Issued	0	180,274	0
Premium on Special Assessment Bonds Issued	0	0	0
Payment to Refunded Bond Escrow Agent	0	(6,749,070)	0
Sale of Capital Assets	45,512	0	0
Transfers In	0	712,108	2,253,448
Transfers Out	(4,148,997)	0	(118,508)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,103,485)</b>	<b>917,381</b>	<b>2,134,940</b>
Changes in Fund Balance	620,838	84,509	903,603
Fund Balance (Deficit) Beginning of Year	4,300,705	45,366	(11,046)
<b>Fund Balance End of Year</b>	<b>\$4,921,543</b>	<b>\$129,875</b>	<b>\$892,557</b>

See Accompanying Notes to the Basic Financial Statements



<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$249,042	\$2,179,144
562,081	565,102
529,239	11,159,835
440,751	5,391,794
1,194,518	1,194,518
802,544	2,408,821
138,344	923,474
84,410	1,085,410
3,340,076	7,232,856
21,602	198,328
269,951	1,075,204
<u>7,632,558</u>	<u>33,414,486</u>
709,119	5,447,833
785,402	5,816,249
0	267,254
68,154	292,412
12,564	520,098
1,033,440	2,776,759
4,442,584	4,702,816
64,548	984,633
2,700	3,245,649
152,263	152,549
51,600	4,174,274
699,049	2,098,519
243,142	907,334
<u>8,264,565</u>	<u>31,386,379</u>
<u>(632,007)</u>	<u>2,028,107</u>
775,000	7,549,069
180,931	180,931
25,561	205,835
5,682	5,682
(980,930)	(7,730,000)
0	45,512
1,752,344	4,717,900
(724,748)	(4,992,253)
<u>1,033,840</u>	<u>(17,324)</u>
401,833	2,010,783
5,183,255	9,518,280
<u>\$5,585,088</u>	<u>\$11,529,063</u>

City of Sandusky  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2015

Changes in Fund Balance - Total Governmental Funds \$2,010,783

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

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

Capital Outlay	4,576,386	
Capital Contributions	14,660	
Depreciation	<u>(3,366,550)</u>	
		1,224,496

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

Proceeds from Sale of Capital Assets	(45,512)	
Gain on Disposal of Capital Assets	<u>43,262</u>	
		(2,250)

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

Delinquent Property Taxes	32,795	
Municipal Income Taxes	(32,941)	
Other Local Taxes	(960)	
Special Assessments	(1,194,518)	
Charges for Services	(202,648)	
Fees, Licenses, and Permits	(3,653)	
Fines and Forfeitures	(29,108)	
Intergovernmental	(337,189)	
Interest	<u>2,995</u>	
		(1,765,227)

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

General Obligation Bonds Payable	1,379,866	
Revenue Bonds Payable	370,000	
Special Assessment Bonds Payable	246,972	
Loans Payable	101,681	
Payment to Refunded Bond Escrow Agent	<u>7,730,000</u>	
		9,828,519

Debt proceeds are other financing sources in governmental funds but the issuance increases long-term liabilities on the statement of net position. (7,730,000)

(continued)

City of Sandusky  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2015  
 (continued)

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

Accrued Interest Payable	\$7,531	
Amortization of Premium	79,467	
Amortization of Deferred Charge on Refunding	<u>(65,846)</u>	
		21,152

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (8,903)

Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension expense on the statement of activities. (1,988,978)

Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows. 1,734,822

The internal service fund used by management to charge the cost of health insurance to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated  
 The change for governmental funds is reported for the year. 300,000

Change in Net Position of Governmental Activities \$3,624,414

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
General Fund  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues</u>				
Property Taxes	\$1,496,978	\$1,496,978	\$1,515,024	\$18,046
Payment in Lieu of Taxes	2,648	2,648	2,648	0
Municipal Income Taxes	9,244,000	9,433,948	9,433,948	0
Other Local Taxes	4,990,000	4,953,895	4,953,895	0
Charges for Services	972,014	947,389	1,029,295	81,906
Fees, Licenses, and Permits	712,331	647,771	665,386	17,615
Fines and Forfeitures	1,034,300	961,406	1,001,000	39,594
Intergovernmental	680,265	687,381	709,377	21,996
Interest	135,000	147,121	147,719	598
Other	264,554	268,092	295,849	27,757
<b>Total Revenues</b>	<b>19,532,090</b>	<b>19,546,629</b>	<b>19,754,141</b>	<b>207,512</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,042,948	4,771,048	4,745,004	26,044
Fire	4,666,999	4,700,699	4,690,096	10,603
Other	290,000	249,000	248,651	349
Public Health	226,046	229,646	226,694	2,952
Leisure Time Activities	476,801	501,973	501,973	0
Community Environment	1,583,420	1,568,920	1,546,048	22,872
Transportation	1,000	1,000	979	21
General Government				
Municipal Court	927,668	919,668	917,517	2,151
Other	2,822,621	3,224,367	3,104,214	120,153
Debt Service:				
Principal Retirement	79,604	79,604	79,604	0
Interest and Fiscal Charges	9,752	9,752	9,752	0
<b>Total Expenditures</b>	<b>16,126,859</b>	<b>16,255,677</b>	<b>16,070,532</b>	<b>185,145</b>
Excess of Revenues Over Expenditures	3,405,231	3,290,952	3,683,609	392,657
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	379,845	435,567	424,427	(11,140)
Sale of Capital Assets	45,512	45,512	45,512	0
Advances In	2,700	2,700	2,700	0
Transfers Out	(3,758,662)	(4,176,007)	(4,148,997)	27,010
<b>Total Other Financing Sources (Uses)</b>	<b>(3,330,605)</b>	<b>(3,692,228)</b>	<b>(3,676,358)</b>	<b>15,870</b>
Changes in Fund Balance	74,626	(401,276)	7,251	408,527
Fund Balance Beginning of Year	4,399,178	4,399,178	4,399,178	0
Prior Year Encumbrances Appropriated	19,180	19,180	19,180	0
<b>Fund Balance End of Year</b>	<b>\$4,492,984</b>	<b>\$4,017,082</b>	<b>\$4,425,609</b>	<b>\$408,527</b>

See Accompanying Notes to the Basic Financial Statements 26

City of Sandusky  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2015

	Business-Type Activities		Total Enterprise Funds	Governmental Activity
	Water	Sewer		Internal Service
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,656,364	\$2,437,830	\$7,094,194	\$300,000
Accounts Receivable	458,933	1,149,365	1,608,298	0
Due from Other Governments	834,555	151,948	986,503	0
Materials and Supplies Inventory	815,535	396,712	1,212,247	0
<b>Total Current Assets</b>	<b>6,765,387</b>	<b>4,135,855</b>	<b>10,901,242</b>	<b>300,000</b>
<u>Non-Current Assets</u>				
Nondepreciable Capital Assets	614,830	2,460,363	3,075,193	0
Depreciable Capital Assets, Net	28,628,959	54,407,472	83,036,431	0
<b>Total Non-Current Assets</b>	<b>29,243,789</b>	<b>56,867,835</b>	<b>86,111,624</b>	<b>0</b>
<b>Total Assets</b>	<b>36,009,176</b>	<b>61,003,690</b>	<b>97,012,866</b>	<b>300,000</b>
<u>Deferred Outflows of Resources</u>				
Pension	298,312	298,312	596,624	0
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	75,717	76,169	151,886	0
Accounts Payable	231,593	141,818	373,411	0
Contracts Payable	45,900	64,304	110,204	0
Due to Other Governments	65,935	94,439	160,374	0
Accrued Interest Payable	325,100	515,595	840,695	0
General Obligation Revenue Bonds Payable	5,000	70,000	75,000	0
OWDA Loans Payable	902,758	1,565,895	2,468,653	0
Loans Payable	48,247	17,646	65,893	0
Compensated Absences Payable	52,321	58,290	110,611	0
<b>Total Current Liabilities</b>	<b>1,752,571</b>	<b>2,604,156</b>	<b>4,356,727</b>	<b>0</b>
<u>Non-Current Liabilities</u>				
General Obligation Revenue Bonds Payable	120,000	1,305,000	1,425,000	0
OWDA Loans Payable	15,235,917	24,008,829	39,244,746	0
Loans Payable	50,320	18,403	68,723	0
Compensated Absences Payable	214,592	286,753	501,345	0
Net Pension Liability	1,632,261	1,632,261	3,264,522	0
<b>Total Non-Current Liabilities</b>	<b>17,253,090</b>	<b>27,251,246</b>	<b>44,504,336</b>	<b>0</b>
<b>Total Liabilities</b>	<b>19,005,661</b>	<b>29,855,402</b>	<b>48,861,063</b>	<b>0</b>
<u>Deferred Inflows of Resources</u>				
Pension	28,676	28,676	57,352	0
<u>Net Position</u>				
Net Investment in Capital Assets	12,980,114	29,918,111	42,898,225	0
Unrestricted	4,293,037	1,499,813	5,792,850	300,000
<b>Total Net Position</b>	<b>\$17,273,151</b>	<b>\$31,417,924</b>	<b>\$48,691,075</b>	<b>\$300,000</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>	<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>		<u>Internal Service</u>
<u>Operating Revenues</u>				
Charges for Services	\$5,327,914	\$7,218,429	\$12,546,343	\$0
Other	74,819	92,781	167,600	0
Total Operating Revenues	<u>5,402,733</u>	<u>7,311,210</u>	<u>12,713,943</u>	<u>0</u>
<u>Operating Expenses</u>				
Personal Services	2,597,178	2,842,257	5,439,435	0
Travel and Transportation	12,900	17,191	30,091	0
Contractual Services	900,692	1,392,100	2,292,792	0
Materials and Supplies	398,369	398,649	797,018	0
Depreciation	1,074,180	1,687,322	2,761,502	0
Other	2,442	1,116	3,558	0
Total Operating Expenses	<u>4,985,761</u>	<u>6,338,635</u>	<u>11,324,396</u>	<u>0</u>
Operating Income	<u>416,972</u>	<u>972,575</u>	<u>1,389,547</u>	<u>0</u>
<u>Non-Operating Revenues (Expenses)</u>				
Interest Revenue	412	803	1,215	0
Gain on Disposal of Capital Assets	2,483	1,022	3,505	0
Loss on Disposal of Capital Assets	(260)	0	(260)	0
Interest Expense	(671,824)	(1,170,562)	(1,842,386)	0
Total Non-Operating Revenues (Expenses)	<u>(669,189)</u>	<u>(1,168,737)</u>	<u>(1,837,926)</u>	<u>0</u>
Loss before Contributions and Transfers	(252,217)	(196,162)	(448,379)	0
Capital Contributions	10,000	4,000	14,000	0
Transfers In	0	0	0	300,000
Transfers Out	0	(25,647)	(25,647)	0
Changes in Net Position	(242,217)	(217,809)	(460,026)	300,000
Net Position Beginning of Year - Restated (Note 3)	<u>17,515,368</u>	<u>31,635,733</u>	<u>49,151,101</u>	<u>0</u>
Net Position End of Year	<u><u>\$17,273,151</u></u>	<u><u>\$31,417,924</u></u>	<u><u>\$48,691,075</u></u>	<u><u>\$300,000</u></u>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015

	<u>Business-Type Activities</u>			<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service</u>
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$5,222,248	\$6,878,757	\$12,101,005	\$0
Cash Payments for Personal Services	(2,648,083)	(2,881,183)	(5,529,266)	0
Cash Payments for Contractual Services	(810,546)	(1,271,882)	(2,082,428)	0
Cash Payments to Vendors	(843,679)	(660,271)	(1,503,950)	0
Cash Received from Other Revenues	71,890	94,968	166,858	0
Cash Payments for Other Expenses	(2,442)	(1,116)	(3,558)	0
Net Cash Provided by Operating Activities	989,388	2,159,273	3,148,661	0
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers In	0	0	0	300,000
Transfers Out	0	(25,647)	(25,647)	0
Net Cash Provided by (Used For) Noncapital Financing Activities	0	(25,647)	(25,647)	300,000
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on General Obligation Revenue Bonds	(10,000)	(60,000)	(70,000)	0
Principal Paid on OWDA Loans	(1,083,326)	(1,493,214)	(2,576,540)	0
Principal Paid on Loans	(46,261)	(16,919)	(63,180)	0
Interest Paid on General Obligation Revenue Bonds	(4,118)	(43,768)	(47,886)	0
Interest Paid on OWDA Loans	(745,667)	(1,238,219)	(1,983,886)	0
Interest Paid on Loans	(5,667)	(2,073)	(7,740)	0
OWDA Loans Issued	163,550	19,007	182,557	0
Acquisition of Capital Assets	(560,210)	(1,047,013)	(1,607,223)	0
Gain on Disposal of Capital Assets	2,483	1,022	3,505	0
Net Cash Used for Capital and Related Financing Activities	(2,289,216)	(3,881,177)	(6,170,393)	0
<u>Cash Flows from Investing Activities</u>				
Interest	412	803	1,215	0
Net Increase (Decrease) in Cash and Cash Equivalents	(1,299,416)	(1,746,748)	(3,046,164)	300,000
Cash and Cash Equivalents Beginning of Year	5,955,780	4,184,578	10,140,358	0
Cash and Cash Equivalents End of Year	\$4,656,364	\$2,437,830	\$7,094,194	\$300,000

(continued)

City of Sandusky  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015  
(continued)

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Activity</u> <u>Internal</u> <u>Service</u>
<u>Reconciliation of Operating Income to Net</u>				
<u>Cash Provided by Operating Activities</u>				
Operating Income	\$416,972	\$972,575	\$1,389,547	\$0
<u>Adjustments to Reconcile Operating Income to Net</u>				
<u>Cash Provided by Operating Activities</u>				
Depreciation	1,074,180	1,687,322	2,761,502	0
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(119,108)	(306,189)	(425,297)	0
(Increase) Decrease in Due from Other Governments	10,513	(31,296)	(20,783)	0
Increase in Materials and Supplies Inventory	(442,001)	(127,926)	(569,927)	0
Increase in Accrued Wages Payable	14,092	10,642	24,734	0
Increase in Accounts Payable	101,185	63,737	164,922	0
Decrease in Contracts Payable	(1,673)	(19,521)	(21,194)	0
Decrease in Due to Other Governments	(17,187)	(63,234)	(80,421)	0
Increase (Decrease) in Compensated Absences Payable	(13,918)	6,830	(7,088)	0
Decrease in Net Pension Liability	(30,092)	(30,092)	(60,184)	0
Decrease in Deferred Outflows - Pension	9,656	9,656	19,312	0
Decrease in Deferred Inflows - Pension	(13,231)	(13,231)	(26,462)	0
Net Cash Provided by Operating Activities	<u>\$989,388</u>	<u>\$2,159,273</u>	<u>\$3,148,661</u>	<u>\$0</u>

Non-Cash Capital Transactions

In 2015, the Water and Sewer enterprise funds received contributions of capital assets from outside sources, in the amount of \$10,000 and \$4,000, respectively.

At December 31, 2015, the Water and Sewer enterprise funds had outstanding payables related to the acquisition of capital assets, in the amount of \$45,900 and \$51,162, respectively.

See Accompanying Notes to the Basic Financial Statements



City of Sandusky  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
December 31, 2015

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$630,247</u>
 <u>Liabilities</u>	
Due to Other Governments	\$120,747
Undistributed Assets	<u>509,500</u>
 Total Liabilities	 <u>\$630,247</u>

See Accompanying Notes to the Basic Financial Statements

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**

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

A. The City

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

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

B. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Sandusky in 2015.

The City of Sandusky participates in the Buckeye Ohio Risk Management Association (BORMA), a public entity shared risk pool. This organization is presented in Note 24 to the basic financial statements.

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

Governmental Funds

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

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

General Bond Retirement Fund - This fund accounts for property taxes and income taxes that are restricted for the payment of principal, interest, and fiscal charges on general obligation debt.

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

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

Proprietary Funds

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

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

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

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

Internal Service Fund - This fund accounts for monies received for the activities of the self insurance program for employee health benefits. The only activity in this fund in 2015 was the initial funding of the program.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2015. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for various funds held for final disposition to the Erie County Law Library, contractors, municipal courts (excluding the City of Sandusky), insurance proceeds to secure proper handling of fire damaged structures, employee payroll deductions, and other miscellaneous activities.

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, other local taxes, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension are reported on the government-wide and proprietary fund statement of net position and explained in Note 16 to the basic financial statements.

Expenses/Expenditures

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

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

E. Budgetary Process

All funds, except agency funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the City Commission may appropriate. The appropriations ordinance is the City Commission's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the City Commission. The legal level of control has been established by the City Commission at the fund, department, and object level in all funds.

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

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

**F. Cash and Investments**

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

Cash and cash equivalents that are held separately within departments of the City, and not included in the City treasury, are recorded as “Cash and Cash Equivalents in Segregated Accounts”.

During 2015, the City’s investments included nonnegotiable and negotiable certificates of deposit, federal agency securities, and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. Negotiable certificates of deposit and federal agency securities are reported at fair value, which is based on quoted market price. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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 net asset value per share, which is the price the investment could be sold for on December 31, 2015.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2015 was \$174,976, which includes \$143,216 assigned from other City funds.

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

**G. Inventory**

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

**H. Restricted Assets**

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

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



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

**I. Capital Assets**

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

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

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

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

**J. Deferred Charge on Refunding**

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

**K. Interfund Receivables/Payables**

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

L. Compensated Absences

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

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

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, net pension liability and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. General obligation bonds, revenue bonds, special assessment bonds, and long-term loans are recognized as liabilities on the fund financial statements when due.

N. Unamortized Bond Premiums

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

O. Net Position

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

P. Fund Balance

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

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash. It also includes the long-term portion of interfund receivables.

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

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

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

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

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

**Q. Operating Revenues and Expenses**

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

**R. Capital Contributions**

Capital contributions arise from contributions from outside sources and from other funds of the City.

**S. Interfund Transactions**

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

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

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

**T. Pension**

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

U. Estimates

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

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

For 2015, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". GASB Statement No. 68 established standards for measuring and recognizing pension liabilities, deferred outflows and deferred inflows of resources, and pension expenses/expenditures. The implementation of this statement had the following effect on net position as previously reported on December 31, 2014.

	Water	Sewer
Net Position		
at December 31, 2014	\$18,911,660	\$33,032,025
Net Pension Liability	(1,595,394)	(1,595,394)
Deferred Outflows - Payment		
Subsequent to Measurement Date	199,102	199,102
Adjusted Net Position		
at December 31, 2014	\$17,515,368	\$31,635,733
	Governmental	Business-Type
	Activities	Activities
Net Position December 31, 2014	\$43,270,515	\$51,943,685
Net Pension Liability	(18,938,016)	(3,190,788)
Deferred Outflows - Payments		
Subsequent to Measurement Date	1,751,321	398,204
Restated Net Position December 31, 2014	\$26,083,820	\$49,151,101

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred outflows or deferred inflows of resources as the information needed to generate these restatements was not available.

**NOTE 4 - ACCOUNTABILITY**

At December 31, 2015, the Public Transit, Fire Pension, and Police Pension special revenue funds had deficit fund balances, in the amount of \$90,747, \$82,159, and \$70,423, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. The City has certain activities within the General Fund that are not budgeted by the City Commission. However, this activity is included as part of the reporting entity when preparing financial statements that conform with GAAP.
5. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Changes in Fund Balance	
GAAP Basis	\$620,838
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2014, Received in Cash 2015	725,841
Accrued 2015, Not Yet Received in Cash	(1,282,091)
Expenditure Accruals:	
Accrued 2014, Paid in Cash 2015	(933,012)
Accrued 2015, Not Yet Paid in Cash	906,608
	(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

Changes in Fund Balance  
(continued)

	General
Cash Adjustments:	
Unrecorded Activity 2014	(\$55,630)
Unrecorded Activity 2015	19,005
Materials and Supplies Inventory	9,606
Advances In	2,700
Excess of Revenues Over Expenditures for Nonbudgeted Activity	(6)
Encumbrances Outstanding at Year End (Budget Basis)	(6,608)
Budget Basis	\$7,251

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits the City Commission 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 bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio and, with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio), and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time.

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 City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,053,871 of the City's bank balance of \$8,247,076 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

Investments

As of December 31, 2015, the City had the following investments:

	Total	Less Than Six Months	Six Months to One Year	One Year To Two Years	More Than Two Years
Negotiable Certificates of Deposit	\$3,734,627	\$0	\$98,829	\$2,053,784	\$1,582,014
Federal National Mortgage Association Notes	2,183,900	0	0	1,194,180	989,720
Federal Home Loan Mortgage Corporation Notes	4,731,751	0	0	2,528,473	2,203,278
STAR Ohio	1,362,643	1,362,643	0	0	0
	<u>\$12,012,921</u>	<u>\$1,362,643</u>	<u>\$98,829</u>	<u>\$5,776,437</u>	<u>\$4,775,012</u>

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

The negotiable certificates of deposit are covered by FDIC insurance up to \$250,000 per financial institution and/or partially insured through the Securities Investor Protection Corporation (SIPC). All of the federal agency securities carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAAM by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. At December 31, 2015, the weighted average maturity of investments with Star Ohio was 49 days.

The City places no limit on the amount of its interim monies it may invest in a particular security or issuer. The following table indicates the percentage of investments to the City's total portfolio:

	Fair Value	Percentage of Portfolio
Federal National Mortgage Association	\$2,183,900	18.2%
Federal Home Loan Mortgage Corporation	4,731,751	39.4

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2015, consisted of accounts (billings for user charged services); accrued interest; interfund; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; property taxes; payment in lieu of taxes; notes; and special assessments. All receivables are considered fully collectible within one year, except for interfund, municipal income taxes, property taxes, notes, and special assessments. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$2,040,775, will not be received within one year. Special assessments, in the amount of \$2,471,501, will not be received within one year. At December 31, 2015, the amount of delinquent special assessments was \$153,121.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$89,069
Local Government	214,157
Beer and Liquor Permits	33,596
Cigarette Tax	1,504
Charges for Services	970
Miscellaneous	2,758
Total General Fund	342,054
Debt Service Fund	
General Bond Retirement Fund	
Homestead and Rollback	24,402
Capital Projects Fund	
Clean Ohio Revitalization	136,348
Ohio Department of Transportation	211,093
Ohio Public Works Commission	76,479
Total Capital Projects Fund	423,920
Total Major Funds	790,376
Nonmajor Funds	
Street Maintenance Fund	
Gasoline Tax	372,170
Motor Vehicle License Tax	83,752
Total Street Maintenance Fund	455,922

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 7 - RECEIVABLES** (continued)

Governmental Activities (continued)	
State Highway Fund	
Gasoline Tax	\$30,176
Motor Vehicle License Tax	6,791
Total State Highway Fund	36,967
Public Transit Fund	
Job Access/Reverse Commute Grant	15,000
Charges for Services	2,348
Other	732
Total Public Transit Fund	18,080
Fire Pension Fund	
Homestead and Rollback	7,321
Police Pension Fund	
Homestead and Rollback	7,321
State Grants Fund	
Community Corrections Grant	32,274
Federal Grants Fund	
CDBG	36,543
Total Nonmajor Funds	594,428
Total Governmental Activities	\$1,384,804
Business-Type Activities	
Water Fund	
Erie County	\$834,555
Sewer Fund	
Erie County	151,948
Total Business-Type Activities	\$986,503

**NOTE 8 - MUNICIPAL INCOME TAXES**

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

For 2015, income taxes were allocated as follows: 88.75 percent to the General Fund for general operations of the City; 6.25 percent to the General Bond Retirement debt service fund to be used for the retirement of general obligation debt; and 5 percent to the Capital Improvement capital projects fund to be used for the capital improvement program.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 9 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2015 represent the collection of 2014 taxes. Real property taxes received in 2015 were levied after October 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2015 represent the collection of 2014 taxes. Public utility real and tangible personal property taxes received in 2015 became a lien on December 31, 2013, were levied after October 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The full tax rate for all City operations for the year ended December 31, 2015, was \$5.25 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Property	\$441,452,000
Public Utility Personal Property	17,826,000
Total Assessed Value	<u>\$459,278,000</u>

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 11 - NOTES RECEIVABLE**

A summary of the changes in notes receivable during 2015 follows:

	Balance January 1, 2015	New Loans	Repayments	Balance December 31, 2015
Special Revenue Funds				
State Grants				
Revolving Loans	\$743,110	\$63,500	\$125,441	\$681,169
Rehabilitation Revolving Loans	1,679,443	56,460	29,209	1,706,694
Micro-Enterprise Loans	7,500	0	0	7,500
Total State Grants	2,430,053	119,960	154,650	2,395,363
Federal Grants				
Rehabilitation Revolving Loans	32,000	0	10,000	22,000
Capital Projects				
Issue 8 Loans	0	100,000	0	100,000
	<u>\$2,462,053</u>	<u>\$219,960</u>	<u>\$164,650</u>	<u>2,517,363</u>
Less Allowance for Uncollectible Accounts				197,575
				<u>\$2,319,788</u>

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

**NOTE 12 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$7,180,226	\$14,660	(\$2,250)	\$7,192,636
Construction in Progress	4,013,508	3,104,963	0	7,118,471
Total Nondepreciable Capital Assets	11,193,734	3,119,623	(2,250)	14,311,107

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
Governmental Activities (continued)				
Depreciable Capital Assets				
Buildings	\$18,520,838	\$6,275	\$0	\$18,527,113
Improvements Other Than Buildings	22,557,734	49,235	0	22,606,969
Streets	46,231,808	936,830	0	47,168,638
Bridges	229,802	0	0	229,802
Equipment	11,011,914	479,083	(68,731)	11,422,266
Total Depreciable Capital Assets	<u>98,552,096</u>	<u>1,471,423</u>	<u>(68,731)</u>	<u>99,954,788</u>
Less Accumulated Depreciation for				
Buildings	(11,717,019)	(601,676)	0	(12,318,695)
Improvements Other Than Buildings	(9,482,018)	(741,063)	0	(10,223,081)
Streets	(35,014,458)	(1,513,302)	0	(36,527,760)
Bridges	(101,112)	(4,596)	0	(105,708)
Equipment	(8,690,401)	(505,913)	68,731	(9,127,583)
Total Accumulated Depreciation	<u>(65,005,008)</u>	<u>(3,366,550)</u>	<u>68,731</u>	<u>(68,302,827)</u>
Total Depreciable Capital Assets, Net	<u>33,547,088</u>	<u>(1,895,127)</u>	<u>0</u>	<u>31,651,961</u>
Governmental Activities Capital Assets, Net	<u>\$44,740,822</u>	<u>\$1,224,496</u>	<u>(\$2,250)</u>	<u>\$45,963,068</u>

Governmental activities accepted a contribution of capital assets from outside sources, with a fair value of \$14,660, during 2015.

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
Business-Type Activities				
Nondepreciable Capital Assets				
Land	\$801,702	\$15,000	\$0	\$816,702
Construction in Progress	8,109,000	1,154,445	(7,004,954)	2,258,491
Total Nondepreciable Capital Assets	<u>8,910,702</u>	<u>1,169,445</u>	<u>(7,004,954)</u>	<u>3,075,193</u>

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
Business-Type Activities (continued)				
Depreciable Capital Assets				
Buildings	\$64,385,550	\$42,445	\$0	\$64,427,995
Improvements Other Than Buildings	26,057,656	7,093,885	0	33,151,541
Utility Plant	5,616,121	44,250	0	5,660,371
Water and Sewer Lines	22,843,276	25,037	0	22,868,313
Equipment	2,927,711	348,177	(95,780)	3,180,108
Total Depreciable Capital Assets	<u>121,830,314</u>	<u>7,553,794</u>	<u>(95,780)</u>	<u>129,288,328</u>
Less Accumulated Depreciation for				
Buildings	(17,908,500)	(1,141,892)	0	(19,050,392)
Improvements Other Than Buildings	(8,853,782)	(917,765)	0	(9,771,547)
Utility Plant	(3,827,212)	(205,682)	0	(4,032,894)
Water and Sewer Lines	(10,795,213)	(376,144)	0	(11,171,357)
Equipment	(2,201,208)	(120,019)	95,520	(2,225,707)
Total Accumulated Depreciation	<u>(43,585,915)</u>	<u>(2,761,502)</u>	<u>95,520</u>	<u>(46,251,897)</u>
Total Depreciable Capital Assets, Net	<u>78,244,399</u>	<u>4,792,292</u>	<u>(260)</u>	<u>83,036,431</u>
Business-Type Activities Capital Assets, Net	<u>\$87,155,101</u>	<u>\$5,961,737</u>	<u>(\$7,005,214)</u>	<u>\$86,111,624</u>

Business-type activities accepted contributions of capital assets from outside sources, with a fair value of \$14,000, during 2015.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$129,196
Security of Persons and Property - Fire	412,059
Public Health	22,223
Leisure Time Activities	119,791
Community Environment	270,346
Transportation	1,749,202
General Government - Municipal Court	15,138
General Government - Other	648,595
Total Depreciation Expense - Governmental Activities	<u>\$3,366,550</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 13 - INTERFUND RECEIVABLES/PAYABLES**

At December 31, 2015, the General Fund had an interfund receivable, in the amount of \$5,400, for a loan made to other governmental funds. Of this amount, \$2,700 is not scheduled to be collected within one year.

**NOTE 14 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015, the City contracted with the Travelers Indemnity Company for the following coverage:

<u>Type of Coverage</u>	<u>Coverage</u>
Property (building and contents)	\$140,127,627
Excess Liability	10,000,000
General Liability	3,000,000
Employee Benefit Liability	3,000,000
Auto Liability	1,000,000
Public Official Liability	2,000,000

There has been no significant reduction in insurance coverage from 2014 and no insurance settlement has exceeded insurance coverage during the last three years.

For 2015, the City participated in the Buckeye Ohio Risk Management Association (BORMA), a public entity shared risk pool among various local governments in Northern Ohio. The City pays monthly premiums for health care coverage for its employees. BORMA is responsible for the management and operation of the program. Member cities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage provided under the program. Member cities are subject to supplemental assessments of up to 25 percent of the premiums paid for health insurance during that year in the event of deficiencies. Upon withdrawal from BORMA, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal.

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



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 15 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

The City has outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2015:

<u>Contract</u>	<u>Remaining Commitment</u>
Community Action Commission	\$73,195
CT Consultants	209,000
Ed Burdue	235,268
Environmental Rate Consultant	258,157
Erie Blacktop	342,120
Horton Emergency Vehicles	215,352
Jones & Henry	374,329
Miller Cable Company	145,112
Mosser Construction	1,200,000
Norfolk Southern	117,159
Schirmer Construction	246,960
Software Solutions	91,779
Speer Brothers	667,724
Studio Graphique	91,500
Thrasher Group	54,180
Underground Utilities	4,559,008
<b>Total</b>	<b>\$8,880,843</b>

At year end, there were no significant encumbrances expected to be honored upon performance by the vendor in 2015.

**NOTE 16 - DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

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

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) they benefit from employee services, and (2) State statute requires all funding to come from the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for twelve months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

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

	State and Local	Public Safety	Law Enforcement
<b>2015 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
<b>2015 Actual Contribution Rates</b>			
Employer			
Pension	12.0%	16.1%	16.1%
Postemployment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0%	18.1%	18.1%
Total Employee	10.0%	12.0%	13.0%

\* This rate is determined by OPERS' Board and has no maximum rate established by the ORC.

\*\* This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$844,876 for 2015. Of this amount, \$145,990 is reported as an intergovernmental payable.

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

Plan Description - Full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit.

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

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

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

	Police	Firefighters
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee		
January 1, 2015, through July 1, 2015	11.50%	11.50%
July 2, 2015, through December 31, 2015	12.25%	12.25%
<b>2015 Actual Contribution Rates</b>		
Employer		
Pension	19.00%	23.50%
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50%	24.00%
Employee		
January 1, 2015, through July 1, 2015	11.50%	11.50%
July 2, 2015, through December 31, 2015	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,312,384 for 2015. Of this amount, \$211,232 is reported as an intergovernmental payable.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,529,045	\$16,749,889	\$23,278,934
Proportion of the Net Pension Liability	0.05413300%	0.32333090%	
Pension Expense	\$710,208	\$1,633,874	\$2,344,082

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$348,370	\$721,905	\$1,070,275
City contributions subsequent to the measurement date	844,876	1,312,384	2,157,260
Total Deferred Outflows of Resources	<u>\$1,193,246</u>	<u>\$2,034,289</u>	<u>\$3,227,535</u>
<b>Deferred Inflows of Resources</b>			
Difference between expected and actual experience	<u>(\$114,702)</u>	<u>\$0</u>	<u>(\$114,702)</u>

\$2,157,260 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Year Ending December 31,			
2016	\$34,169	\$180,476	\$214,645
2017	34,169	180,476	\$214,645
2018	78,239	180,476	\$258,715
2019	87,091	180,477	267,568
Total	<u>\$233,668</u>	<u>\$721,905</u>	<u>955,573</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent, including wage inflation
COLA or Ad Hoc COLA	3 percent simple
Investment Rate of Return	8 percent
Actuarial Cost Method	individual entry age

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

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio, and the Defined Contribution portfolio. The Defined Benefits portfolio includes the investment assets of the traditional pension plan, the defined benefit component of the combined plan, the annuitized accounts of the member-directed plan, and the VEBA Trust. Within the Defined Benefits portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expenses, for the Defined Benefits portfolio was 6.95 percent for 2014.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

The allocation of investment assets with the Defined Benefits portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plan. The table below displays the board approved asset allocation policy for 2014 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
<b>Total</b>	<b>100.00 %</b>	<b>5.28 %</b>

**Discount Rate** - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's Proportionate Share of the Net Pension Liability	\$12,011,571	\$6,529,045	\$1,911,436



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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

**Actuarial Assumptions - OPF**

OPF's total pension liability as of December 31, 2014, is based on the results of an actuarial valuation date of January 1, 2014, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of January 1, 2014, are presented below.

Valuation Date	January 1, 2014
Actuarial Cost Method	entry age normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.6 percent and 3 percent

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014, are summarized below.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equities	16.00	4.47
Non-U.S. Equities	16.00	4.47
Core Fixed Income*	20.00	1.62
Global Inflation Protected*	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
<b>Total</b>	<b>120.00 %</b>	

\* levered 2x

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

Discount Rate - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.25 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's Proportionate Share of the Net Pension Liability	\$23,167,630	\$16,749,889	\$11,316,013

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 17 - POSTEMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing multiple-employer defined benefit postemployment health care trusts which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement, and Medicare Part B premium reimbursements to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed 14 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees and the traditional pension and combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a retiree medical account for member-directed plan members.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 17 - POSTEMPLOYMENT BENEFITS** (continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. The portion of the employer contribution allocated to health care for members in both the traditional pension and combined plans was 2 percent for 2015. As recommended by the OPERS actuary, the portion of the employer contribution allocated to health care beginning January 1, 2016, remained at 2 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the VEBA for participants in the member-directed plan was 4.5 percent for 2015.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing multiple-employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$140,813, \$133,897, and \$65,076, respectively. For 2015, 83 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

**B. Police and Fire Pension Fund**

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

**NOTE 17 - POSTEMPLOYMENT BENEFITS** (continued)

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF for the years ended December 31, 2015, 2014, and 2013, was \$1,343,184, \$1,384,874, and \$1,358,756, respectively, of which \$30,800, \$31,755, and \$224,976 was allocated to the health care plan. For 2015, 83 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

**NOTE 18 - COMPENSATED ABSENCES**

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

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

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 18 - COMPENSATED ABSENCES** (continued)

	<u>AFCSME</u>	<u>IAF</u>	<u>FOP</u>	<u>Administration</u>
53 hours/week				
Sick hours less than 1,300	n/a	25 %	n/a	n/a
Sick hours 1,300 - 1,949	n/a	30 %	n/a	n/a
Sick hours 1,950 - 2,859	n/a	35 %	n/a	n/a
Sick hours over 2,860	n/a	45 %	n/a	n/a

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

**NOTE 19 - SHORT-TERM OBLIGATIONS**

The City's short-term obligations activity for the year ended December 31, 2015, was as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>
<u>Governmental Activities</u>					
<u>Bond Anticipation Notes</u>					
<u>Capital Projects Funds</u>					
2014 Various Improvement	.41%	\$2,692,500	\$0	\$2,692,500	\$0
2015 Various Improvement	1.00	0	2,350,000	0	2,350,000
Total Bond Anticipation Notes		<u>\$2,692,500</u>	<u>\$2,350,000</u>	<u>\$2,692,500</u>	<u>\$2,350,000</u>

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

The 2014 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, fire boat, street improvements, sidewalk, curb, and gutter improvements, to revitalize the Bayfront Urban Revitalization Area, and to pay the cost of the Venice Road Grade Separation Project. The 2015 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, street improvements, sidewalk, curb, and gutter improvements, to revitalize the Bayfront Urban Revitalization Area, and to pay the cost of the Venice Road Grade Separation Project.

At December 31, 2015, the total amount of various improvement notes outstanding was \$2,350,000, of which \$2,350,000 has been expended for construction. Of the \$2,350,000, \$1,650,000 was not capitalized.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

**NOTE 20 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2015, was as follows:

	Interest Rate	Restated Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2001 Various Purpose	3.00-5.05%	\$100,000	\$0	\$10,000	\$90,000	\$15,000
2005 City Complex Refunding	4.28	4,260,000	0	4,260,000	0	0
Bond Premium		30,964	0	30,964	0	0
2007 Police Pension Refunding	4.00-4.25	358,118	0	358,118	0	0
Bond Premium		3,775	0	3,775	0	0
2007 Fire Pension Refunding	4.00-4.25	481,882	0	481,882	0	0
Bond Premium		5,081	0	5,081	0	0
2007 Various Purpose Refunding	4.00-4.25	3,358,936	0	3,358,936	0	0
Bond Premium		25,826	0	25,826	0	0
2011 Library Improvement Refunding	2.00-4.25	3,185,000	0	315,000	2,870,000	320,000
Bond Premium		93,708	0	9,268	84,440	0
2014 Various Purpose Refunding	3.05	245,000	0	125,000	120,000	10,000
2015 City Complex Refunding	3.05	0	3,675,000	0	3,675,000	660,000
2015 Police Pension Refunding	3.0	0	330,383	0	330,383	319,867
2015 Fire Pension Refunding	3.0	0	444,617	0	444,617	37,289
2015 Various Purpose Refunding	3.0	0	3,099,069	0	3,099,069	27,711
<b>Total General Obligation Bonds</b>		<b>12,148,290</b>	<b>7,549,069</b>	<b>8,983,850</b>	<b>10,713,509</b>	<b>1,389,867</b>
Revenue Bonds						
2013 Urban Renewal	2.55	1,950,000	0	370,000	1,580,000	380,000
Special Assessment Bonds with Government Commitment						
Special Assessment Bonds	3.00-6.00	2,539,063	180,931	447,902	2,272,092	225,973
2008 Bond Premium		88,770	0	4,553	84,217	0
<b>Total Special Assessment Bonds</b>		<b>2,627,833</b>	<b>180,931</b>	<b>452,455</b>	<b>2,356,309</b>	<b>225,973</b>
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		3,190,787	73,736	0	3,264,523	0
Ohio Police and Fire Pension		15,747,229	1,002,660	0	16,749,889	0
<b>Total Net Pension Liability</b>		<b>18,938,016</b>	<b>1,076,396</b>	<b>0</b>	<b>20,014,412</b>	<b>0</b>
Loans		318,327	0	101,681	216,646	106,047
Compensated Absences		1,835,429	94,131	85,228	1,844,332	331,800
<b>Total Other Long-Term Obligations</b>		<b>21,091,772</b>	<b>1,170,527</b>	<b>186,909</b>	<b>22,075,390</b>	<b>437,847</b>
<b>Total Governmental Activities</b>		<b>\$37,817,895</b>	<b>\$8,900,527</b>	<b>\$9,993,214</b>	<b>\$36,725,208</b>	<b>\$2,433,687</b>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

	Interest Rate	Restated Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015	Due Within One Year
<b><u>Business-Type Activities</u></b>						
<b>General Obligation Revenue Bonds</b>						
2014 Various Purpose Refunding	3.05%	\$135,000	\$0	\$10,000	\$125,000	\$5,000
2014 Various Purpose Refunding	3.05	1,435,000	0	60,000	1,375,000	70,000
<b>Total General Obligation Revenue Bonds</b>		<b>1,570,000</b>	<b>0</b>	<b>70,000</b>	<b>1,500,000</b>	<b>75,000</b>
<b>OWDA Loans</b>						
Water	4.60-5.20	17,058,451	163,550	1,083,326	16,138,675	902,758
Sewer	4.27-6.39	27,048,931	19,007	1,493,214	25,574,724	1,565,895
<b>Total OWDA Loans</b>		<b>44,107,382</b>	<b>182,557</b>	<b>2,576,540</b>	<b>41,713,399</b>	<b>2,468,653</b>
<b>Other Long-Term Obligations</b>						
<b>Net Pension Liability</b>						
Ohio Public Employees Retirement System		3,190,788	73,734	0	3,264,522	0
Loans		197,796	0	63,180	134,616	65,893
Compensated Absences		619,044	109,014	116,102	611,956	110,611
<b>Total Other Long-Term Obligations</b>		<b>4,007,628</b>	<b>182,748</b>	<b>179,282</b>	<b>4,011,094</b>	<b>176,504</b>
<b>Total Business-Type Activities</b>		<b>\$49,685,010</b>	<b>365,305</b>	<b>2,825,822</b>	<b>47,224,493</b>	<b>2,720,157</b>

**2001 Various Purpose General Obligation Bonds**

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

**2005 City Complex Refunding General Obligation Bonds**

On March 22, 2005, the City issued \$6,410,000 in unvoted refunding general obligation bonds to refund \$5,770,000 in unvoted general obligation bonds for the construction of a city service complex. The bonds were issued for a fifteen year period with maturity beginning December 1, 2005. During 2015, \$3,665,000 of these bonds was refunded. The remaining balance of these bonds, in the amount of \$595,000, was fully retired through the General Bond Retirement debt service fund.

**2007 Police Pension Refunding General Obligation Bonds**

On September 27, 2007, the City issued \$445,515 in unvoted refunding general obligation bonds to refund \$417,803 in pension general obligation bonds previously issued. The bonds were issued for a twenty year period with maturity beginning December 1, 2010. During 2015, \$332,538 of these bonds was refunded. The remaining balance of these bonds, in the amount of \$25,580, was fully retired through the Police Pension special revenue fund.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

2007 Fire Pension Refunding General Obligation Bonds

On September 27, 2007, the City issued \$599,485 in unvoted refunding general obligation bonds to refund \$562,197 in pension general obligation bonds previously issued. The bonds were issued for a twenty year period with maturity beginning December 1, 2010. During 2015, \$447,462 of these bonds was refunded. The remaining balance of these bonds, in the amount of \$34,420, was fully retired through the Fire Pension special revenue fund.

2007 Various Purpose Refunding General Obligation Bonds

On September 27, 2007, the City issued \$4,433,271 in unvoted refunding general obligation bonds to refund \$4,183,404 in bonds previously issued for the Downtown Streetscape project, the Lane Street project, the Butler Street capacity project, the Columbus Avenue underpass, the Transit building project, the Plaza project, the Fire Station project, and the Remington Avenue project. The bonds were issued for a twenty year period with maturity beginning December 1, 2008. During 2015, \$3,084,070 of these bonds was refunded. The remaining balance of these bonds, in the amount of \$274,866, was fully retired through the General Bond Retirement debt service fund.

2011 Library Improvement Refunding General Obligation Bonds

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

The bonds maturing after December 1, 2018, are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000 on any date on or after December 1, 2018, at 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

The current refunding fully retired the refunded bonds.

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

2014 Various Purpose Refunding General Obligation Bonds

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

The refunded bonds were fully retired on September 2, 2014.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

2015 City Complex Refunding General Obligation Bonds

On December 2, 2015, the City issued \$3,675,000 in current refunding general obligation bonds to refund \$3,665,000 in unvoted refunding general obligation bonds for the construction of a city service complex. Premium, in the amount of \$85,879, was recorded as revenue for 2015 and will not be amortized. The bonds were issued for a five year period with maturity beginning December 1, 2016. The bonds will be paid from the General Bond Retirement debt service fund.

The refunded bonds were fully retired on January 6, 2016.

2015 Police Pension Refunding General Obligation Bonds

On December 2, 2015, the City issued \$330,383 in current refunding general obligation bonds to refund \$332,538 in pension general obligation refunding bonds previously issued. Premium, in the amount of \$10,896, was recorded as revenue for 2015 and will not be amortized. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Police Pension special revenue fund.

The refunded bonds were fully retired on January 6, 2016.

2015 Fire Pension Refunding General Obligation Bonds

On December 2, 2015, the City issued \$447,617 in current refunding general obligation bonds to refund \$447,462 in pension general obligation refunding bonds previously issued. Premium, in the amount of \$14,665, was recorded as revenue for 2015 and will not be amortized. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Fire Pension special revenue fund.

The refunded bonds were fully retired on January 6, 2016.

2015 Various Purpose Refunding General Obligation Bonds

On December 2, 2015, the City issued \$3,099,069 in current refunding general obligation bonds to refund \$3,084,070 in current refunding general obligation bonds previously issued for the Downtown Streetscape project, the Lane Street project, the Butler Street capacity project, the Columbus Avenue underpass, the Transit building project, the Plaza project, the Fire Station project, and the Remington Avenue project. Premium, in the amount of \$94,395, was recorded as revenue for 2015 and will not be amortized. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the General Bond Retirement debt service fund.

The refunded bonds were fully retired on January 6, 2016.

2013 Urban Renewal Revenue Bonds

On March 28, 2013, the City issued \$2,680,000 in revenue bonds to pay the costs of urban renewal activities in the Bayfront Urban Revitalization Area. The bonds were issued for a seven year period with maturity beginning December 1, 2013, and are payable solely from payment in lieu of taxes revenues. The bonds will be paid from the Urban Renewal Debt Retirement debt service fund.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

Special Assessment Bonds

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

On September 27, 2007, the City issued \$66,729 in unvoted refunding general obligation bonds to refund \$61,596 in bonds previously issued for the Remington Avenue project. The bonds were issued for a fifteen year period with maturity beginning December 1, 2011. The bonds will be paid from the Special Assessment Bond Retirement debt service fund. During 2015, \$35,930 of these bonds was refunded. The remaining balance of these bonds, in the amount of \$5,133, was fully retired through the Special Assessment Bond Retirement debt service fund.

On July 29, 2014, the City issued \$45,000 in current refunding general obligation bonds to refund \$40,000 in bonds previously issued for sidewalks. The bonds were issued for a two year period with maturity beginning December 1, 2014. The bonds were fully retired in 2015.

On December 2, 2015, the City issued \$180,931 in current refunding general obligation bonds to refund \$200,930 in bonds previously issued for the Remington Avenue, Seneca, Huntington, and Sidewalk projects. Premium, in the amount of \$5,682, was recorded as revenue for 2015 and will not be amortized. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Special Assessment Bond Retirement debt service fund.

The refunded bonds were fully retired on January 6, 2016.

Net Pension Liability

The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability, see Note 16 to the basic financial statements.

Loans Payable

On June 22, 2007, the City entered into a loan agreement with Honeywell, in the amount of \$1,489,793, for energy efficiency upgrades at a number of City buildings. The loans have an interest rate of 4.25 percent. The loans were obtained for a ten year period with maturity beginning June 22, 2007. The loans are being retired through the General Fund and the Water and Sewer enterprise funds. Of this loan, \$216,646 was not capitalized in governmental activities and \$134,616 was not capitalized in the business-type activities.

Compensated Absences Payable

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

General Obligation Revenue Bonds

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

2014 Various Purpose Refunding

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

The refunded bonds were fully retired on September 2, 2014.

OWDA Loans

The City entered into agreements with the Ohio Water Development Authority for loans for water plant improvements, water treatment plant electrical improvements, chemical improvements, ultraviolet treatment, sewer rehabilitation, flow monitors, sludge digestion system improvements, Cedar Point pump station, settling tank improvements, wastewater treatment plant expansion, wastewater treatment plant phase II design, and the east end sewer improvements. OWDA loans will be paid from resources of the Water and Sewer enterprise funds.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments are expected to require less than 100 percent of these net revenues in future years. The total principal and interest currently remaining to be paid on the OWDA loans, for completed projects for which amortization schedules are available, is \$48,405,360. Principal and interest paid for the current year and net revenues were \$1,828,993 and \$1,493,375 from the Water enterprise fund and \$2,731,433 and \$2,660,919 for the Sewer enterprise fund. The OWDA loans are payable through 2041.

The City's legal debt margin was \$35,374,996 at December 31, 2015.

The chemical improvements and east end sewer improvements projects funded by OWDA loans have not been completed. Amortization schedules for the repayment of these loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

Principal and interest requirements to retire governmental activities general long-term obligations outstanding at December 31, 2015, were as follows:

Year	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$1,389,867	\$294,851	\$380,000	\$40,290	\$225,973	\$122,730	\$106,047	\$8,091
2017	1,419,867	255,783	390,000	30,600	186,574	112,089	110,599	3,537
2018	1,499,867	214,514	400,000	20,655	190,573	103,260	0	0
2019	1,534,867	169,213	410,000	10,455	163,573	93,820	0	0
2020	1,607,301	138,631	0	0	142,700	85,410	0	0
2021-2025	2,862,300	285,514	0	0	802,699	308,085	0	0
2026	315,000	9,450	0	0	560,000	67,350	0	0
	<u>\$10,629,069</u>	<u>\$1,367,956</u>	<u>\$1,580,000</u>	<u>\$102,000</u>	<u>\$2,272,092</u>	<u>\$892,744</u>	<u>\$216,646</u>	<u>\$11,628</u>

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2015, from the enterprise funds were as follows:

Year	2015 Various Purpose Refunding	
	Principal	Interest
2016	\$75,000	\$45,750
2017	75,000	43,463
2018	75,000	41,174
2019	80,000	38,888
2020	85,000	36,447
2021-2025	500,000	140,300
2026-2030	610,000	57,340
	<u>\$1,500,000</u>	<u>\$403,362</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

Year	OWDA Loans		Loans	
	Principal	Interest	Principal	Interest
2016	\$2,468,653	\$1,416,549	\$65,893	\$5,027
2017	2,590,035	1,316,603	68,723	2,198
2018	2,717,433	1,211,743	0	0
2019	2,851,149	1,101,725	0	0
2020	2,991,499	986,290		
2021-2025	12,860,849	3,133,899	0	0
2026-2030	2,784,405	1,623,635	0	0
2031-2035	2,847,626	1,105,520	0	0
2036-2040	3,517,459	478,043	0	0
2041	394,358	7,887	0	0
	<u>\$36,023,466</u>	<u>\$12,381,894</u>	<u>\$134,616</u>	<u>\$7,225</u>

Long-term obligations at December 31, 2015, consisted of the following issues:

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/15
<b>General Obligation Bonds</b>				
2001 Various Purpose	2001-2026	3.00-5.05%	\$6,037,200	\$90,000
2011 Library Improvement Refunding	2011-2023	2.00-4.25	4,090,000	2,870,000
2014 Various Purpose Refunding	2014-2030	3.05	370,000	120,000
2015 City Complex Refunding	2015-2026	3.00	3,675,000	3,675,000
2015 Police Pension Refunding	2015-2026	3.00	330,383	330,383
2015 Fire Pension Refunding	2015-2026	3.00	444,617	444,617
2015 Various Purpose Refunding	2015-2026	3.00	3,099,069	3,099,069
			<u>18,046,269</u>	<u>10,629,069</u>
<b>Revenue Bonds</b>				
2013 Urban Renewal	2013-2019	2.55	2,680,000	1,580,000
<b>Special Assessment Bonds</b>				
1996 Perry Street	1996-2016	5.72	40,000	2,000
1996 Perry Street - City Port	1996-2016	5.72	350,000	23,000
1998 PP Street	1998-2018	4.87	48,894	7,220
1998 PP Street	1998-2018	4.87	31,000	4,579
1998 PP Street	1998-2018	4.87	69,106	10,202

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/15
<b>Special Assessment Bonds</b>				
1999 Winnebago	1999-2019	5.50	\$81,000	\$14,000
1999 Wilbert	1999-2019	5.50	143,000	22,000
1999 Streetscape	1999-2019	5.50	329,000	64,000
2006 Sidewalk	2006-2016	4.66	104,000	10,400
2008 Sidewalk, Curb, and Gutter	2008-2018	4.00-5.00	113,000	38,000
2008 Cold Creek	2008-2028	4.00-6.00	2,425,000	1,831,000
2008 Monroe Street	2008-2018	4.00-5.00	87,000	31,000
2009 Monroe Street	2009-2019	4.50	84,400	33,760
2015 Remington Refunding	2015-2026	3.00	35,931	35,931
2015 Seneca Refunding	2015-2026	3.00	28,000	28,000
2015 Huntington Refunding	2015-2026	3.00	92,000	92,000
2015 Sidewalks Refunding	2015-2026	3.00	25,000	25,000
			4,086,331	2,272,092
<b>General Obligation Revenue Bonds</b>				
<b>Water</b>				
2014 Various Purpose Refunding	2014-2030	3.05%	140,000	125,000
<b>Sewer</b>				
2014 Various Purpose Refunding	2014-2030	3.05	1,490,000	1,375,000
			1,630,000	1,500,000
			26,442,600	15,981,161
<b>OWDA Loans</b>				
<b>Water</b>				
2003 Water Plant Improvements	2004-2024	5.20%	19,993,686	5,279,339
2005 WTP Electrical Improvements	2005-2030	4.60	8,628,362	5,188,410
2011 Chemical Improvements	2011-2042	4.45	5,797,022	5,670,926
			34,419,070	16,138,675
<b>Sewer</b>				
1998 Ultraviolet Treatment	2001-2026	5.56	2,110,930	1,238,429
1999 Sewer Rehabilitation	2001-2025	6.13	350,878	204,167
2000 Sewer Rehabilitation	2001-2026	6.39	713,436	399,696
2000 CSO Flow Monitors	2001-2026	6.39	306,536	193,164
2000 Sludge Digestion System	2001-2026	6.03	1,409,888	732,394

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 20 - LONG-TERM OBLIGATIONS** (continued)

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/15
Sewer				
2001 Cedar Point Pump Station	2002-2022	5.05	\$4,393,697	\$1,963,634
2001 Final Settling Tank Improv	2002-2022	5.05	383,484	129,559
2002 WWTP Expansion	2003-2024	4.65	26,286,934	8,252,603
2007 WWTP Phase II Design	2008-2041	4.27	13,438,130	12,442,071
2015 East End Sewer Improv	2015	2.65	19,007	19,007
			<u>49,412,920</u>	<u>25,574,724</u>
			<u>\$83,831,990</u>	<u>\$41,713,399</u>

**NOTE 21 - OPERATING LEASE**

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

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

For 2015, the City received payments, in the amount of \$30,000. Future annual lease payments to be received are as follows:

Year	Annual Lease Payment	Total Lease for Period
2016	\$30,000	\$30,000
2017-2024	30,000	240,000
Total minimum future rentals		<u>\$270,000</u>

Beginning in 2000, Sandusky Bay Investment Company, Limited is required to pay additional rents to the City if net income is reported for that year. The additional rent will be 2 percent of gross income. The City received \$12,197 in additional rent in 2015.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 22 - FUND BALANCE**

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

Fund Balance	General	General Bond Retirement	Capital Projects	Other Governmental Funds
Nonspendable for:				
Interfund Loans	\$2,700	\$0	\$0	\$0
Materials and Supplies				
Inventory	98,815	0	0	163,996
Unclaimed Monies	110,497	0	0	0
<b>Total Nonspendable</b>	<b>212,012</b>	<b>0</b>	<b>0</b>	<b>163,996</b>
Restricted for:				
Capital Improvements	0	0	892,557	2,300
Cemetery Operations	0	0	0	659,950
Court Computerization	0	0	0	177,587
Court Security	0	0	0	6,655
Debt Retirement	0	129,875	0	468,348
Drug and Alcohol Treatment/ Enforcement	0	0	0	346,583
Economic Development and Rehabilitation	0	0	0	2,658,248
Electronic Monitoring	0	0	0	17,185
Police and Fire Operations	0	0	0	180,058
Probation	0	0	0	548,876
Recreation	0	0	0	238,211
Street Construction and Maintenance	0	0	0	217,353
Transit System	0	0	0	55,916
<b>Total Restricted</b>	<b>0</b>	<b>129,875</b>	<b>892,557</b>	<b>5,577,270</b>
Committed for:				
Capital Improvements	0	0	0	87,151

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
(continued)

**NOTE 22 - FUND BALANCE** (continued)

Fund Balance	General	General Bond Retirement	Capital Projects	Other Governmental Funds
Assigned for:				
Future Severance Payments	\$145,213	\$0	\$0	\$0
Unpaid Obligations	1,672	0	0	0
Total Assigned	146,885	0	0	0
Unassigned (Deficit)	4,562,646	0	0	(243,329)
Total Fund Balance	\$4,921,543	\$129,875	\$892,557	\$5,585,088

**NOTE 23 - INTERFUND TRANSFERS**

During 2015, the General Fund made transfers to the General Bond Retirement Fund and other governmental funds, in the amount of \$475,000 and \$181,321, respectively, to move receipts as debt payments became due, to the Capital Projects Fund, in the amount of \$1,650,000, to fund various capital projects activities, to other governmental funds, in the amount of \$1,542,676, to subsidize various activities in other funds, and \$300,000 to the Internal Service Fund to establish the fund. The Capital Projects Fund made transfers to the General Bond Retirement Fund, in the amount of \$118,508, to move receipts as debt payments became due. Other governmental funds made transfers to the General Bond Retirement fund and other governmental funds to move receipts as debt payments became due, in the amount of \$118,600 and \$2,700, and to the Capital Projects Fund to fund various capital projects activities, in the amount of \$603,448.

The Sewer Fund made transfers to the other governmental funds, in the amount of \$25,647, to move receipts as debt payments became due.

**NOTE 24 - PUBLIC ENTITY SHARED RISK POOL**

The Buckeye Ohio Risk Management Association (BORMA) is a public entity shared risk pool among various local governments in Northern Ohio. BORMA was formed as an Ohio not-for-profit corporation. The City participates in the health insurance program. Each member appoints one person to represent the City on the board of directors for a term of one year for participation in the program. Each member's control over the budgeting and financing of BORMA is limited to its voting authority and any representation it may have on the board of directors.

Participation in BORMA is by written application subject to the approval of the board of directors and the payment of premiums. Members must remain members for cycles of three years. A member may withdraw from a program by giving a forty day notice prior to the beginning of the next cycle. BORMA did not have any outstanding debt obligations as of December 31, 2015. Financial information may be obtained from Buckeye Ohio Risk Management Association, 631 Perry Street, Defiance, Ohio 43512.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**  
**(continued)**

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**NOTE 25 - CONTINGENT LIABILITIES**

**A. Litigation**

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

**B. Federal and State Grants**

For the period January 1, 2015, to December 31, 2015, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.



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

	2014	2013
City's Proportion of the Net Pension Liability	0.05413300%	0.05413300%
City's Proportionate Share of the Net Pension Liability	\$6,529,045	\$6,381,575
City's Covered Employee Payroll	\$6,636,717	\$6,315,003
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	98.38%	101.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

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

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

	2014	2013
City's Proportion of the Net Pension Liability	0.032333090%	0.032333090%
City's Proportionate Share of the Net Pension Liability	\$16,749,889	\$15,747,229
City's Covered Employee Payroll	\$6,350,923	\$6,220,489
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	263.74%	253.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Contributions  
 Ohio Public Employees Retirement System - Traditional Plan  
 Last Three Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$844,876	\$796,406	\$820,950
Contributions in Relation to the Contractually Required Contribution	<u>(844,876)</u>	<u>(796,406)</u>	<u>(820,950)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Employee Payroll	\$7,040,636	\$6,636,717	\$6,315,003
Contributions as a Percentage of Covered Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,312,384	\$1,353,119	\$1,133,780	\$953,465
Contributions in Relation to the Contractually Required Contribution	<u>(1,312,384)</u>	<u>(1,353,119)</u>	<u>(1,133,780)</u>	<u>(953,465)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Employee Payroll	\$6,160,041	\$6,350,923	\$6,220,489	\$6,309,717
Contributions as a Percentage of Covered Employee Payroll	21.30%	21.31%	18.23%	15.11%



<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$945,225	\$981,158	\$1,047,793	\$1,030,060	\$994,165	\$915,981
<u>(945,225)</u>	<u>(981,158)</u>	<u>(1,047,793)</u>	<u>(1,030,060)</u>	<u>(994,165)</u>	<u>(915,981)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,328,318	\$6,556,016	\$7,033,516	\$6,899,536	\$6,686,115	\$6,620,182
14.94%	14.97%	14.90%	14.93%	14.87%	13.84%



**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

### **Nonmajor Special Revenue Funds**

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

#### Street Maintenance

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

#### State Highway

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

#### Public Transit

To account for resources from the federal and state government under the Section 18 Program and from charges to users of the public transit system. Resources are restricted for operations of the public transit system.

#### Fire Pension

To account for property taxes and transfers from the General Fund restricted for payment of both the current pension contribution and the long-term accounting liability.

#### Police Pension

To account for property taxes and transfers from the General Fund restricted for payment of both the current pension contribution and the long-term accounting liability.

#### State Grants

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

#### Federal Grants

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

#### Indigent Drivers Alcohol

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

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Enforcement and Education

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

Court Computerization

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

Indigent Telephone

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

Municipal Probation

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

General Trust

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

Park Donations

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

Cemetery Donations

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

**Nonmajor Debt Service Funds**

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

Urban Renewal Debt Retirement

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

Special Assessment Bond Retirement

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

**Nonmajor Capital Projects Funds**

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

Real Estate Development

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

Capital Improvement

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

Redevelopment Tax Increment

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

Various Improvement

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

City of Sandusky  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,639,158	\$468,348	\$252,573	\$3,360,079
Accounts Receivable	3,361	0	219,957	223,318
Accrued Interest Receivable	2,756	0	0	2,756
Due from Other Governments	594,428	0	0	594,428
Municipal Income Taxes Receivable	0	0	136,411	136,411
Other Local Taxes Receivable	37,330	0	0	37,330
Materials and Supplies Inventory	163,996	0	0	163,996
Property Taxes Receivable	280,467	0	0	280,467
Payment in Lieu of Taxes Receivable	388	542,777	29,471	572,636
Notes Receivable	2,219,788	0	0	2,219,788
Special Assessments Receivable	0	2,631,507	0	2,631,507
<b>Total Assets</b>	<b>\$5,941,672</b>	<b>\$3,642,632</b>	<b>\$638,412</b>	<b>\$10,222,716</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$25,717	\$0	\$1,911	\$27,628
Accounts Payable	205,844	0	2,278	208,122
Contracts Payable	31,478	0	0	31,478
Interfund Payable	0	0	5,400	5,400
Due to Other Governments	187,127	0	1,627	188,754
Retainage Payable	3,498	0	0	3,498
<b>Total Liabilities</b>	<b>453,664</b>	<b>0</b>	<b>11,216</b>	<b>464,880</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	251,861	0	0	251,861
Payment in Lieu of Taxes	388	542,777	29,471	572,636
Unavailable Revenue	423,297	2,631,507	293,447	3,348,251
<b>Total Deferred Inflows of Resources</b>	<b>675,546</b>	<b>3,174,284</b>	<b>322,918</b>	<b>4,172,748</b>
<u>Fund Balance</u>				
Nonspendable	163,996	0	0	163,996
Restricted	4,891,795	468,348	217,127	5,577,270
Committed	0	0	87,151	87,151
Unassigned (Deficit)	(243,329)	0	0	(243,329)
<b>Total Fund Balance</b>	<b>4,812,462</b>	<b>468,348</b>	<b>304,278</b>	<b>5,585,088</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$5,941,672</b>	<b>\$3,642,632</b>	<b>\$638,412</b>	<b>\$10,222,716</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$30,216	\$79,355	\$39,457	\$1,155	\$3,181
Accounts Receivable	949	0	2,412	0	0
Accrued Interest Receivable	24	0	0	0	0
Due from Other Governments	455,922	36,967	18,080	7,321	7,321
Other Local Taxes Receivable	37,330	0	0	0	0
Materials and Supplies Inventory	163,767	0	0	0	0
Property Taxes Receivable	0	0	0	140,233	140,234
Payment in Lieu of Taxes Receivable	0	0	0	194	194
Notes Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$688,208</b>	<b>\$116,322</b>	<b>\$59,949</b>	<b>\$148,903</b>	<b>\$150,930</b>
<u>Liabilities</u>					
Accrued Wages Payable	\$23,437	\$0	\$1,904	\$0	\$0
Accounts Payable	32,771	0	132,285	0	0
Contracts Payable	0	0	0	0	0
Due to Other Governments	20,576	407	1,507	83,314	73,604
Retainage Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>76,784</b>	<b>407</b>	<b>135,696</b>	<b>83,314</b>	<b>73,604</b>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	125,930	125,931
Payment in Lieu of Taxes	0	0	0	194	194
Unavailable Revenue	315,196	31,023	15,000	21,624	21,624
<b>Total Deferred Inflows of Resources</b>	<b>315,196</b>	<b>31,023</b>	<b>15,000</b>	<b>147,748</b>	<b>147,749</b>
<u>Fund Balance</u>					
Nonspendable	163,767	0	0	0	0
Restricted	132,461	84,892	0	0	0
Unassigned (Deficit)	0	0	(90,747)	(82,159)	(70,423)
<b>Total Fund Balance (Deficit)</b>	<b>296,228</b>	<b>84,892</b>	<b>(90,747)</b>	<b>(82,159)</b>	<b>(70,423)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$688,208</b>	<b>\$116,322</b>	<b>\$59,949</b>	<b>\$148,903</b>	<b>\$150,930</b>



State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation
\$392,137	\$134,817	\$275,419	\$75,489	\$177,814	\$17,185	\$335,337
0	0	0	0	0	0	0
0	2,693	0	0	0	0	0
32,274	36,543	0	0	0	0	0
0	0	0	0	0	0	0
0	82	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,197,788	22,000	0	0	0	0	0
<u>\$2,622,199</u>	<u>\$196,135</u>	<u>\$275,419</u>	<u>\$75,489</u>	<u>\$177,814</u>	<u>\$17,185</u>	<u>\$335,337</u>
\$0	\$0	\$0	\$0	\$125	\$0	\$251
1,923	34,540	4,325	0	0	0	0
1,503	29,975	0	0	0	0	0
697	5,363	0	0	102	0	979
0	3,498	0	0	0	0	0
4,123	73,376	4,325	0	227	0	1,230
0	0	0	0	0	0	0
0	0	0	0	0	0	0
16,137	2,693	0	0	0	0	0
16,137	2,693	0	0	0	0	0
0	82	0	0	0	0	0
2,601,939	119,984	271,094	75,489	177,587	17,185	334,107
0	0	0	0	0	0	0
2,601,939	120,066	271,094	75,489	177,587	17,185	334,107
<u>\$2,622,199</u>	<u>\$196,135</u>	<u>\$275,419</u>	<u>\$75,489</u>	<u>\$177,814</u>	<u>\$17,185</u>	<u>\$335,337</u>

(continued)

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015  
(continued)

	General Trust	Park Donations	Cemetery Donations	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$219,058	\$198,049	\$660,489	\$2,639,158
Accounts Receivable	0	0	0	3,361
Accrued Interest Receivable	0	0	39	2,756
Due from Other Governments	0	0	0	594,428
Other Local Taxes Receivable	0	0	0	37,330
Materials and Supplies Inventory	0	0	147	163,996
Property Taxes Receivable	0	0	0	280,467
Payment in Lieu of Taxes Receivable	0	0	0	388
Notes Receivable	0	0	0	2,219,788
<b>Total Assets</b>	<b>\$219,058</b>	<b>\$198,049</b>	<b>\$660,675</b>	<b>\$5,941,672</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$0	\$25,717
Accounts Payable	0	0	0	205,844
Contracts Payable	0	0	0	31,478
Due to Other Governments	0	0	578	187,127
Retainage Payable	0	0	0	3,498
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>578</b>	<b>453,664</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	251,861
Payment in Lieu of Taxes	0	0	0	388
Unavailable Revenue	0	0	0	423,297
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>675,546</b>
<u>Fund Balance</u>				
Nonspendable	0	0	147	163,996
Restricted	219,058	198,049	659,950	4,891,795
Unassigned (Deficit)	0	0	0	(243,329)
<b>Total Fund Balance</b>	<b>219,058</b>	<b>198,049</b>	<b>660,097</b>	<b>4,812,462</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$219,058</b>	<b>\$198,049</b>	<b>\$660,675</b>	<b>\$5,941,672</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2015

	Urban Renewal Debt Retirement	Special Assessment Bond Retirement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$467,297	\$1,051	\$468,348
Due from Other Governments	0	0	0
Municipal Income Taxes Receivable	0	0	0
Property Taxes Receivable	0	0	0
Payment in Lieu of Taxes Receivable	542,777	0	542,777
Special Assessments Receivable	0	2,631,507	2,631,507
<b>Total Assets</b>	<b>\$1,010,074</b>	<b>\$2,632,558</b>	<b>\$3,642,632</b>
<u>Deferred Inflows of Resources</u>			
Property Taxes	\$0	\$0	\$0
Payment in Lieu of Taxes	542,777	0	542,777
Unavailable Revenue	0	2,631,507	2,631,507
<b>Total Deferred Inflows of Resources</b>	<b>542,777</b>	<b>2,631,507</b>	<b>3,174,284</b>
<u>Fund Balance</u>			
Restricted	467,297	1,051	468,348
<b>Total Deferred Inflows of Resources and Fund Balance</b>	<b>\$1,010,074</b>	<b>\$2,632,558</b>	<b>\$3,642,632</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2015

	Real Estate Development	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$3,000	\$24,230	\$95,663	\$129,680	\$252,573
Accounts Receivable	0	0	0	219,957	219,957
Municipal Income Taxes Receivable	0	136,411	0	0	136,411
Payment in Lieu of Taxes Receivable	0	0	29,471	0	29,471
<b>Total Assets</b>	<b>\$3,000</b>	<b>\$160,641</b>	<b>\$125,134</b>	<b>\$349,637</b>	<b>\$638,412</b>
<u>Liabilities</u>					
Accrued Wages Payable	\$0	\$0	\$0	\$1,911	\$1,911
Accounts Payable	700	0	0	1,578	2,278
Interfund Payable	0	0	0	5,400	5,400
Due to Other Governments	0	0	0	1,627	1,627
<b>Total Liabilities</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>10,516</b>	<b>11,216</b>
<u>Deferred Inflows of Resources</u>					
Payment in Lieu of Taxes	0	0	29,471	0	29,471
Unavailable Revenue	0	73,490	0	219,957	293,447
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>73,490</b>	<b>29,471</b>	<b>219,957</b>	<b>322,918</b>
<u>Fund Balance</u>					
Restricted	2,300	0	95,663	119,164	217,127
Committed	0	87,151	0	0	87,151
<b>Total Fund Balance</b>	<b>2,300</b>	<b>87,151</b>	<b>95,663</b>	<b>119,164</b>	<b>304,278</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$3,000</b>	<b>\$160,641</b>	<b>\$125,134</b>	<b>\$349,637</b>	<b>\$638,412</b>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$249,042	\$0	\$0	\$249,042
Payment in Lieu of Taxes	236	532,265	29,580	562,081
Municipal Income Taxes	0	0	529,239	529,239
Other Local Taxes	440,751	0	0	440,751
Special Assessments	0	1,194,518	0	1,194,518
Charges for Services	599,308	0	203,236	802,544
Fees, Licenses, and Permits	95,671	0	42,673	138,344
Fines and Forfeitures	84,410	0	0	84,410
Intergovernmental	3,280,512	59,564	0	3,340,076
Interest	19,604	0	1,998	21,602
Other	263,251	0	6,700	269,951
<b>Total Revenues</b>	<b>5,032,785</b>	<b>1,786,347</b>	<b>813,426</b>	<b>7,632,558</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	709,119	0	0	709,119
Fire	785,402	0	0	785,402
Public Health	68,154	0	0	68,154
Leisure Time Activities	12,564	0	0	12,564
Community Environment	818,068	0	215,372	1,033,440
Transportation	3,449,525	993,059	0	4,442,584
General Government			0	
Municipal Court	64,548	0	0	64,548
Other	0	0	2,700	2,700
Other	152,263	0	0	152,263
Capital Outlay	0	0	51,600	51,600
Debt Service:				
Principal Retirement	82,077	616,972	0	699,049
Interest and Fiscal Charges	40,230	202,912	0	243,142
<b>Total Expenditures</b>	<b>6,181,950</b>	<b>1,812,943</b>	<b>269,672</b>	<b>8,264,565</b>
Excess of Revenues Over (Under) Expenditures	(1,149,165)	(26,596)	543,754	(632,007)
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	775,000	0	0	775,000
Special Assessment Bonds Issued	0	180,931	0	180,931
Premium on General Obligation Bonds Issued	25,561	0	0	25,561
Premium on Special Assessment Bonds Issued	0	5,682	0	5,682
Payment to Refunded Bond Escrow Agent	(780,000)	(200,930)	0	(980,930)
Transfers In	1,542,676	206,968	2,700	1,752,344
Transfers Out	(220,160)	(2,700)	(501,888)	(724,748)
<b>Total Other Financing Sources (Uses)</b>	<b>1,343,077</b>	<b>189,951</b>	<b>(499,188)</b>	<b>1,033,840</b>
Changes in Fund Balance	193,912	163,355	44,566	401,833
Fund Balance Beginning of Year	4,618,550	304,993	259,712	5,183,255
<b>Fund Balance End of Year</b>	<b>\$4,812,462</b>	<b>\$468,348</b>	<b>\$304,278</b>	<b>\$5,585,088</b>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$124,521	\$124,521
Payment in Lieu of Taxes	0	0	0	118	118
Other Local Taxes	440,751	0	0	0	0
Charges for Services	0	0	570,074	0	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	992,905	75,040	281,960	17,767	17,767
Interest	111	8	0	0	0
Other	42,674	282	110,855	0	0
Total Revenues	<u>1,476,441</u>	<u>75,330</u>	<u>962,889</u>	<u>142,406</u>	<u>142,406</u>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	0	0	605,864
Fire	0	0	0	773,615	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	1,301,854	47,599	1,068,011	0	0
General Government					
Municipal Court	0	0	0	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	22,077	0	0	34,420	25,580
Interest and Fiscal Charges	2,705	0	0	21,551	15,974
Total Expenditures	<u>1,326,636</u>	<u>47,599</u>	<u>1,068,011</u>	<u>829,586</u>	<u>647,418</u>
Excess of Revenues Over (Under) Expenditures	<u>149,805</u>	<u>27,731</u>	<u>(105,122)</u>	<u>(687,180)</u>	<u>(505,012)</u>
<u>Other Financing Sources (Uses)</u>					
General Obligation Bonds Issued	0	0	0	444,617	330,383
Premium on General Obligation Bonds Issued	0	0	0	14,665	10,896
Payment to Refunded Bond Escrow Agent	0	0	0	(447,462)	(332,538)
Transfers In	0	0	173,264	673,596	490,255
Transfers Out	(101,560)	0	0	0	0
Total Other Financing Sources (Uses)	<u>(101,560)</u>	<u>0</u>	<u>173,264</u>	<u>685,416</u>	<u>498,996</u>
Changes in Fund Balance	48,245	27,731	68,142	(1,764)	(6,016)
Fund Balance (Deficit) Beginning of Year	<u>247,983</u>	<u>57,161</u>	<u>(158,889)</u>	<u>(80,395)</u>	<u>(64,407)</u>
Fund Balance (Deficit) End of Year	<u>\$296,228</u>	<u>\$84,892</u>	<u>(\$90,747)</u>	<u>(\$82,159)</u>	<u>(\$70,423)</u>

State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	29,895	0	0	0	65,776
0	0	0	6,691	28,345	0	0
127,460	1,767,613	0	0	0	0	0
12,939	3,904	0	0	0	0	0
9,681	637	0	0	55	0	445
<u>150,080</u>	<u>1,772,154</u>	<u>29,895</u>	<u>6,691</u>	<u>28,400</u>	<u>0</u>	<u>66,221</u>
2,000	14,403	0	0	0	0	0
0	7,047	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
54,918	755,006	0	0	0	0	0
0	1,032,061	0	0	0	0	0
64,548	0	0	0	0	0	0
0	0	44,303	0	26,235	0	81,725
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>121,466</u>	<u>1,808,517</u>	<u>44,303</u>	<u>0</u>	<u>26,235</u>	<u>0</u>	<u>81,725</u>
<u>28,614</u>	<u>(36,363)</u>	<u>(14,408)</u>	<u>6,691</u>	<u>2,165</u>	<u>0</u>	<u>(15,504)</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	205,561	0	0	0	0	0
0	(118,600)	0	0	0	0	0
<u>0</u>	<u>86,961</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
28,614	50,598	(14,408)	6,691	2,165	0	(15,504)
<u>2,573,325</u>	<u>69,468</u>	<u>285,502</u>	<u>68,798</u>	<u>175,422</u>	<u>17,185</u>	<u>349,611</u>
<u>\$2,601,939</u>	<u>\$120,066</u>	<u>\$271,094</u>	<u>\$75,489</u>	<u>\$177,587</u>	<u>\$17,185</u>	<u>\$334,107</u>

(continued)

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015  
(continued)

	General Trust	Park Donations	Cemetery Donations	Total
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$249,042
Payment in Lieu of Taxes	0	0	0	236
Other Local Taxes	0	0	0	440,751
Charges for Services	1,163	8,371	19,700	599,308
Fees, Licenses, and Permits	0	0	0	95,671
Fines and Forfeitures	49,374	0	0	84,410
Intergovernmental	0	0	0	3,280,512
Interest	0	137	2,505	19,604
Other	77,391	362	20,869	263,251
<b>Total Revenues</b>	<b>127,928</b>	<b>8,870</b>	<b>43,074</b>	<b>5,032,785</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	86,852	0	0	709,119
Fire	4,740	0	0	785,402
Public Health	0	0	68,154	68,154
Leisure Time Activities	12,418	146	0	12,564
Community Environment	8,144	0	0	818,068
Transportation	0	0	0	3,449,525
General Government				
Municipal Court	0	0	0	64,548
Other	0	0	0	152,263
Debt Service:				
Principal Retirement	0	0	0	82,077
Interest and Fiscal Charges	0	0	0	40,230
<b>Total Expenditures</b>	<b>112,154</b>	<b>146</b>	<b>68,154</b>	<b>6,181,950</b>
Excess of Revenues Over (Under) Expenditures	15,774	8,724	(25,080)	(1,149,165)
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	0	0	0	775,000
Premium on General Obligation Bonds Issued	0	0	0	25,561
Payment to Refunded Bond Escrow Agent	0	0	0	(780,000)
Transfers In	0	0	0	1,542,676
Transfers Out	0	0	0	(220,160)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,343,077</b>
Changes in Fund Balance	15,774	8,724	(25,080)	193,912
Fund Balance (Deficit) Beginning of Year	203,284	189,325	685,177	4,618,550
<b>Fund Balance (Deficit) End of Year</b>	<b>\$219,058</b>	<b>\$198,049</b>	<b>\$660,097</b>	<b>\$4,812,462</b>



City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2015

	Urban Renewal Debt Retirement	Special Assessment Bond Retirement	Total
<u>Revenues</u>			
Property Taxes	\$0	\$0	\$0
Payment in Lieu of Taxes	532,265	0	532,265
Municipal Income Taxes	0	0	0
Special Assessments	0	1,194,518	1,194,518
Intergovernmental	59,564	0	59,564
<b>Total Revenues</b>	<b>591,829</b>	<b>1,194,518</b>	<b>1,786,347</b>
<u>Expenditures</u>			
Transportation	0	993,059	993,059
Debt Service:			
Principal Retirement	370,000	246,972	616,972
Interest and Fiscal Charges	59,525	143,387	202,912
<b>Total Expenditures</b>	<b>429,525</b>	<b>1,383,418</b>	<b>1,812,943</b>
Excess of Revenues Over (Under) Expenditures	162,304	(188,900)	(26,596)
<u>Other Financing Sources (Uses)</u>			
Special Assessment Bonds Issued	0	180,931	180,931
Premium on Special Assessment Bonds Issued	0	5,682	5,682
Payment to Refunded Bond Escrow Agent	0	(200,930)	(200,930)
Transfers In	0	206,968	206,968
Transfers Out	0	(2,700)	(2,700)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>189,951</b>	<b>189,951</b>
Changes in Fund Balance	162,304	1,051	163,355
Fund Balance Beginning of Year	304,993	0	304,993
<b>Fund Balance End of Year</b>	<b>\$467,297</b>	<b>\$1,051</b>	<b>\$468,348</b>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2015

	Real Estate Development	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Revenues</u>					
Payment in Lieu of Taxes	\$0	\$0	\$29,580	\$0	\$29,580
Municipal Income Taxes	0	529,239	0	0	529,239
Charges for Services	0	0	0	203,236	203,236
Fees, Licenses, and Permits	0	0	0	42,673	42,673
Interest	0	0	0	1,998	1,998
Other	5,000	0	0	1,700	6,700
<b>Total Revenues</b>	<b>5,000</b>	<b>529,239</b>	<b>29,580</b>	<b>249,607</b>	<b>813,426</b>
<u>Expenditures</u>					
Current:					
Community Environment	0	0	1,032	214,340	215,372
General Government					
Other	2,700	0	0	0	2,700
Capital Outlay	0	0	0	51,600	51,600
<b>Total Expenditures</b>	<b>2,700</b>	<b>0</b>	<b>1,032</b>	<b>265,940</b>	<b>269,672</b>
Excess of Revenues Over (Under) Expenditures	2,300	529,239	28,548	(16,333)	543,754
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	0	0	2,700	2,700
Transfers Out	0	(501,888)	0	0	(501,888)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(501,888)</b>	<b>0</b>	<b>2,700</b>	<b>(499,188)</b>
Changes in Fund Balance	2,300	27,351	28,548	(13,633)	44,566
Fund Balance Beginning of Year	0	59,800	67,115	132,797	259,712
<b>Fund Balance End of Year</b>	<b>\$2,300</b>	<b>\$87,151</b>	<b>\$95,663</b>	<b>\$119,164</b>	<b>\$304,278</b>

City of Sandusky  
Combining Statements - Fiduciary Funds

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

**Agency Funds**

State Patrol Transfer

To account for resources deposited with the municipal court pending disposition to the Erie County Law Library and other municipalities.

Guaranteed Deposits

To account for resources deposited by contractors to guarantee the satisfactory completion of a job or project. Resources are returned to the depositor or used to pay any charges after the job or project has been accepted by the engineering department.

Sandusky Municipal Court

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

BSF Assessment

To account for building standards fee assessments collected by the City and remitted to the State.

Fire Escrow

To account for insurance proceeds in which a fire occurred under Ohio Revised Code Section 3929.86, divisions (C) and (D). These proceeds are released to the insured after removal or repair of the structure and an inspection by the Fire Chief.

Payroll

To account for charges to funds from which employees are paid for payment of the bi-weekly payroll, along with employee contributions to the pension system.

Police Temporary Deposit

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

Section 125 Plan

To account for payroll deductions for medical bills and childcare for individuals.

City of Sandusky  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
<u>State Patrol Transfer</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$9,597	\$29,581	\$29,069	\$10,109
<u>Liabilities</u>				
Undistributed Assets	\$9,597	\$29,581	\$29,069	\$10,109
<u>Guaranteed Deposits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$58,581	\$10,039	\$0	\$68,620
<u>Liabilities</u>				
Undistributed Assets	\$58,581	\$10,039	\$0	\$68,620
<u>Sandusky Municipal Court</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$109,634	\$2,020,059	\$2,054,910	\$74,783
<u>Liabilities</u>				
Undistributed Assets	\$109,634	\$2,020,059	\$2,054,910	\$74,783
<u>BSF Assessment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,173	\$3,307	\$3,713	\$1,767
<u>Liabilities</u>				
Undistributed Assets	\$2,173	\$3,307	\$3,713	\$1,767
<u>Fire Escrow</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$43,250	\$65,920	\$34,028	\$75,142
<u>Liabilities</u>				
Undistributed Assets	\$43,250	\$65,920	\$34,028	\$75,142
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$105,681	\$338,066	\$57,000	\$386,747
<u>Liabilities</u>				
Due to Other Governments	\$105,681	\$15,066	\$0	\$120,747
Undistributed Assets	0	323,000	57,000	266,000
Total Liabilities	\$105,681	\$338,066	\$57,000	\$386,747

(continued)

City of Sandusky  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015  
(continued)

	Balance January 1, 2015	Additions	Reductions	Balance December 31, 2015
<u>Police Temporary Deposit</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,067	\$19,794	\$19,794	\$2,067
<u>Liabilities</u>				
Undistributed Assets	\$2,067	\$19,794	\$19,794	\$2,067
<u>Section 125 Plan</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$14,496	\$34,528	\$38,012	\$11,012
<u>Liabilities</u>				
Undistributed Assets	\$14,496	\$34,528	\$38,012	\$11,012
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$345,479	\$2,521,294	\$2,236,526	\$630,247
<u>Liabilities</u>				
Due to Other Governments	\$105,681	\$15,066	\$0	\$120,747
Undistributed Assets	239,798	2,506,228	2,236,526	509,500
Total Liabilities	\$345,479	\$2,521,294	\$2,236,526	\$630,247



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

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Original	Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,496,978	\$1,496,978	\$1,515,024	\$18,046
Payment in Lieu of Taxes	2,648	2,648	2,648	0
Municipal Income Taxes	9,244,000	9,433,948	9,433,948	0
Other Local Taxes	4,990,000	4,953,895	4,953,895	0
Charges for Services	972,014	947,389	1,029,295	81,906
Fees, Licenses, and Permits	712,331	647,771	665,386	17,615
Fines and Forfeitures	1,034,300	961,406	1,001,000	39,594
Intergovernmental	680,265	687,381	709,377	21,996
Interest	135,000	147,121	147,719	598
Other	264,554	268,092	295,849	27,757
<b>Total Revenues</b>	<b>19,532,090</b>	<b>19,546,629</b>	<b>19,754,141</b>	<b>207,512</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property-Police				
Police Patrol				
Personal Services	3,854,483	3,664,483	3,664,091	392
Other	302,241	262,241	240,814	21,427
<b>Total Police Patrol</b>	<b>4,156,724</b>	<b>3,926,724</b>	<b>3,904,905</b>	<b>21,819</b>
Police Records				
Personal Services	122,866	98,866	98,850	16
Other	159,477	159,977	159,798	179
<b>Total Police Records</b>	<b>282,343</b>	<b>258,843</b>	<b>258,648</b>	<b>195</b>
Police Reserves				
Personal Services	127,621	103,621	102,767	854
Other	3,500	2,500	1,941	559
<b>Total Police Reserves</b>	<b>131,121</b>	<b>106,121</b>	<b>104,708</b>	<b>1,413</b>
Police Detectives				
Personal Services	464,060	470,660	470,569	91
Other	8,700	8,700	6,174	2,526
<b>Total Police Detectives</b>	<b>472,760</b>	<b>479,360</b>	<b>476,743</b>	<b>2,617</b>
<b>Total Security of Persons and Property-Police</b>	<b>5,042,948</b>	<b>4,771,048</b>	<b>4,745,004</b>	<b>26,044</b>
Security of Persons and Property-Fire				
Fire Suppression				
Personal Services	4,323,077	4,329,777	4,329,730	47
Other	343,922	370,922	360,366	10,556
<b>Total Security of Persons and Property-Fire</b>	<b>4,666,999</b>	<b>4,700,699</b>	<b>4,690,096</b>	<b>10,603</b>
Security of Persons and Property-Other				
Street Lighting				
Other	290,000	249,000	248,651	349



City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Public Health				
Oakland Cemetery				
Personal Services	\$181,821	\$192,421	\$192,331	\$90
Other	44,225	37,225	34,363	2,862
<b>Total Public Health</b>	<b>226,046</b>	<b>229,646</b>	<b>226,694</b>	<b>2,952</b>
Leisure Time Activities				
Aquatic Center				
Personal Services	14,100	14,536	14,536	0
Other	14,500	4,793	4,793	0
<b>Total Aquatic Center</b>	<b>28,600</b>	<b>19,329</b>	<b>19,329</b>	<b>0</b>
Mills Creek Golf Course				
Personal Services	95,000	115,525	115,525	0
Other	107,000	114,980	114,980	0
<b>Total Mills Creek Golf Course</b>	<b>202,000</b>	<b>230,505</b>	<b>230,505</b>	<b>0</b>
Recreation				
Personal Services	76,001	83,204	83,204	0
Other	72,200	85,061	85,061	0
<b>Total Recreation</b>	<b>148,201</b>	<b>168,265</b>	<b>168,265</b>	<b>0</b>
Paper District Marina				
Personal Services	47,000	27,343	27,343	0
Other	35,000	33,795	33,795	0
<b>Total Paper District Marina</b>	<b>82,000</b>	<b>61,138</b>	<b>61,138</b>	<b>0</b>
Boat Launch Ramp				
Personal Services	0	0	0	0
Other	16,000	22,736	22,736	0
<b>Total Boat Launch Ramp</b>	<b>16,000</b>	<b>22,736</b>	<b>22,736</b>	<b>0</b>
<b>Total Leisure Time Activities</b>	<b>476,801</b>	<b>501,973</b>	<b>501,973</b>	<b>0</b>
Community Environment				
Community Development Planning				
Personal Services	388,457	409,457	409,330	127
Other	36,705	36,705	30,962	5,743
<b>Total Community Development Planning</b>	<b>425,162</b>	<b>446,162</b>	<b>440,292</b>	<b>5,870</b>
City Wide Economic Development				
Other	55,000	70,000	69,571	429

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Community Development Building Division				
Personal Services	\$181,774	\$170,774	\$170,352	\$422
Other	32,344	34,844	28,370	6,474
<b>Total Community Development Building Division</b>	<b>214,118</b>	<b>205,618</b>	<b>198,722</b>	<b>6,896</b>
Horticulture Services				
Personal Services	682,876	641,876	641,390	486
Other	206,264	205,264	196,073	9,191
<b>Total Horticulture Services</b>	<b>889,140</b>	<b>847,140</b>	<b>837,463</b>	<b>9,677</b>
<b>Total Community Environment</b>	<b>1,583,420</b>	<b>1,568,920</b>	<b>1,546,048</b>	<b>22,872</b>
Transportation				
Jackson Street Pier				
Other	1,000	1,000	979	21
General Government-Municipal Court				
Court-Criminal				
Personal Services	875,668	867,668	867,066	602
Other	52,000	52,000	50,451	1,549
<b>Total General Government-Municipal Court</b>	<b>927,668</b>	<b>919,668</b>	<b>917,517</b>	<b>2,151</b>
General Government-Other				
City Manager				
Personal Services	119,449	107,449	107,247	202
Other	7,500	77,500	7,946	69,554
<b>Total City Manager</b>	<b>126,949</b>	<b>184,949</b>	<b>115,193</b>	<b>69,756</b>
Personnel Labor Relations				
Personal Services	176,278	168,126	166,776	1,350
Other	25,700	15,700	13,102	2,598
<b>Total Personnel Labor Relations</b>	<b>201,978</b>	<b>183,826</b>	<b>179,878</b>	<b>3,948</b>
Finance				
Personal Services	111,589	111,589	111,411	178
Other	13,675	13,675	6,820	6,855
<b>Total Finance</b>	<b>125,264</b>	<b>125,264</b>	<b>118,231</b>	<b>7,033</b>
Income Tax				
Personal Services	64,889	64,889	63,011	1,878
Other	253,800	333,800	332,963	837
<b>Total Income Tax</b>	<b>318,689</b>	<b>398,689</b>	<b>395,974</b>	<b>2,715</b>

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Data Processing				
Personal Services	\$85,431	\$75,431	\$75,187	\$244
Other	50,887	55,887	53,415	2,472
Total Data Processing	<u>136,318</u>	<u>131,318</u>	<u>128,602</u>	<u>2,716</u>
Law Director				
Personal Services	289,840	265,839	264,967	872
Other	38,600	23,600	21,112	2,488
Total Law Director	<u>328,440</u>	<u>289,439</u>	<u>286,079</u>	<u>3,360</u>
City Commission				
Personal Services	26,609	26,609	26,588	21
Other	4,765	10,765	10,341	424
Total City Commission	<u>31,374</u>	<u>37,374</u>	<u>36,929</u>	<u>445</u>
City Commission Clerk				
Personal Services	45,276	46,076	46,068	8
Other	1,440	1,440	928	512
Total City Commission Clerk	<u>46,716</u>	<u>47,516</u>	<u>46,996</u>	<u>520</u>
Municipal Buildings and Lands				
Personal Services	247,670	234,670	234,303	367
Other	164,438	214,438	209,663	4,775
Total Municipal Buildings and Lands	<u>412,108</u>	<u>449,108</u>	<u>443,966</u>	<u>5,142</u>
Engineering				
Personal Services	184,842	177,842	177,203	639
Other	41,600	41,600	33,975	7,625
Total Engineering	<u>226,442</u>	<u>219,442</u>	<u>211,178</u>	<u>8,264</u>
Mechanic				
Personal Services	178,961	193,961	193,797	164
Other	90,882	90,882	87,256	3,626
Total Mechanic	<u>269,843</u>	<u>284,843</u>	<u>281,053</u>	<u>3,790</u>
Unclaimed Funds				
Other	1,000	99	99	0
Administrative Support				
Personal Services	0	0	0	0
Other	597,500	872,500	860,036	12,464
Total Administrative Support	<u>597,500</u>	<u>872,500</u>	<u>860,036</u>	<u>12,464</u>
Total General Government-Other	<u>2,822,621</u>	<u>3,224,367</u>	<u>3,104,214</u>	<u>120,153</u>

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Debt Service:				
Principal Retirement	\$79,604	\$79,604	\$79,604	\$0
Interest and Fiscal Charges	9,752	9,752	9,752	0
Total Debt Service	89,356	89,356	89,356	0
Total Expenditures	16,126,859	16,255,677	16,070,532	185,145
Excess of Revenues Over Expenditures	3,405,231	3,290,952	3,683,609	392,657
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	379,845	435,567	424,427	(11,140)
Sale of Capital Assets	45,512	45,512	45,512	0
Advances In	2,700	2,700	2,700	0
Transfers Out	(3,758,662)	(4,176,007)	(4,148,997)	27,010
Total Other Financing Sources (Uses)	(3,330,605)	(3,692,228)	(3,676,358)	15,870
Changes in Fund Balance	74,626	(401,276)	7,251	408,527
Fund Balance Beginning of Year	4,399,178	4,399,178	4,399,178	0
Prior Year Encumbrances Appropriated	19,180	19,180	19,180	0
Fund Balance End of Year	\$4,492,984	\$4,017,082	\$4,425,609	\$408,527

City of Sandusky  
General Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$409,223	\$415,078	\$5,855
Payment in Lieu of Taxes	373	373	0
Municipal Income Taxes	623,057	623,868	811
Intergovernmental	50,521	50,274	(247)
<b>Total Revenues</b>	<b>1,083,174</b>	<b>1,089,593</b>	<b>6,419</b>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,321,873	1,319,866	2,007
Interest and Fiscal Charges	642,047	640,530	1,517
<b>Total Expenditures</b>	<b>1,963,920</b>	<b>1,960,396</b>	<b>3,524</b>
Excess of Revenues Under Expenditures	(880,746)	(870,803)	9,943
<u>Other Financing Sources</u>			
Other Financing Sources	248	248	0
General Obligation Bonds Issued	6,769,822	6,774,069	4,247
Premium on General Obligation Bonds Issued	180,274	180,274	0
Payment to Refunded Bond Escrow Agent	(6,749,070)	(6,749,070)	0
Transfers In	712,108	712,108	0
<b>Total Other Financing Sources</b>	<b>913,382</b>	<b>917,629</b>	<b>4,247</b>
Changes in Fund Balance	32,636	46,826	14,190
Fund Balance Beginning of Year	4,398	4,398	0
<b>Fund Balance End of Year</b>	<b>\$37,034</b>	<b>\$51,224</b>	<b>\$14,190</b>

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$541,451	\$561,738	\$20,287
Intergovernmental	2,066,368	2,845,098	778,730
Fees, Licenses, and Permits	109,207	119,744	10,537
Interest	1,750	1,750	0
Other	66,833	66,833	0
<b>Total Revenues</b>	<b>2,785,609</b>	<b>3,595,163</b>	<b>809,554</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	46,925	42,854	4,071
Security of Persons and Property-Fire			
EMS			
Personal Services	38,000	37,321	679
Other	368,134	357,149	10,985
<b>Total Security of Persons and Property-Fire</b>	<b>406,134</b>	<b>394,470</b>	<b>11,664</b>
Leisure Time Activities			
Schade/Mylander Plaza			
Other	300	0	300
Shoreline Park Improvements			
Other	4,132	4,132	0
<b>Total Leisure Time Activities</b>	<b>4,432</b>	<b>4,132</b>	<b>300</b>
Community Environment			
City Wide Economic Development			
Other	120,000	111,948	8,052
Community Development			
Other	55,000	54,377	623
Keller Building			
Other	376	0	376
Sandusky Cabinets			
Other	500,000	482,340	17,660
Brownfields			
Other	10,000	4,733	5,267
<b>Total Community Environment</b>	<b>685,376</b>	<b>653,398</b>	<b>31,978</b>
Transportation			
Streets			
Other	224,000	223,829	171

(continued)

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Budget	Actual	Variance Over (Under)
Hayes Avenue Underpass			
Other	\$2,000	\$1,881	\$119
Camp Street Underpass			
Personal Services	25,000	242	24,758
Other	107,673	12,295	95,378
Total Camp Street Underpass	132,673	12,537	120,136
Monroe Street Resurfacing			
Personal Services	5,000	0	5,000
Other	500	165	335
Total Monroe Street Resurfacing	5,500	165	5,335
Columbus Avenue Resurfacing			
Personal Services	10,000	0	10,000
Other	30,000	65	29,935
Total Columbus Avenue Resurfacing	40,000	65	39,935
Perkins Avenue Signals			
Personal Services	25,000	0	25,000
Other	75,000	0	75,000
Total Perkins Avenue Signals	100,000	0	100,000
Westend Grade Separation			
Other	4,500	4,304	196
Warren Street Resurfacing			
Personal Services	5,000	0	5,000
Other	43,500	924	42,576
Total Warren Street Resurfacing	48,500	924	47,576
Water Street Rehabilitation			
Personal Services	25,000	80	24,920
Other	47,500	13,075	34,425
Total Water Street Rehabilitation	72,500	13,155	59,345
Ferndale Drive Resurfacing			
Other	6,100	0	6,100
Total Transportation	635,773	256,860	378,913
General Government-Municipal Court			
Municipal Court			
Personal Services	25,000	5,909	19,091

(continued)

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Budget	Actual	Variance Over (Under)
General Government-Other			
Paper District			
Other	\$12,000	\$11,620	\$380
Strategic Planning			
Other	50,000	49,969	31
Data Processing			
Other	48,287	39,431	8,856
Total General Government-Other	110,287	101,020	9,267
Capital Outlay	3,741,625	3,108,878	632,747
Debt Service:			
Principal Retirement	2,770,000	2,692,500	77,500
Interest and Fiscal Charges	36,500	10,905	25,595
Total Debt Service	2,806,500	2,703,405	103,095
Total Expenditures	8,462,052	7,270,926	1,191,126
Excess of Revenues Under Expenditures	(5,676,443)	(3,675,763)	2,000,680
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	220	220	0
Bond Anticipation Notes Issued	2,350,000	2,350,000	0
Transfers In	2,280,155	2,253,448	(26,707)
Transfers Out	(119,000)	(118,508)	492
Total Other Financing Sources (Uses)	4,511,375	4,485,160	(26,215)
Changes in Fund Balance	(1,165,068)	809,397	1,974,465
Fund Balance Beginning of Year	3,126,816	3,126,816	0
Prior Year Encumbrances Appropriated	50,661	50,661	0
Fund Balance End of Year	\$2,012,409	\$3,986,874	\$1,974,465



City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$5,181,721	\$5,222,053	\$40,332
OWDA Loan Proceeds	163,550	163,550	0
Sale of Capital Assets	2,483	2,483	0
Interest	412	412	0
Other	75,461	71,890	(3,571)
<b>Total Revenues</b>	<b>5,423,627</b>	<b>5,460,388</b>	<b>36,761</b>
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	112,440	110,380	2,060
Waterworks Filtration	1,162,647	1,133,931	28,716
Waterworks Distribution	866,050	845,564	20,486
Administrative Support	600,000	558,208	41,792
<b>Total Personal Services</b>	<b>2,741,137</b>	<b>2,648,083</b>	<b>93,054</b>
<u>Travel and Transportation</u>			
Water Office	500	101	399
Waterworks Filtration	10,370	3,531	6,839
Waterworks Distribution	6,300	6,287	13
Other	5,000	0	5,000
Administrative Support	5,188	3,616	1,572
<b>Total Travel and Transportation</b>	<b>27,358</b>	<b>13,535</b>	<b>13,823</b>
<u>Contractual Services</u>			
Water Office	27,702	26,365	1,337
Waterworks Filtration	525,447	520,260	5,187
Waterworks Distribution	31,900	25,233	6,667
Other	53,000	4,592	48,408
Administrative Support	339,292	298,381	40,911
<b>Total Contractual Services</b>	<b>977,341</b>	<b>874,831</b>	<b>102,510</b>
<u>Materials and Supplies</u>			
Water Office	1,250	802	448
Waterworks Filtration	646,422	565,461	80,961
Waterworks Distribution	292,700	260,472	32,228
Other	17,000	16,011	989
Administrative Support	12,000	7,723	4,277
<b>Total Materials and Supplies</b>	<b>969,372</b>	<b>850,469</b>	<b>118,903</b>
<u>Other</u>			
Water Office	50	39	11
Administrative Support	5,100	2,403	2,697
<b>Total Other</b>	<b>5,150</b>	<b>2,442</b>	<b>2,708</b>

(continued)

City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Budget	Actual	Variance Over (Under)
Capital Outlay			
Waterworks Filtration	\$360,982	\$353,326	\$7,656
Waterworks Distribution	180,223	131,942	48,281
Administrative Support	13,345	12,576	769
Total Capital Outlay	<u>554,550</u>	<u>497,844</u>	<u>56,706</u>
Debt Service:			
Principal Retirement	1,139,655	1,139,587	68
Interest Expense	755,452	755,452	0
Total Debt Service	<u>1,895,107</u>	<u>1,895,039</u>	<u>68</u>
Total Expenses	<u>7,170,015</u>	<u>6,782,243</u>	<u>387,772</u>
Excess of Revenues Under Expenses	(1,746,388)	(1,321,855)	424,533
Transfers Out	(50,000)	0	50,000
Fund Balance Beginning of Year	5,948,472	5,948,472	0
Prior Year Encumbrances Appropriated	<u>7,337</u>	<u>7,337</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,159,421</u></u>	<u><u>\$4,633,954</u></u>	<u><u>\$474,533</u></u>

City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,726,472	\$6,878,367	\$151,895
OWDA Loan Proceeds	19,007	19,007	0
Sale of Capital Assets	1,022	1,022	0
Interest	803	803	0
Other	91,839	94,968	3,129
<b>Total Revenues</b>	<b>6,839,143</b>	<b>6,994,167</b>	<b>155,024</b>
<u>Expenses</u>			
Personal Services			
Sewer Office	111,440	110,378	1,062
Water Pollution Control	1,427,290	1,379,354	47,936
Sewer Maintenance	837,059	836,271	788
Administrative Support	600,000	555,180	44,820
<b>Total Personal Services</b>	<b>2,975,789</b>	<b>2,881,183</b>	<b>94,606</b>
Travel and Transportation			
Sewer Office	500	101	399
Water Pollution Control	16,295	11,740	4,555
Sewer Maintenance	5,005	1,579	3,426
Administrative Support	5,188	3,771	1,417
<b>Total Travel and Transportation</b>	<b>26,988</b>	<b>17,191</b>	<b>9,797</b>
Contractual Services			
Sewer Office	29,702	29,203	499
Water Pollution Control	791,508	779,101	12,407
Sewer Maintenance	166,740	155,368	11,372
Administrative Support	357,792	317,498	40,294
<b>Total Contractual Services</b>	<b>1,345,742</b>	<b>1,281,170</b>	<b>64,572</b>
Materials and Supplies			
Sewer Office	1,250	808	442
Water Pollution Control	289,336	288,511	825
Sewer Maintenance	261,700	235,550	26,150
Administrative Support	9,000	7,639	1,361
<b>Total Materials and Supplies</b>	<b>561,286</b>	<b>532,508</b>	<b>28,778</b>
Other			
Sewer Office	50	39	11
Administrative Support	3,000	1,077	1,923
<b>Total Other</b>	<b>3,050</b>	<b>1,116</b>	<b>1,934</b>
Capital Outlay			
Water Pollution Control	852,899	734,851	118,048
Sewer Maintenance	405,000	391,278	13,722
Administrative Support	30,895	29,149	1,746
<b>Total Capital Outlay</b>	<b>1,288,794</b>	<b>1,155,278</b>	<b>133,516</b>

City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Budget	Actual	Variance Over (Under)
Debt Service:			
Principal Retirement	\$1,593,133	\$1,593,133	\$0
Interest Expense	1,286,707	1,286,707	0
Total Debt Service	<u>2,879,840</u>	<u>2,879,840</u>	<u>0</u>
Total Expenses	<u>9,081,489</u>	<u>8,748,286</u>	<u>333,203</u>
Excess of Revenues Under Expenses	(2,242,346)	(1,754,119)	488,227
Transfers Out	(5,984)	0	5,984
Fund Balance Beginning of Year	4,178,775	4,178,775	0
Prior Year Encumbrances Appropriated	<u>5,874</u>	<u>5,874</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,936,319</u></u>	<u><u>\$2,430,530</u></u>	<u><u>\$494,211</u></u>

City of Sandusky  
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$437,071	\$437,071	\$0
Intergovernmental	916,189	913,969	(2,220)
Interest	109	109	0
Other	521	521	0
<b>Total Revenues</b>	<b>1,353,890</b>	<b>1,351,670</b>	<b>(2,220)</b>
<u>Expenditures</u>			
Current:			
Transportation			
Public Works			
Personal Services	827,147	827,147	0
Other	245,226	245,165	61
<b>Total Public Works</b>	<b>1,072,373</b>	<b>1,072,312</b>	<b>61</b>
Traffic and Electrical Maintenance			
Personal Services	161,365	161,365	0
Other	97,005	96,956	49
<b>Total Traffic and Electrical Maintenance</b>	<b>258,370</b>	<b>258,321</b>	<b>49</b>
Street Cleaning, Snow, and Ice Removal			
Other	9,847	9,847	0
<b>Total Transportation</b>	<b>1,340,590</b>	<b>1,340,480</b>	<b>110</b>
Debt Service:			
Principal Retirement	22,077	22,077	0
Interest and Fiscal Charges	2,705	2,705	0
<b>Total Debt Service</b>	<b>24,782</b>	<b>24,782</b>	<b>0</b>
<b>Total Expenditures</b>	<b>1,365,372</b>	<b>1,365,262</b>	<b>110</b>
Excess of Revenues Under Expenditures	(11,482)	(13,592)	(2,110)
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	41,187	41,204	17
Transfers Out	(101,560)	(101,560)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(60,373)</b>	<b>(60,356)</b>	<b>17</b>
Changes in Fund Balance	(71,855)	(73,948)	(2,093)
Fund Balance Beginning of Year	104,164	104,164	0
<b>Fund Balance End of Year</b>	<b>\$32,309</b>	<b>\$30,216</b>	<b>(\$2,093)</b>

City of Sandusky  
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$78,499	\$74,106	(\$4,393)
Interest	6	8	2
Total Revenues	<u>78,505</u>	<u>74,114</u>	<u>(4,391)</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway Maintenance and Repair			
Personal Services	35,000	32,186	2,814
Other	45,000	15,855	29,145
Total Expenditures	<u>80,000</u>	<u>48,041</u>	<u>31,959</u>
Excess of Revenues Over (Under) Expenditures	(1,495)	26,073	27,568
<u>Other Financing Sources</u>			
Other Financing Sources	350	282	(68)
Changes in Fund Balance	(1,145)	26,355	27,500
Fund Balance Beginning of Year	<u>53,000</u>	<u>53,000</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$51,855</u></u>	<u><u>\$79,355</u></u>	<u><u>\$27,500</u></u>

City of Sandusky  
Public Transit Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$561,095	\$583,881	\$22,786
Intergovernmental	281,960	281,960	0
Other	86,530	86,530	0
Total Revenues	<u>929,585</u>	<u>952,371</u>	<u>22,786</u>
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System			
Personal Services	48,835	48,835	0
Other	1,066,500	1,066,026	474
Total Expenditures	<u>1,115,335</u>	<u>1,114,861</u>	<u>474</u>
Excess of Revenues Under Expenditures	<u>(185,750)</u>	<u>(162,490)</u>	<u>23,260</u>
<u>Other Financing Sources</u>			
Other Financing Sources	28,148	28,148	0
Transfers In	173,264	173,264	0
Total Other Financing Sources	<u>201,412</u>	<u>201,412</u>	<u>0</u>
Changes in Fund Balance	15,662	38,922	23,260
Fund Balance Beginning of Year	<u>535</u>	<u>535</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$16,197</u></u>	<u><u>\$39,457</u></u>	<u><u>\$23,260</u></u>

City of Sandusky  
Fire Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$128,117	\$124,521	(\$3,596)
Payment in Lieu of Taxes	118	118	0
Intergovernmental	14,822	17,767	2,945
<b>Total Revenues</b>	<b>143,057</b>	<b>142,406</b>	<b>(651)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Fire			
Fire Pension			
Personal Services	757,207	757,207	0
Other	13,582	13,582	0
<b>Total Security of Persons and Property-Fire</b>	<b>770,789</b>	<b>770,789</b>	<b>0</b>
Debt Service:			
Principal Retirement	34,420	34,420	0
Interest and Fiscal Charges	21,551	21,551	0
<b>Total Debt Service</b>	<b>55,971</b>	<b>55,971</b>	<b>0</b>
<b>Total Expenditures</b>	<b>826,760</b>	<b>826,760</b>	<b>0</b>
Excess of Revenues Under Expenditures	(683,703)	(684,354)	(651)
<u>Other Financing Sources (Uses)</u>			
General Obligation Bonds Issued	444,617	444,617	0
Premium on General Obligation Bonds Issued	14,665	14,665	0
Payment to Refunded Bond Escrow Agent	(447,462)	(447,462)	0
Transfers In	672,223	673,596	1,373
<b>Total Other Financing Sources (Uses)</b>	<b>684,043</b>	<b>685,416</b>	<b>1,373</b>
Changes in Fund Balance	340	1,062	722
Fund Balance Beginning of Year	93	93	0
<b>Fund Balance End of Year</b>	<b>\$433</b>	<b>\$1,155</b>	<b>\$722</b>



City of Sandusky  
Police Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$128,115	\$124,521	(\$3,594)
Payment in Lieu of Taxes	118	118	0
Intergovernmental	14,822	17,767	2,945
<b>Total Revenues</b>	<b>143,055</b>	<b>142,406</b>	<b>(649)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Pension			
Personal Services	585,978	585,978	0
Other	10,782	10,782	0
<b>Total Security of Persons and Property-Police</b>	<b>596,760</b>	<b>596,760</b>	<b>0</b>
Debt Service:			
Principal Retirement	25,580	25,580	0
Interest and Fiscal Charges	15,974	15,974	0
<b>Total Debt Service</b>	<b>41,554</b>	<b>41,554</b>	<b>0</b>
<b>Total Expenditures</b>	<b>638,314</b>	<b>638,314</b>	<b>0</b>
Excess of Revenues Under Expenditures	(495,259)	(495,908)	(649)
<u>Other Financing Sources (Uses)</u>			
General Obligation Bonds Issued	330,383	330,383	0
Premium on General Obligation Bonds Issued	10,896	10,896	0
Payment to Refunded Bond Escrow Agent	(332,538)	(332,538)	0
Transfers In	486,425	490,255	3,830
<b>Total Other Financing Sources (Uses)</b>	<b>495,166</b>	<b>498,996</b>	<b>3,830</b>
Changes in Fund Balance	(93)	3,088	3,181
Fund Balance Beginning of Year	93	93	0
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$3,181</b>	<b>\$3,181</b>

City of Sandusky  
State Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$127,460	\$127,460	\$0
Interest	11,950	12,939	989
Other	130,208	129,741	(467)
<b>Total Revenues</b>	<b>269,618</b>	<b>270,140</b>	<b>522</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	2,000	2,000	0
<b>Total Security of Persons and Property-Police</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
Community Environment			
Landbank			
Other	15,000	13,392	1,608
CDBG			
Other	101,000	92,143	8,857
Revolving Loan Home			
Other	70,000	58,639	11,361
<b>Total Community Environment</b>	<b>186,000</b>	<b>164,174</b>	<b>21,826</b>
General Government-Municipal Court			
DRC Probation			
Personal Services	70,000	64,548	5,452
Other	1,000	0	1,000
<b>Total General Government-Municipal Court</b>	<b>71,000</b>	<b>64,548</b>	<b>6,452</b>
<b>Total Expenditures</b>	<b>259,000</b>	<b>230,722</b>	<b>28,278</b>
Excess of Revenues Over Expenditures	10,618	39,418	28,800
<u>Other Financing Sources</u>			
Other Financing Sources	9,681	9,681	0
<b>Changes in Fund Balance</b>	<b>20,299</b>	<b>49,099</b>	<b>28,800</b>
Fund Balance Beginning of Year	343,038	343,038	0
<b>Fund Balance End of Year</b>	<b>\$363,337</b>	<b>\$392,137</b>	<b>\$28,800</b>

City of Sandusky  
Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$1,637,284	\$1,748,502	\$111,218
Interest	2,218	2,299	81
Total Revenues	<u>1,639,502</u>	<u>1,750,801</u>	<u>111,299</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Justice Assistance Grant			
Other	12,795	12,795	0
Police Bulletproof Vest			
Other	3,540	3,540	0
Total Security of Persons and Property-Police	<u>16,335</u>	<u>16,335</u>	<u>0</u>
Security of Persons and Property-Fire			
EMS			
Personal Services	1,698	1,698	0
Other	5,349	5,349	0
Total Security of Persons and Property-Fire	<u>7,047</u>	<u>7,047</u>	<u>0</u>
Community Environment			
HUD CDBG 09MC390034			
Personal Services	169,329	169,329	0
Other	591,000	590,967	33
Total HUD CDBG 09MC390034	<u>760,329</u>	<u>760,296</u>	<u>33</u>
Revolving Loan Economic Development			
Other	2,302	2,302	0
Total Community Environment	<u>762,631</u>	<u>762,598</u>	<u>33</u>
Transportation			
Public Transit System			
Personal Services	21,925	21,925	0
Other	1,161,271	1,161,231	40
Total Transportation	<u>1,183,196</u>	<u>1,183,156</u>	<u>40</u>
Total Expenditures	<u>1,969,209</u>	<u>1,969,136</u>	<u>73</u>
Excess of Revenues			
Under Expenditures	<u>(329,707)</u>	<u>(218,335)</u>	<u>111,372</u>

(continued)

City of Sandusky  
Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	\$637	\$637	\$0
Transfers In	205,561	205,561	0
Transfers Out	(118,600)	(118,600)	0
Total Other Financing Sources (Uses)	87,598	87,598	0
Changes in Fund Balance	(242,109)	(130,737)	111,372
Fund Balance Beginning of Year	265,799	265,799	0
Fund Balance End of Year	<u>\$23,690</u>	<u>\$135,062</u>	<u>\$111,372</u>

City of Sandusky  
Indigent Drivers Alcohol Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$33,000	\$29,895	(\$3,105)
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol Treatment Personal Services	51,000	45,745	5,255
Changes in Fund Balance	(18,000)	(15,850)	2,150
Fund Balance Beginning of Year	291,269	291,269	0
Fund Balance End of Year	<u>\$273,269</u>	<u>\$275,419</u>	<u>\$2,150</u>

City of Sandusky  
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$5,000	\$6,691	\$1,691
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	5,000	6,691	1,691
Fund Balance Beginning of Year	68,798	68,798	0
Fund Balance End of Year	\$73,798	\$75,489	\$1,691

City of Sandusky  
Court Computerization Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$26,000	\$28,345	\$2,345
<u>Expenditures</u>			
Current:			
Other			
Court Computerization			
Personal Services	3,000	2,954	46
Other	46,017	34,851	11,166
Total Expenditures	49,017	37,805	11,212
Excess of Revenues Under Expenditures	(23,017)	(9,460)	13,557
<u>Other Financing Sources</u>			
Other Financing Sources	0	55	55
Changes in Fund Balance	(23,017)	(9,405)	13,612
Fund Balance Beginning of Year	181,202	181,202	0
Prior Year Encumbrances Appropriated	6,017	6,017	0
Fund Balance End of Year	<u>\$164,202</u>	<u>\$177,814</u>	<u>\$13,612</u>

City of Sandusky  
Indigent Telephone Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	17,185	17,185	0
Fund Balance End of Year	\$17,185	\$17,185	\$0



City of Sandusky  
Municipal Probation Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$59,500	\$65,776	\$6,276
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation			
Personal Services	75,000	74,921	79
Other	10,000	6,746	3,254
Total Expenditures	85,000	81,667	3,333
Excess of Revenues Under Expenditures	(25,500)	(15,891)	9,609
<u>Other Financing Sources</u>			
Other Financing Sources	500	445	(55)
Changes in Fund Balance	(25,000)	(15,446)	9,554
Fund Balance Beginning of Year	350,783	350,783	0
Fund Balance End of Year	\$325,783	\$335,337	\$9,554

City of Sandusky  
General Trust Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$1,000	\$1,163	\$163
Fines and Forfeitures	25,000	49,374	24,374
Other	18,200	63,331	45,131
<b>Total Revenues</b>	<b>44,200</b>	<b>113,868</b>	<b>69,668</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Patrol			
Other	45,000	38,068	6,932
Contraband Trust			
Other	50,000	48,784	1,216
<b>Total Security of Persons and Property- Police</b>	<b>95,000</b>	<b>86,852</b>	<b>8,148</b>
Security of Persons and Property-Fire			
Fire Suppression			
Other	5,000	4,740	260
Leisure Time Activities			
Green Trust			
Other	11,000	10,803	197
Friends of the Greenhouse			
Other	2,000	1,615	385
Sailing Scholarship			
Other	6,500	0	6,500
<b>Total Leisure Time Activities</b>	<b>19,500</b>	<b>12,418</b>	<b>7,082</b>
Community Environment			
Park Trust			
Personal Services	8,500	8,144	356
<b>Total Expenditures</b>	<b>128,000</b>	<b>112,154</b>	<b>15,846</b>
Excess of Revenues Over (Under) Expenditures	(83,800)	1,714	85,514
<u>Other Financing Sources</u>			
Other Financing Sources	4,500	14,060	9,560
Changes in Fund Balance	(79,300)	15,774	95,074
Fund Balance Beginning of Year	203,284	203,284	0
<b>Fund Balance End of Year</b>	<b>\$123,984</b>	<b>\$219,058</b>	<b>\$95,074</b>

City of Sandusky  
Park Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$0	\$8,371	\$8,371
Interest	0	137	137
Other	0	362	362
Total Revenues	0	8,870	8,870
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Reg Wagon			
Other	2,000	21	1,979
Washington Park and Greenhouse			
Other	1,000	125	875
Total Expenditures	3,000	146	2,854
Changes in Fund Balance	(3,000)	8,724	11,724
Fund Balance Beginning of Year	189,325	189,325	0
Fund Balance End of Year	\$186,325	\$198,049	\$11,724

City of Sandusky  
Cemetery Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$32,315	\$19,700	(\$12,615)
Interest	3,610	1,451	(2,159)
Total Revenues	<u>35,925</u>	<u>21,151</u>	<u>(14,774)</u>
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery			
Personal Services	50,000	45,803	4,197
Total Oakland Cemetery	50,000	45,803	4,197
Chapel Restoration			
Other	600	535	65
Garden Mausoleum			
Other	14,500	14,218	282
Perpetual Care			
Other	1,000	575	425
Special Care			
Other	1,000	373	627
Memorial Paintings			
Other	2,100	2,051	49
Ridgeview Columbarium			
Other	5,500	5,328	172
Total Expenditures	<u>74,700</u>	<u>68,883</u>	<u>5,817</u>
Excess of Revenues			
Under Expenditures	(38,775)	(47,732)	(8,957)
<u>Other Financing Sources</u>			
Other Financing Sources	4,075	20,869	16,794
Changes in Fund Balance	(34,700)	(26,863)	7,837
Fund Balance Beginning of Year	<u>688,672</u>	<u>688,672</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$653,972</u></u>	<u><u>\$661,809</u></u>	<u><u>\$7,837</u></u>

City of Sandusky  
Urban Renewal Debt Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$525,437	\$532,265	\$6,828
Intergovernmental	59,564	59,564	0
Total Revenues	<u>585,001</u>	<u>591,829</u>	<u>6,828</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	370,000	370,000	0
Interest and Fiscal Charges	59,725	59,525	200
Total Expenditures	<u>429,725</u>	<u>429,525</u>	<u>200</u>
Changes in Fund Balance	155,276	162,304	7,028
Fund Balance Beginning of Year	<u>304,993</u>	<u>304,993</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$460,269</u></u>	<u><u>\$467,297</u></u>	<u><u>\$7,028</u></u>

City of Sandusky  
Special Assessment Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$201,459	\$201,459	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	223,972	223,972	0
Interest and Fiscal Charges	140,740	140,740	0
Total Expenditures	364,712	364,712	0
Excess of Revenues Under Expenditures	(163,253)	(163,253)	0
<u>Other Financing Sources (Uses)</u>			
Special Assessment Bonds Issued	179,880	180,931	1,051
Premium on Special Assessment Bonds Issued	5,682	5,682	0
Payment to Refunded Bond Escrow Agent	(200,930)	(200,930)	0
Advances Out	(2,700)	(2,700)	0
Transfers In	181,321	181,321	0
Total Other Financing Sources (Uses)	163,253	164,304	1,051
Changes in Fund Balance	0	1,051	1,051
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$1,051	\$1,051

City of Sandusky  
Real Estate Development Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$5,000	\$5,000	\$0
<u>Expenditures</u>			
Current:			
General Government-Other			
Administrative Support			
Other	2,000	2,000	0
Changes in Fund Balance	3,000	3,000	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$3,000	\$3,000	\$0

City of Sandusky  
Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$474,862	\$499,092	\$24,230
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	474,862	499,092	24,230
<u>Other Financing Uses</u>			
Transfers Out	(501,888)	(501,888)	0
Changes in Fund Balance	(27,026)	(2,796)	24,230
Fund Balance Beginning of Year	27,026	27,026	0
Fund Balance End of Year	<u>\$0</u>	<u>\$24,230</u>	<u>\$24,230</u>



City of Sandusky  
 Redevelopment Tax Increment Capital Projects Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$25,000	\$29,580	\$4,580
<u>Expenditures</u>			
Current:			
Community Environment			
City Wide Economic Development			
Other	5,000	1,032	3,968
Changes in Fund Balance	20,000	28,548	612
Fund Balance Beginning of Year	67,115	67,115	0
Fund Balance End of Year	\$87,115	\$95,663	\$8,548

City of Sandusky  
Various Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$56,000	\$72,916	\$16,916
Fees, Licenses, and Permits	80,736	42,643	(38,093)
Interest	1,440	1,998	558
Other	20	0	(20)
<b>Total Revenues</b>	<b>138,196</b>	<b>117,557</b>	<b>(20,639)</b>
<u>Expenditures</u>			
Current:			
Community Environment			
Remove Unsafe Buildings			
Other	10,000	3,170	6,830
Nuisance Removal			
Personal Services	2,000	1,367	633
Other	25,000	20,995	4,005
<b>Total Nuisance Removal</b>	<b>27,000</b>	<b>22,362</b>	<b>4,638</b>
Rental Registration Fee			
Personal Services	90,000	89,468	532
Other	6,300	3,493	2,807
<b>Total Rental Registration Fee</b>	<b>96,300</b>	<b>92,961</b>	<b>3,339</b>
Inspection Fee			
Personal Services	2,000	0	2,000
Other	18,000	17,796	204
<b>Total Inspection Fee</b>	<b>20,000</b>	<b>17,796</b>	<b>2,204</b>
Administration Fee			
Personal Services	2,000	0	2,000
Other	6,000	1,795	4,205
<b>Total Administration Fee</b>	<b>8,000</b>	<b>1,795</b>	<b>6,205</b>
<b>Total Community Environment</b>	<b>161,300</b>	<b>138,084</b>	<b>23,216</b>
Capital Outlay	52,000	51,600	400
<b>Total Expenditures</b>	<b>213,300</b>	<b>189,684</b>	<b>23,616</b>

(continued)

City of Sandusky  
Various Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015  
(continued)

	Budget	Actual	Variance Over (Under)
Excess of Revenues Under Expenditures	(75,104)	(72,127)	2,977
<u>Other Financing Sources</u>			
Other Financing Sources	1,804	1,700	(104)
Changes in Fund Balance	(73,300)	(70,427)	2,873
Fund Balance Beginning of Year	200,077	200,077	0
Fund Balance End of Year	<u>\$126,777</u>	<u>\$129,650</u>	<u>\$2,873</u>

City of Sandusky  
Health Insurance Internal Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2015

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenses</u>	0	0	0
Excess of Revenues Over Expenses	0	0	0
<u>Other Financing Sources</u>			
Transfers In	250,000	300,000	50,000
Changes in Fund Balance	250,000	300,000	50,000
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$250,000	\$300,000	\$50,000

# Statistical

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

**Contents** **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity ..... S-12

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-46

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information..... S-56

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information ..... S-62

These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Sandusky  
Net Position  
Last Ten Years  
(Accrual Basis of Accounting)

	2015	2014	2013	2012
Governmental Activities				
Net Investment in Capital Assets	\$35,774,016	\$32,986,487	\$34,031,522	\$35,252,903
Restricted for				
Capital Projects	3,812,217	3,332,213	4,280,873	3,806,228
Debt Service	1,076,680	1,745,871	2,162,193	1,949,698
Other Purposes	5,471,527	5,700,728	5,920,558	5,556,594
Unrestricted (Deficit)	<u>(16,426,206)</u>	<u>(17,681,479)</u>	<u>(139,214)</u>	<u>(712,642)</u>
Total Governmental Activities Net Position	<u>29,708,234</u>	<u>26,083,820</u>	<u>46,255,932</u>	<u>45,852,781</u>
Business-Type Activities				
Net Investment in Capital Assets	42,898,225	41,477,719	40,066,785	39,713,895
Unrestricted	<u>5,792,850</u>	<u>7,673,382</u>	<u>13,462,237</u>	<u>14,630,323</u>
Total Business-Type Activities Net Position	<u>48,691,075</u>	<u>49,151,101</u>	<u>53,529,022</u>	<u>54,344,218</u>
Primary Government				
Net Investment in Capital Assets	78,672,241	74,464,206	74,098,307	74,966,798
Restricted	10,360,424	10,778,812	12,363,624	11,312,520
Unrestricted (Deficit)	<u>(10,633,356)</u>	<u>(10,008,097)</u>	<u>13,323,023</u>	<u>13,917,681</u>
Total Primary Government Net Position	<u>\$78,399,309</u>	<u>\$75,234,921</u>	<u>\$99,784,954</u>	<u>\$100,196,999</u>

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014.



2011	2010	2009	2008	2007	2006
\$35,126,166	\$38,122,520	\$34,869,732	\$33,005,235	\$32,191,349	\$30,075,530
3,492,887	2,920,974	3,218,958	6,197,701	4,249,788	3,531,814
1,918,564	1,902,993	2,439,729	2,528,165	1,242,965	155,282
6,061,253	6,005,182	6,367,187	8,143,328	8,553,276	8,345,260
(1,573,210)	(2,681,773)	(2,812,918)	(2,978,838)	(2,362,700)	(359,373)
45,025,660	46,269,896	44,082,688	46,895,591	43,874,678	41,748,513
39,918,374	39,941,052	35,050,194	17,057,860	18,003,813	16,501,983
15,278,595	16,854,414	18,611,306	23,825,346	22,646,163	15,618,806
55,196,969	56,795,466	53,661,500	40,883,206	40,649,976	32,120,789
75,044,540	78,063,572	69,919,926	50,063,095	50,195,162	46,577,513
11,472,704	10,829,149	12,025,874	16,869,194	14,046,029	12,032,356
13,705,385	14,172,641	15,798,388	20,846,508	20,283,463	15,259,433
<u>\$100,222,629</u>	<u>\$103,065,362</u>	<u>\$97,744,188</u>	<u>\$87,778,797</u>	<u>\$84,524,654</u>	<u>\$73,869,302</u>

City of Sandusky  
Changes in Net Position  
Last Ten Years  
(Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$5,668,020	\$5,347,693	\$5,032,468	\$5,032,700
Fire	6,368,780	5,940,342	5,953,841	5,905,825
Other	267,254	271,810	252,367	244,688
Public Health	315,232	308,648	318,872	306,388
Leisure Time Activities	639,183	542,957	614,010	216,767
Community Environment	2,968,488	4,315,542	2,538,486	2,476,125
Transportation	6,192,685	6,107,625	4,848,791	4,470,255
General Government				
Municipal Court	982,558	1,057,957	1,013,065	1,033,017
Other	4,031,549	3,452,889	3,372,415	3,617,806
Interest and Fiscal Charges	886,182	844,566	965,397	1,295,714
Total Governmental Activities Expenses	<u>28,319,931</u>	<u>28,190,029</u>	<u>24,909,712</u>	<u>24,599,285</u>
Business-Type Activities				
Water	5,657,845	5,976,511	5,561,209	5,368,961
Sewer	7,509,197	7,193,792	6,726,105	6,334,406
Total Business-Type Activities Expenses	<u>13,167,042</u>	<u>13,170,303</u>	<u>12,287,314</u>	<u>11,703,367</u>
Total Primary Government Expenses	<u>41,486,973</u>	<u>41,360,332</u>	<u>37,197,026</u>	<u>36,302,652</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	313,471	332,809	354,756	399,331
Fire	943,899	773,862	756,733	754,046
Public Health	133,488	108,974	116,853	84,027
Leisure Time Activities	275,402	276,929	257,010	269,160
Community Environment	151,613	182,696	19,156	86,007
Transportation	1,153,575	1,081,882	982,640	913,441
General Government				
Municipal Court	1,113,257	1,091,134	1,134,702	1,215,434
Other	228,268	246,887	328,020	186,445
Total Charges for Services	<u>4,312,973</u>	<u>4,095,173</u>	<u>3,949,870</u>	<u>3,907,891</u>
Operating Grants, Contributions, and Interest	2,947,200	3,789,724	3,144,597	3,711,215
Capital Grants and Contributions	3,262,302	1,512,023	722,483	500,093
Total Governmental Activities Program Revenues	<u>10,522,475</u>	<u>9,396,920</u>	<u>7,816,950</u>	<u>8,119,199</u>
Business-Type Activities				
Charges for Services				
Water	5,327,914	5,313,083	5,259,240	5,267,773
Sewer	7,218,429	5,667,134	5,587,673	5,485,453
Total Charges for Services	<u>12,546,343</u>	<u>10,980,217</u>	<u>10,846,913</u>	<u>10,753,226</u>
Capital Grants and Contributions	14,000	113,852	275,377	271,057
Total Business-Type Activities Program Revenues	<u>12,560,343</u>	<u>11,094,069</u>	<u>11,122,290</u>	<u>11,024,283</u>
Total Primary Government Program Revenues	<u>23,082,818</u>	<u>20,490,989</u>	<u>18,939,240</u>	<u>19,143,482</u>

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2011	2010	2009	2008	2007	2006
\$5,402,963	\$5,516,364	\$5,669,764	\$5,874,509	\$5,574,825	\$5,487,963
5,527,949	5,515,869	5,862,556	5,937,365	6,007,917	5,307,276
252,562	249,581	258,171	314,316	337,986	141,866
283,560	329,948	315,947	403,533	390,069	387,849
508,712	460,013	816,417	601,231	724,443	755,381
2,893,502	3,331,774	4,228,845	3,310,344	3,076,512	3,414,429
4,445,226	4,239,588	4,205,229	4,303,144	4,537,224	5,335,488
1,023,043	970,915	933,795	870,524	915,040	828,045
3,497,520	3,456,520	3,870,955	4,408,458	3,859,012	3,499,303
1,005,849	1,252,643	1,495,442	1,447,618	1,347,061	1,280,938
24,840,886	25,323,215	27,657,121	27,471,042	26,770,089	26,438,538
5,359,486	4,511,328	5,101,130	5,585,538	4,515,116	3,896,902
8,341,844	6,895,098	6,337,377	6,433,075	6,017,246	4,957,114
13,701,330	11,406,426	11,438,507	12,018,613	10,532,362	8,854,016
38,542,216	36,729,641	39,095,628	39,489,655	37,302,451	35,292,554
353,733	321,561	342,426	383,757	260,758	205,984
988,659	827,407	721,402	625,434	743,841	617,742
108,618	107,057	122,323	118,531	132,369	128,255
217,068	234,894	233,214	327,660	328,280	297,903
215,830	236,362	417,210	358,027	326,365	234,689
1,019,259	844,608	882,613	5,149,554	1,892,081	1,150,337
1,070,168	1,160,818	1,184,632	1,196,877	1,035,917	1,036,688
247,215	267,011	178,236	175,414	200,752	286,948
4,220,550	3,999,718	4,082,056	8,335,254	4,920,363	3,958,546
3,742,313	4,514,002	3,531,046	3,008,317	3,541,296	4,392,095
1,074,582	1,509,594	2,010,876	258,793	1,874,767	1,441,100
9,037,445	10,023,314	9,623,978	11,602,364	10,336,426	9,791,741
5,224,179	5,055,459	5,361,036	5,480,958	4,741,359	5,401,818
6,730,491	6,176,303	5,881,665	6,460,336	6,480,173	6,559,309
11,954,670	11,231,762	11,242,701	11,941,294	11,221,532	11,961,127
148,225	4,108,459	12,273,563	178,083	8,069,676	194,076
12,102,895	15,340,221	23,516,264	12,119,377	19,291,208	12,155,203
21,140,340	25,363,535	33,140,242	23,721,741	29,627,634	21,946,944

(continued)

City of Sandusky  
Changes in Net Position  
Last Ten Years  
(continued)  
(Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$17,797,456)	(\$18,793,109)	(\$17,092,762)	(\$16,480,086)
Business-Type Activities	(606,699)	(2,076,234)	(1,165,024)	(679,084)
Total Primary Government Net Expense	(18,404,155)	(20,869,343)	(18,257,786)	(17,159,170)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	1,537,824	1,400,699	1,444,024	1,570,731
Property Taxes Levied for Police and Fire Pension	252,790	230,208	237,368	258,206
Property Taxes Levied for Debt Service	421,325	383,742	395,613	430,340
Payment in Lieu of Taxes	565,102	569,888	591,483	541,236
Municipal Income Taxes Levied for General Purposes	9,939,811	6,521,944	7,413,615	7,121,861
Municipal Income Taxes Levied for Debt Service	659,492	430,773	494,203	472,199
Municipal Income Taxes Levied for Capital Projects	527,591	344,619	395,361	377,758
Other Local Taxes	4,950,083	3,878,441	4,122,098	3,735,461
Franchise Taxes	394,181	387,086	379,067	373,856
Grants and Entitlements not Restricted to Specific Programs	798,901	806,031	1,120,835	1,425,985
Interest	182,148	239,432	(3,698)	161,743
Other	1,166,975	900,535	782,475	556,285
Transfers	25,647	(285,706)	123,469	281,546
Special Item - Asset Donated to Developer	0	0	0	0
Total Governmental Activities	21,421,870	15,807,692	17,495,913	17,307,207
Business-Type Activities				
Interest	1,215	948	607	1,532
Other	171,105	204,243	472,690	106,347
Transfers	(25,647)	285,706	(123,469)	(281,546)
Total Business-Type Activities	146,673	490,897	349,828	(173,667)
Total Primary Government	21,568,543	16,298,589	17,845,741	17,133,540
<u>Changes in Net Position</u>				
Governmental Activities	3,624,414	(2,985,417)	403,151	827,121
Business-Type Activities	(460,026)	(1,585,337)	(815,196)	(852,751)
Total Primary Government	\$3,164,388	(\$4,570,754)	(\$412,045)	(\$25,630)

2011	2010	2009	2008	2007	2006
(\$15,803,441)	(\$15,299,901)	(\$18,033,143)	(\$15,868,678)	(\$16,433,663)	(\$16,646,797)
(1,598,435)	3,933,795	12,077,757	100,764	8,758,846	3,301,187
(17,401,876)	(11,366,106)	(5,955,386)	(15,767,914)	(7,674,817)	(13,345,610)
1,582,982	1,670,722	1,568,338	1,808,771	1,757,611	1,653,693
260,218	274,602	257,807	296,040	290,214	271,237
433,693	452,224	423,572	488,892	476,474	328,893
554,005	546,140	1,030	2,939	589,383	23,815
6,473,159	6,092,961	5,609,577	7,308,067	6,174,450	6,424,092
422,949	404,895	355,717	478,361	398,287	419,919
338,360	313,797	283,887	393,536	318,588	335,939
3,835,778	3,823,682	3,530,345	3,759,788	3,720,784	3,486,825
350,146	321,254	304,588	290,451	272,184	254,087
1,343,834	1,774,328	1,808,763	1,884,362	1,958,323	2,041,444
303,999	241,382	559,857	1,329,987	1,541,216	1,011,952
1,112,606	987,687	967,843	540,308	556,074	638,096
161,158	1,097,027	(451,084)	308,089	506,240	(590,241)
(2,613,682)	0	0	0	0	0
14,559,205	18,000,701	15,220,240	18,889,591	18,559,828	16,299,751
1,380	1,328	1,086	1,955	1,923	691
159,716	295,870	248,367	438,600	274,658	304,001
(161,158)	(1,097,027)	451,084	(308,089)	(506,240)	590,241
(62)	(799,829)	700,537	132,466	(229,659)	894,933
14,559,143	17,200,872	15,920,777	19,022,057	18,330,169	17,194,684
(1,244,236)	2,700,800	(2,812,903)	3,020,913	2,126,165	(347,046)
(1,598,497)	3,133,966	12,778,294	233,230	8,529,187	4,196,120
(\$2,842,733)	\$5,834,766	\$9,965,391	\$3,254,143	\$10,655,352	\$3,849,074

City of Sandusky  
Fund Balance  
Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	212,012	217,967	221,127	237,393
Restricted	0	0	0	0
Assigned	146,885	129,626	365,022	100,273
Unassigned	<u>4,562,646</u>	<u>3,953,112</u>	<u>3,943,022</u>	<u>3,953,717</u>
Total General Fund	<u>4,921,543</u>	<u>4,300,705</u>	<u>4,529,171</u>	<u>4,291,383</u>
All Other Governmental Funds				
Reserved	0	0	0	0
Unreserved, Reported in				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	0
Nonspendable	163,996	132,158	254,806	122,143
Restricted	6,599,702	5,340,354	5,634,163	5,117,809
Committed	87,151	59,800	55,783	61,240
Unassigned (Deficit)	<u>(243,329)</u>	<u>(314,737)</u>	<u>(157,449)</u>	<u>(3,310,167)</u>
Total All Other Governmental Funds	<u>6,607,520</u>	<u>5,217,575</u>	<u>5,787,303</u>	<u>1,991,025</u>
Total Governmental Funds	<u>\$11,529,063</u>	<u>\$9,518,280</u>	<u>\$10,316,474</u>	<u>\$6,282,408</u>

Note: The City implemented GASB Statement No. 54 in 2010

2011	2010	2009	2008	2007	2006
\$0	\$0	\$0	\$134,443	\$108,449	\$111,838
0	0	0	3,689,976	4,115,612	3,461,642
227,348	146,670	19,590	n/a	n/a	n/a
0	93,120	86,561	n/a	n/a	n/a
281,308	133,224	26,956	n/a	n/a	n/a
3,598,766	3,272,103	2,897,549	n/a	n/a	n/a
<u>4,107,422</u>	<u>3,645,117</u>	<u>3,030,656</u>	<u>3,824,419</u>	<u>4,224,061</u>	<u>3,573,480</u>
0	0	0	3,280,330	3,958,843	3,633,344
0	0	0	4,233,164	4,376,446	4,650,635
0	0	0	267,924	340,938	231,142
0	0	0	(1,746,995)	(5,528,968)	(5,560,337)
91,871	85,551	2,259,561	n/a	n/a	n/a
5,308,988	5,639,796	1,798,115	n/a	n/a	n/a
42,338	43,585	38,443	n/a	n/a	n/a
(4,310,201)	(4,345,598)	(333,517)	n/a	n/a	n/a
<u>1,132,996</u>	<u>1,423,334</u>	<u>3,762,602</u>	<u>6,034,423</u>	<u>3,147,259</u>	<u>2,954,784</u>
<u>\$5,240,418</u>	<u>\$5,068,451</u>	<u>\$6,793,258</u>	<u>\$9,858,842</u>	<u>\$7,371,320</u>	<u>\$6,528,264</u>

City of Sandusky  
Changes in Fund Balance  
Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
<u>Revenues</u>				
Property Taxes	\$2,179,144	\$2,165,483	\$2,156,325	\$2,266,548
Payment in Lieu of Taxes	565,102	569,888	591,483	541,236
Municipal Income Taxes	11,159,835	7,815,510	7,961,439	7,679,283
Other Local Taxes	5,391,794	4,319,159	4,542,872	4,176,906
Special Assessments	1,194,518	790,084	225,647	263,281
Charges for Services	2,408,821	2,179,994	1,873,124	1,751,080
Fees, Licenses, and Permits	923,474	994,644	1,050,523	977,026
Fines and Forfeitures	1,085,410	992,340	1,072,425	1,129,197
Intergovernmental	7,232,856	5,982,009	4,853,612	5,802,086
Interest	198,328	259,189	(1,431)	184,401
Other	1,075,204	1,145,250	973,777	944,060
<b>Total Revenues</b>	<b>33,414,486</b>	<b>27,213,550</b>	<b>25,299,796</b>	<b>25,715,104</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,447,833	5,225,064	4,918,939	5,066,185
Fire	5,816,249	5,603,879	5,478,660	5,512,695
Other	267,254	271,810	252,367	244,688
Public Health	292,412	282,640	291,026	310,763
Leisure Time Activities	520,098	445,443	490,240	455,973
Community Environment	2,776,759	3,671,076	2,288,489	3,060,559
Transportation	4,702,816	4,712,716	3,277,176	3,178,728
General Government				
Municipal Court	984,633	1,077,058	1,016,432	981,662
Other	3,245,649	2,618,712	2,566,204	2,829,493
Other	152,549	181,625	88,357	128,727
Capital Outlay	4,174,274	1,164,442	547,247	803,610
Debt Service:				
Principal Retirement	2,098,519	2,423,334	1,959,320	1,500,472
Interest and Fiscal Charges	907,334	812,248	930,235	896,912
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>31,386,379</b>	<b>28,490,047</b>	<b>24,104,692</b>	<b>24,970,467</b>
Excess of Revenues Over (Under) Expenditures	2,028,107	(1,276,497)	1,195,104	744,637
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	7,549,069	370,000	0	0
Special Assessment Bonds Issued	180,931	45,000	0	0
Revenue Bonds Issued	0	0	2,680,000	0
Loan Proceeds	0	0	0	0
Premium on General Obligation Bonds Issued	205,835	0	0	0
Premium on Special Assessment Bonds Issued	5,682	0	0	0
Payment to Refunded Bond Escrow Agent	(7,730,000)	0	0	0
Sale of Capital Assets	45,512	6,361	35,493	1,161
Transfers In	4,717,900	2,913,091	3,414,520	3,257,469
Transfers Out	(4,992,253)	(2,856,149)	(3,291,051)	(2,961,277)
<b>Total Other Financing Sources (Uses)</b>	<b>(17,324)</b>	<b>478,303</b>	<b>2,838,962</b>	<b>297,353</b>
<b>Changes in Fund Balance</b>	<b>\$2,010,783</b>	<b>(\$798,194)</b>	<b>\$4,034,066</b>	<b>\$1,041,990</b>
Debt Service as a Percentage of Noncapital Expenditures	11.21%	11.70%	12.33%	10.61%



2011	2010	2009	2008	2007	2006
\$2,290,106	\$2,265,450	\$2,296,321	\$2,408,140	\$2,537,843	\$2,225,347
554,005	546,140	509,041	61,710	22,601	23,815
7,240,793	6,716,022	7,035,145	7,633,758	7,387,718	7,313,992
4,287,830	4,289,953	3,954,181	4,192,054	4,155,563	3,933,675
329,360	312,486	363,594	716,482	514,373	387,246
1,408,172	1,566,291	1,625,516	1,734,744	1,562,798	1,415,863
940,663	951,838	860,515	818,094	777,905	828,294
1,027,377	1,089,255	1,175,414	1,216,730	1,000,848	973,563
5,717,042	7,606,331	6,725,011	5,484,268	6,007,797	7,040,114
341,790	322,815	626,662	1,419,311	1,653,255	1,075,368
1,225,758	1,253,526	1,011,487	948,160	1,081,031	1,585,259
<u>25,362,896</u>	<u>26,920,107</u>	<u>26,182,887</u>	<u>26,633,451</u>	<u>26,701,732</u>	<u>26,802,536</u>
5,498,666	5,440,140	5,524,466	5,814,874	5,501,299	5,398,901
5,522,370	5,263,815	5,369,175	5,537,118	5,566,180	4,946,518
252,562	249,581	258,171	314,316	337,986	141,866
271,130	353,288	289,282	385,481	365,784	354,785
385,373	340,606	375,479	472,955	752,163	590,560
2,704,414	3,464,442	4,711,509	3,351,746	3,449,840	3,575,935
3,110,557	3,864,900	2,810,287	2,648,551	2,884,363	2,555,374
1,038,040	957,168	924,136	856,718	890,382	789,382
2,863,831	2,795,838	3,179,119	3,723,204	3,483,636	3,002,062
92,756	68,108	112,205	106,467	79,540	185,530
1,635,471	4,507,569	3,404,107	1,487,593	2,216,476	3,990,621
5,455,694	1,213,401	1,118,512	1,033,726	991,682	944,627
1,001,860	1,241,563	1,472,318	1,436,324	1,263,946	1,279,621
115,335	0	0	97,668	103,441	0
<u>29,948,059</u>	<u>29,760,419</u>	<u>29,548,766</u>	<u>27,266,741</u>	<u>27,886,718</u>	<u>27,755,782</u>
<u>(4,585,163)</u>	<u>(2,840,312)</u>	<u>(3,365,879)</u>	<u>(633,290)</u>	<u>(1,184,986)</u>	<u>(953,246)</u>
4,090,000	0	0	0	5,478,271	0
0	0	84,400	2,625,000	356,729	104,000
0	0	0	0	0	0
0	0	0	0	918,855	0
120,335	0	0	111,537	43,403	0
0	0	0	0	0	0
0	0	0	0	(5,470,416)	0
385,637	18,478	30,806	900	11,255	46,656
4,961,338	4,664,279	2,769,241	5,259,992	3,569,940	2,690,340
<u>(4,800,180)</u>	<u>(3,567,252)</u>	<u>(2,584,152)</u>	<u>(4,876,617)</u>	<u>(2,879,995)</u>	<u>(2,481,769)</u>
<u>4,757,130</u>	<u>1,115,505</u>	<u>300,295</u>	<u>3,120,812</u>	<u>2,028,042</u>	<u>359,227</u>
<u>\$171,967</u>	<u>(\$1,724,807)</u>	<u>(\$3,065,584)</u>	<u>\$2,487,522</u>	<u>\$843,056</u>	<u>(\$594,019)</u>
23.43%	10.35%	9.82%	9.85%	9.22%	8.49%

City of Sandusky  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility			
2015	\$304,128,000	\$137,324,000	\$1,261,291,428	\$17,826,000	\$20,256,818
2014	305,909,000	137,297,000	1,266,302,857	16,854,000	19,152,273
2013	307,005,000	138,009,000	1,271,468,571	15,219,000	17,294,318
2012	325,473,000	145,320,000	1,345,122,857	14,018,000	15,929,545
2011	327,604,000	146,862,000	1,355,617,142	13,386,000	15,211,364
2010	268,557,000	118,719,000	1,106,502,856	12,639,000	14,362,500
2009	332,312,000	144,827,000	1,363,254,285	11,862,000	13,479,545
2008	329,995,000	150,360,000	1,372,442,857	11,439,000	12,998,864
2007	329,451,000	145,120,000	1,355,917,142	15,307,000	17,394,318
2006	293,183,000	130,749,000	1,211,234,285	16,151,000	18,353,409

Source: Erie County Auditor

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. Personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax was phased out beginning in 2006. The assessment percentage was 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes have been levied or collected since 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax was 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$459,278,000	\$1,281,548,246	35.84%	\$5.25
0	0	460,060,000	1,285,455,130	35.79	5.25
0	0	460,233,000	1,288,762,889	35.71	5.25
0	0	484,811,000	1,361,052,402	35.62	5.25
0	0	487,852,000	1,370,828,506	35.59	5.25
567,525	567,525	400,482,525	1,121,432,881	35.71	5.25
1,135,050	1,135,050	490,136,050	1,377,868,880	35.57	5.25
16,392,420	262,278,720	508,186,420	1,647,720,441	30.84	5.25
32,423,470	259,387,760	522,301,470	1,632,699,220	31.99	4.95
47,462,890	253,135,413	487,545,890	1,482,723,107	32.88	4.95

City of Sandusky  
Property Tax Rates  
Direct and All Overlapping Governments  
Per \$1,000 of Assessed Value  
Last Ten Years

Year	2015	2014	2013	2012
City of Sandusky				
Voted Millage				
1998 Library Bond - 23 Years	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Unvoted Millage				
General	3.6500	3.6500	3.6500	3.6500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	4.2500	4.2500	4.2500	4.2500
Total Millage	5.2500	5.2500	5.2500	5.2500
Erie County	8.9000	8.8000	8.8000	8.8000
Sandusky City School District	82.0250	80.5250	80.5250	75.4100

Source: Erie County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property tax rate can be increased only by a majority vote of the City's residents.

Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City. Property tax rates for all overlapping governments are based upon the original voted levy.

2011	2010	2009	2008	2007	2006
\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$0.7000
3.6500	3.6500	3.6500	3.6500	3.6500	3.6500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.2500	4.2500	4.2500	4.2500	4.2500	4.2500
5.2500	5.2500	5.2500	5.2500	5.2500	4.9500
8.8000	8.8000	8.8000	8.8000	8.8000	8.8000
75.4000	75.4000	75.3500	75.9500	70.5500	70.5500



City of Sandusky  
Real Property Tax Levies and Collections  
Last Ten Years

<u>Year</u>	<u>Current Tax Levy (1)</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Current Tax Levy</u>	<u>Delinquent Charges</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Current Tax Levy</u>
2015	\$3,038,324	\$2,903,143	95.55%	\$233,276	\$151,470	3,054,613	100.54%
2014	3,038,646	2,895,623	95.29	390,445	148,768	3,044,391	100.19
2013	3,079,702	2,918,017	94.75	404,560	148,793	3,066,810	99.58
2012	3,087,085	2,602,352	84.30	466,638	157,080	2,759,432	89.39
2011	2,569,664	2,396,091	93.25	467,320	166,077	2,562,168	99.71
2010	3,172,208	2,990,421	94.27	427,533	127,728	3,118,149	98.30
2009	3,125,545	2,943,945	94.19	414,025	136,816	3,080,761	98.57
2008	2,635,189	2,451,407	93.03	343,152	134,420	2,585,827	98.13
2007	2,490,471	2,335,332	93.77	318,936	132,057	2,467,389	99.07
2006	2,327,395	2,067,591	88.84	265,099	144,077	2,211,668	95.03

Source: Erie County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County's current reporting system does not track delinquent tax collections by tax year  
 Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent  
 Penalties and interest are applied to the total outstanding delinquent balance  
 The presentation will be updated as new information becomes available

City of Sandusky  
Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	2015		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Cedar Fair	Theme Park	\$37,919,210	1	8.25%
Ohio Edison Company	Utility	13,220,390	2	2.88
Norfolk & Western Railway	Railroad	5,524,070	3	1.20
Firelands Regional Health System	Hospital	3,829,230	4	0.83
Key Real Estate LTD	Realty	3,340,180	5	0.73
S & S Realty	Realty	3,054,730	6	0.66
Columbia Gas	Utility	2,986,050	7	0.65
Myers Industries, Inc.	Manufacturing/Assembly	2,051,000	8	0.45
Providence Care Center	Nursing Home	2,045,980	9	0.45
CNL Income Sandusky Marina	Port Facilities	1,913,250	10	0.42
Sandusky Limited	Port Facilities			
Sandusky International, Inc.	Manufacturing			
Fort James Operating Company	Manufacturing			
Ohio Bell Telephone	Utility			
Sandusky Foundry & Machine Co.	Manufacturing			
	Total	<u>75,884,090</u>		<u>16.52</u>
	All Other Taxpayers	<u>383,393,910</u>		<u>83.48</u>
	Total Assessed Valuation	<u>\$459,278,000</u>		<u>100.00%</u>

Source: Erie County Auditor



2006		
<u>Total Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$52,636,340	1	10.80%
7,641,640	2	1.57
3,369,350	7	0.69
3,654,520	6	0.75
3,845,360	4	0.79
4,344,150	3	0.89
3,746,920	5	0.77
3,090,750	8	0.63
2,893,570	9	0.59
2,060,600	10	0.42
<u>87,283,200</u>		<u>17.90</u>
<u>400,262,690</u>		<u>82.10</u>
<u><u>\$487,545,890</u></u>		<u><u>100.00%</u></u>

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years

2015				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	403	6.30%	\$79,822,946	30.91%
\$75,001 - \$100,000	372	5.82	31,939,374	\$12.37
\$50,001 - \$75,000	837	13.09	51,076,079	19.78
\$25,001 - \$50,000	1,707	26.71	61,288,878	23.74
\$25,000 and lower	3,073	48.08	34,073,481	13.20
<b>Total</b>	<b>6,392</b>	<b>100.00%</b>	<b>\$258,200,758</b>	<b>100.00%</b>

2014				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	388	6.08%	\$76,299,804	29.81%
\$75,001 - \$100,000	374	5.86	32,161,678	12.57
\$50,001 - \$75,000	868	13.60	53,086,760	20.74
\$25,001 - \$50,000	1,689	26.46	61,059,096	23.85
\$25,000 and lower	3,064	48.00	33,363,234	13.03
<b>Total</b>	<b>6,383</b>	<b>100.00%</b>	<b>\$255,970,572</b>	<b>100.00%</b>

2013				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	410	6.40%	\$95,092,764	34.11%
\$75,001 - \$100,000	388	6.06	36,544,019	13.11
\$50,001 - \$75,000	853	13.32	52,244,517	18.74
\$25,001 - \$50,000	1,689	26.37	60,602,011	21.74
\$25,000 and lower	3,065	47.85	34,290,337	12.30
<b>Total</b>	<b>6,405</b>	<b>100.00%</b>	<b>\$278,773,648</b>	<b>100.00%</b>

2012				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	380	6.09%	\$77,823,120	30.78%
\$75,001 - \$100,000	390	6.25	33,788,858	13.36
\$50,001 - \$75,000	790	12.66	47,968,447	18.97
\$25,001 - \$50,000	1,664	26.66	60,546,655	23.95
\$25,000 and lower	3,018	48.34	32,690,204	12.94
<b>Total</b>	<b>6,242</b>	<b>100.00%</b>	<b>\$252,817,284</b>	<b>100.00%</b>

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years  
 (continued)

2011				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	360	5.21%	\$69,826,664	26.86%
\$75,001 - \$100,000	394	5.70	34,025,087	13.09
\$50,001 - \$75,000	868	12.55	53,169,757	20.45
\$25,001 - \$50,000	1,799	26.01	64,745,186	24.90
\$25,000 and lower	3,495	50.53	38,203,367	14.70
<b>Total</b>	<b>6,916</b>	<b>100.00%</b>	<b>\$259,970,061</b>	<b>100.00%</b>

2010				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	331	4.81%	\$65,302,989	26.06%
\$75,001 - \$100,000	375	5.45	32,314,336	12.90
\$50,001 - \$75,000	839	12.19	51,281,828	20.47
\$25,001 - \$50,000	1,763	25.61	63,270,279	25.25
\$25,000 and lower	3,577	51.94	38,394,358	15.32
<b>Total</b>	<b>6,885</b>	<b>100.00%</b>	<b>\$250,563,790</b>	<b>100.00%</b>

2009				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	371	4.92%	\$73,713,541	27.59%
\$75,001 - \$100,000	399	5.29	32,874,409	12.30
\$50,001 - \$75,000	956	12.67	56,243,007	21.04
\$25,001 - \$50,000	1,934	25.64	67,313,134	25.20
\$25,000 and lower	3,883	51.48	37,056,122	13.87
<b>Total</b>	<b>7,543</b>	<b>100.00%</b>	<b>\$267,200,213</b>	<b>100.00%</b>

2008				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	387	4.58%	\$58,791,611	21.42%
\$75,001 - \$100,000	446	5.28	36,592,392	13.33
\$50,001 - \$75,000	983	11.65	57,700,842	21.03
\$25,001 - \$50,000	2,245	26.60	77,978,900	28.42
\$25,000 and lower	4,380	51.89	43,369,409	15.80
<b>Total</b>	<b>8,441</b>	<b>100.00%</b>	<b>\$274,433,154</b>	<b>100.00%</b>

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years  
 (continued)

2007				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	379	4.88%	\$56,164,615	22.04%
\$75,001 - \$100,000	449	5.78	35,914,482	14.09
\$50,001 - \$75,000	997	12.83	59,095,338	23.20
\$25,001 - \$50,000	1,918	24.68	66,483,384	26.10
\$25,000 and lower	4,027	51.83	37,115,051	14.57
<b>Total</b>	<b>7,770</b>	<b>100.00%</b>	<b>\$254,772,870</b>	<b>100.00%</b>

2006				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	353	4.33%	\$54,550,340	20.65%
\$75,001 - \$100,000	458	5.61	36,993,290	14.01
\$50,001 - \$75,000	1,017	12.46	60,104,118	22.76
\$25,001 - \$50,000	2,120	25.98	73,121,439	27.68
\$25,000 and lower	4,213	51.62	39,361,212	14.90
<b>Total</b>	<b>8,161</b>	<b>100.00%</b>	<b>\$264,130,399</b>	<b>100.00%</b>

Source: Regional Income Tax Agency (RITA)

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years

Type of Customer	2015			2014		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	573,013	\$1,538,263	\$1,494,355	596,980	\$1,374,780	\$1,333,595
Commercial	600,872	1,391,064	1,396,550	593,452	1,158,914	1,158,064
Industrial	31,485	72,806	70,967	30,094	58,537	59,083
Municipal	74,138	0	0	62,110	0	0
<b>Total</b>	<b>1,279,508</b>	<b>\$3,002,133</b>	<b>\$2,961,872</b>	<b>1,282,636</b>	<b>\$2,592,231</b>	<b>\$2,550,742</b>
Monthly Base Rate		\$6.41			\$4.10	
Rate per 100 Cubic Feet		\$2.97			\$1.90	

Source: City Records

(continued)

Note: Rates are based on a 5/8" meter, which is the standard household meter

Charges to Erie County are not included in payment amounts

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2013			2012		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	551,320	\$1,317,439	\$1,329,853	548,757	\$1,414,656	\$1,387,655
Commercial	510,084	1,158,926	1,150,794	507,931	1,299,733	1,163,057
Industrial	31,712	60,598	59,041	28,074	57,888	56,826
Municipal	72,120	0	0	57,723	0	0
<b>Total</b>	<b>1,165,236</b>	<b>\$2,536,963</b>	<b>\$2,539,688</b>	<b>1,142,485</b>	<b>\$2,772,277</b>	<b>\$2,607,538</b>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

2011			2010		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
615,721	\$1,439,777	\$1,400,365	602,857	\$1,417,520	\$1,408,563
521,961	1,190,109	1,179,737	488,715	1,173,261	1,143,321
31,093	59,055	57,115	25,519	50,625	46,932
52,242	0	0	56,694	0	0
<u>1,221,017</u>	<u>\$2,688,941</u>	<u>\$2,637,217</u>	<u>1,173,785</u>	<u>\$2,641,406</u>	<u>\$2,598,816</u>
	\$4.10			\$4.10	
	\$1.90			\$1.90	

(continued)

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2009			2008		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	607,578	\$1,415,158	\$1,442,767	652,538	\$1,502,904	\$1,460,921
Commercial	501,882	1,067,549	1,069,470	531,077	1,162,919	1,141,576
Industrial	23,337	51,264	52,651	26,814	57,649	54,522
Municipal	37,754	0	0	27,297	0	0
<b>Total</b>	<b>1,170,551</b>	<b>\$2,533,971</b>	<b>\$2,564,888</b>	<b>1,237,726</b>	<b>\$2,723,472</b>	<b>\$2,657,019</b>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	



2007			2006		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
679,939	\$1,547,390	\$1,506,012	660,179	\$1,510,317	\$1,510,051
544,937	1,190,056	1,193,784	556,330	1,226,408	1,225,604
32,138	72,598	77,686	38,040	84,593	76,639
18,663	0	0	21,734	0	0
<u>1,275,677</u>	<u>\$2,810,044</u>	<u>\$2,777,482</u>	<u>1,276,283</u>	<u>\$2,821,318</u>	<u>\$2,812,294</u>
	\$4.10			\$4.10	
	\$1.90			\$1.90	

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years

Type of Customer	2015			2014		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	564,242	\$3,069,817	\$2,851,418	585,393	\$2,668,905	\$2,542,241
Commercial	516,644	2,608,735	2,502,094	505,059	2,085,709	2,065,514
Industrial	31,889	167,902	156,509	30,591	128,868	128,962
Municipal	72,950	0	0	60,792	0	0
<b>Total</b>	<b>1,185,725</b>	<b>\$5,846,454</b>	<b>\$5,510,021</b>	<b>1,181,835</b>	<b>\$4,883,482</b>	<b>\$4,736,717</b>
Monthly Base Rate		\$10.94			\$7.00	
Rate per 100 Cubic Feet		\$6.20			\$3.97	

Source: City Records

Note: Rates are based on a 5/8" meter, which is the standard household meter.

Charges to Erie County are not included in payment amounts.

2013			2012		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
551,320	\$2,531,256	\$2,532,349	548,757	\$2,601,336	\$2,645,519
510,084	2,110,759	2,073,429	507,931	2,106,498	2,095,062
31,712	133,237	130,017	28,074	122,333	126,372
72,120	0	0	57,723	0	0
<u>1,165,236</u>	<u>\$4,775,252</u>	<u>\$4,735,795</u>	<u>1,142,485</u>	<u>\$4,830,167</u>	<u>\$4,866,953</u>
	\$7.00			\$7.00	
	\$3.97			\$3.97	

(continued)

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2011			2010		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	615,721	\$2,785,808	\$2,657,644	602,857	\$2,734,948	\$2,689,269
Commercial	521,961	2,144,778	2,105,590	488,715	2,014,088	2,125,726
Industrial	31,093	130,625	126,327	25,519	108,864	101,797
Municipal	52,242	0	0	56,694	0	0
<b>Total</b>	<b>1,221,017</b>	<b>\$5,061,211</b>	<b>\$4,889,561</b>	<b>1,173,785</b>	<b>\$4,857,900</b>	<b>\$4,916,792</b>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

2009			2008		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
607,578	\$2,754,445	\$2,773,222	652,538	\$2,943,970	\$2,816,847
501,882	2,066,859	2,052,461	531,077	2,195,755	2,145,365
23,337	100,270	99,459	26,814	114,945	111,770
37,754	0	0	27,297	0	0
<u>1,170,551</u>	<u>\$4,921,574</u>	<u>\$4,925,142</u>	<u>1,237,726</u>	<u>\$5,254,670</u>	<u>\$5,073,982</u>
	\$7.00			\$7.00	
	\$3.97			\$3.97	

(continued)

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2007			2006		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	679,939	\$3,030,649	\$2,927,168	660,179	\$2,965,144	\$2,931,352
Commercial	544,937	2,237,127	2,202,101	556,330	2,308,180	2,288,275
Industrial	32,138	139,349	143,690	38,040	157,073	137,502
Municipal	18,663	0	0	21,734	0	0
<b>Total</b>	<b>1,275,677</b>	<b>\$5,407,125</b>	<b>\$5,272,959</b>	<b>1,276,283</b>	<b>\$5,430,397</b>	<b>\$5,357,129</b>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

City of Sandusky  
Principal Water Customers  
Last Ten Years

Customer	2015	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$688,371	23.25%
Firelands Regional Health System	78,628	2.66
U. S. Tsubaki, Inc.	33,811	1.14
MHD Corporation	24,085	0.81
A & L Metal Processing	18,109	0.61
Sandusky Board of Education	15,541	0.52
Okamoto Sandusky Manufacturing	12,198	0.41
North Coast Property Management	11,069	0.37
Erie County	9,702	0.33
Greentree Inn	8,063	0.27
Total	899,577	30.37
Balance from Other Customers	2,062,295	69.63
Total Water Revenue	<u>\$2,961,872</u>	<u>100.00%</u>

Customer	2014	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$541,507	21.23%
Firelands Regional Health System	63,486	2.49
Sandusky Associates, LLC	39,166	1.54
U. S. Tsubaki, Inc.	25,486	1.00
MHD Corporation	13,744	0.54
Sandusky Board of Education	12,946	0.51
Norfolk-Southern Corporation	11,219	0.44
Okamoto Sandusky Manufacturing	10,552	0.41
North Coast Property Management	9,908	0.38
Greentree Inn	9,165	0.36
Total	737,179	28.90
Balance from Other Customers	1,813,563	71.10
Total Water Revenue	<u>\$2,550,742</u>	<u>100.00%</u>

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2013	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$530,669	20.89%
Firelands Regional Health System	59,116	2.33
Sandusky Associates, LLC	40,686	1.60
MHD Corporation	23,280	0.92
U. S. Tsubaki, Inc.	22,446	0.88
Sandusky Board of Education	11,996	0.47
Westwood Management	10,202	0.40
North Coast Property Management	10,096	0.40
Greentree Inn	9,811	0.39
A & L Metal Processing	9,393	0.37
Total	727,695	28.65
Balance from Other Customers	1,811,993	71.35
Total Water Revenue	<u>\$2,539,688</u>	<u>100.00%</u>

Customer	2012	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$519,759	19.92%
Firelands Regional Health System	61,966	2.38
Sandusky Associates, LLC	34,226	1.31
U. S. Tsubaki, Inc.	27,006	1.04
MHD Corporation	12,338	0.47
Greentree Inn	10,115	0.39
Westwood Management	9,697	0.37
Erie Metro Housing	9,526	0.37
Sandusky Board of Education	9,336	0.36
Providence Care Center	9,127	0.35
Total	703,096	26.96
Balance from Other Customers	1,904,442	73.04
Total Water Revenue	<u>\$2,607,538</u>	<u>100.00%</u>



City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2011	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$507,358	19.24%
Firelands Regional Health System	58,166	2.22
Sandusky Associates, LLC	32,516	1.23
U. S. Tsubaki, Inc.	31,946	1.21
Sandusky Board of Education	19,976	0.76
MHD Corporation	15,587	0.59
Sandusky Foundry	11,619	0.44
Greentree Inn	9,982	0.38
Providence Care Center	9,906	0.37
Erie Metro Housing	9,526	0.35
Total	706,582	26.79
Balance from Other Customers	1,930,635	73.21
Total Water Revenue	<u>\$2,637,217</u>	<u>100.00%</u>

Customer	2010	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$525,661	20.23%
Firelands Regional Health System	61,288	2.37
Sandusky Associates, LLC	25,486	0.98
U. S. Tsubaki, Inc.	17,696	0.68
MHD Corporation	13,136	0.51
Providence Care Center	11,084	0.43
Greentree Inn	10,913	0.42
Sandusky Board of Education	10,856	0.41
Westwood Management	8,158	0.31
Erie Metro Housing	8,004	0.31
Total	692,282	26.64
Balance from Other Customers	1,906,534	73.36
Total Water Revenue	<u>\$2,598,816</u>	<u>100.00%</u>

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2009	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$452,902	17.66%
Firelands Regional Health System	46,981	1.84
Sandusky Associates, LLC	33,657	1.31
U. S. Tsubaki, Inc.	16,937	0.66
Sandusky Board of Education	16,367	0.64
Providence Care Center	11,901	0.46
MHD Corporation	9,811	0.38
Lutheran Memorial Home	9,203	0.36
Greentree Inn	8,576	0.33
Sandusky Foundry	8,284	0.32
Total	614,619	23.96
Balance from Other Customers	1,950,269	76.04
Total Water Revenue	<u>\$2,564,888</u>	<u>100.00%</u>

Customer	2008	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$465,123	17.52%
Firelands Regional Health System	52,087	1.96
Sandusky Associates, LLC	27,196	1.02
Sandusky Board of Education	21,306	0.80
U. S. Tsubaki, Inc.	20,546	0.77
Providence Care Center	13,250	0.50
Westwood Management	9,963	0.37
Lutheran Memorial Home	8,785	0.33
MHD Corporation	8,044	0.30
Erie Metro Housing	7,436	0.28
Total	633,736	23.85
Balance from Other Customers	2,023,283	76.15
Total Water Revenue	<u>\$2,657,019</u>	<u>100.00%</u>

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2007	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$466,048	16.79%
Firelands Regional Health System	62,660	2.26
Sandusky Associates, LLC	30,806	1.11
Radisson Harbour Inn	23,415	0.84
Sandusky Board of Education	21,496	0.77
U. S. Tsubaki, Inc.	18,646	0.67
G & C Foundry	17,316	0.62
Providence Care Center	13,155	0.47
Sandusky Bay Kiwanis	13,136	0.47
Westwood Management	9,203	0.33
Total	675,881	24.33
Balance from Other Customers	2,101,601	75.67
Total Water Revenue	<u>\$2,777,482</u>	<u>100.00%</u>

Customer	2006	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$422,024	15.00%
Sandusky Associates, LLC	40,876	1.45
Radisson Harbour Inn	37,069	1.32
Firelands Regional Health System	32,714	1.16
Sandusky Board of Education	21,116	0.75
U.S. Tsubaki, Inc.	18,646	0.67
Westwood Management	15,264	0.54
G & C Foundry	13,896	0.49
Sandusky Limited	13,250	0.47
Providence Care Center	11,730	0.43
Total	626,585	22.28
Balance from Other Customers	2,185,709	77.72
Total Water Revenue	<u>\$2,812,294</u>	<u>100.00%</u>

City of Sandusky  
Principal Sewer Customers  
Last Ten Years

Customer	2015	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,212,006	21.99%
Firelands Regional Health System	159,245	2.89
MHD Corporation	50,655	0.92
A & L Metal Processing	38,296	0.70
Okamoto Sandusky Manufacturer	28,189	0.51
Sandusky Board of Education	26,427	0.48
North Coast Prop Management	24,243	0.44
Erie County	20,780	0.38
Greentree Inn	17,127	0.31
Providence Care Center	15,204	0.28
Total	1,592,172	28.90
Balance from Other Customers	3,917,849	71.10
Total Sewer Revenue	<u>\$5,510,021</u>	<u>100.00%</u>

Customer	2014	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$943,181	19.91%
Firelands Regional Health System	127,169	2.69
Sandusky Associates, LLC	82,348	1.74
MHD Corporation	28,851	0.61
Okamoto Sandusky Manufacturing	23,314	0.49
North Coast Property Management	21,259	0.45
Greentree Inn	19,283	0.41
Sandusky Board of Education	19,272	0.40
Erie Metro Housing	16,176	0.34
Myers Industries, Inc.	2,152	0.05
Total	1,283,005	27.09
Balance from Other Customers	3,453,712	72.91
Total Sewer Revenue	<u>\$4,736,717</u>	<u>100.00%</u>

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2013	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$926,309	19.55%
Firelands Regional Health System	89,811	1.90
Sandusky Associates, LLC	85,524	1.81
MHD Corporation	48,833	1.03
Sandusky Board of Education	25,330	0.53
North Coast Property Management	21,607	0.46
Westwood Management	21,332	0.45
Greentree Inn	20,454	0.43
A & L Metal Processing	19,760	0.42
Providence Care Center	16,028	0.34
Total	1,274,988	26.92
Balance from Other Customers	3,460,807	73.08
Total Sewer Revenue	<u>\$4,735,795</u>	<u>100.00%</u>

Customer	2012	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$920,514	18.92%
Firelands Regional Health System	96,084	1.98
Sandusky Associates, LLC	69,247	1.42
MHD Corporation	25,913	0.53
Westwood Management	20,287	0.42
Erie Metro Housing	20,146	0.41
Sandusky Board of Education	20,019	0.41
North Coast Property Management	19,621	0.40
Providence Care Center	19,203	0.39
Greentree Inn	15,631	0.32
Total	1,226,665	25.20
Balance from Other Customers	3,640,288	74.80
Total Sewer Revenue	<u>\$4,866,953</u>	<u>100.00%</u>

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2011	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$901,372	18.43%
Firelands Regional Health System	93,821	1.92
Sandusky Associates, LLC	68,453	1.40
Sandusky Board of Education	41,981	0.86
MHD Corporation	32,702	0.67
Providence Care Center	20,832	0.43
Erie Metro Housing	20,146	0.41
A & L Metal Processing	19,283	0.39
Sandusky Foundry	18,828	0.38
Greentree Inn	16,429	0.34
Total	1,233,847	25.23
Balance from Other Customers	3,655,714	74.77
Total Sewer Revenue	<u>\$4,889,561</u>	<u>100.00%</u>

Customer	2010	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$984,267	20.02%
Firelands Regional Health System	89,619	1.82
Sandusky Associates, LLC	53,764	1.09
MHD Corporation	27,581	0.56
Providence Care Center	23,293	0.48
Sandusky Board of Education	23,195	0.47
Greentree Inn	19,565	0.40
Westwood Management	17,071	0.35
Erie Metro Housing	16,945	0.34
Lutheran Memorial Home	15,671	0.32
Total	1,270,971	25.85
Balance from Other Customers	3,645,821	74.15
Total Sewer Revenue	<u>\$4,916,792</u>	<u>100.00%</u>

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2009	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$904,654	18.37%
Firelands Regional Health System	82,404	1.67
Sandusky Associates, LLC	70,835	1.44
Sandusky Board of Education	34,708	0.70
Providence Care Center	25,000	0.51
MHD Corporation	20,633	0.42
Lutheran Memorial Home	19,362	0.39
Sandusky Foundry	17,371	0.35
Greentree Inn	14,682	0.30
Thakar Aluminum Corporation	1,892	0.04
Total	1,191,541	24.19
Balance from Other Customers	3,733,601	75.81
Total Sewer Revenue	<u>\$4,925,142</u>	<u>100.00%</u>

Customer	2008	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$874,548	17.24%
Firelands Regional Health System	106,922	2.11
Sandusky Associates, LLC	57,335	1.13
Sandusky Board of Education	45,030	0.89
Providence Care Center	27,819	0.55
Westwood Management	20,843	0.41
Lutheran Memorial Home	18,489	0.36
MHD Corporation	16,941	0.33
Erie Metro Housing	15,779	0.31
Monticello Arms Apartments	15,404	0.30
Total	1,199,110	23.63
Balance from Other Customers	3,874,872	76.37
Total Sewer Revenue	<u>\$5,073,982</u>	<u>100.00%</u>

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2007	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$865,657	16.41%
Firelands Regional Health System	121,803	2.31
Sandusky Associates, LLC	64,880	1.23
Radisson Harbour Inn	49,406	0.94
Sandusky Board of Education	45,427	0.86
Sandusky Bay Kiwanis	27,688	0.53
Providence Care Center	27,620	0.52
G & C Foundry	26,660	0.51
Westwood Management	19,255	0.37
Erie Metro Housing	18,558	0.35
Total	1,266,954	24.03
Balance from Other Customers	4,006,005	75.97
Total Sewer Revenue	<u>\$5,272,959</u>	<u>100.00%</u>

Customer	2006	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$749,187	13.97%
Sandusky Associates, LLC	85,921	1.60
Radisson Harbour Inn	77,935	1.45
Firelands Regional Health System	68,865	1.29
Sandusky Board of Education	44,633	0.83
Westwood Management	31,919	0.61
Sandusky Limited	28,952	0.54
Providence Care Center	24,643	0.46
Sandusky Bay Kiwanis	22,528	0.42
G & C Foundry	17,652	0.34
Total	1,152,235	21.51
Balance from Other Customers	4,204,894	78.49
Total Sewer Revenue	<u>\$5,357,129</u>	<u>100.00%</u>



City of Sandusky  
 Number of Water and Sewer Customers by Type  
 Last Ten Years

Year	Water		Sewer		Total	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
2015	8,340	1,039	8,294	1,018	16,634	2,057
2014	8,208	1,168	8,166	1,143	16,374	2,311
2013	8,345	1,036	8,319	1,020	16,664	2,056
2012	8,389	1,027	8,357	1,014	16,746	2,041
2011	8,357	1,006	8,329	989	16,686	1,995
2010	8,361	1,019	8,334	1,002	16,695	2,021
2009	8,379	1,014	8,351	997	16,730	2,011
2008	8,393	1,038	8,368	1,020	16,761	2,058
2007	8,462	1,027	8,437	1,009	16,899	2,036
2006	8,516	1,046	8,489	1,025	17,005	2,071

Source: City Utility Department



City of Sandusky  
 Water Produced and Consumed and Wastewater Treated  
 Last Ten Years

Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water City Usage	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2015	3,298,592,130	2,635,860,027	921,046,060	240,900,163	20.12%	5,131,900,000
2014	3,304,447,404	2,489,943,910	841,352,644	153,627,237	5.81	4,625,400,000
2013	3,323,608,000	2,336,032,624	724,070,810	324,043,324	12.18	4,696,100,000
2012	3,420,350,900	2,509,011,164	806,177,308	43,260,580	1.69	4,400,500,000
2011	3,477,491,000	2,478,440,404	860,098,299	38,144,266	25.76	5,865,100,000
2010	3,311,345,000	2,732,551,064	462,193,250	64,910,000	14.47	3,764,140,000
2009	3,055,757,000	2,439,575,070	532,694,360	38,973,750	17.92	3,790,900,000
2008	3,056,657,000	2,545,413,752	302,599,669	35,622,000	10.62	4,300,500,000
2007	3,056,130,750	2,522,043,000	340,653,095	174,588,655	11.90	4,174,000,000
2006	2,861,333,000	1,971,015,750	874,710,500	15,606,750	0.79	4,120,000,000

Source: City Utility Department

City of Sandusky  
Ratios of Outstanding Debt by Type  
Last Ten Years

Governmental Activities					
Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Loans Payable	Capital Leases
2015	\$10,713,509	\$1,580,000	\$2,356,309	\$216,646	\$0
2014	12,148,290	1,950,000	2,627,833	318,327	0
2013	13,443,350	2,310,000	2,903,175	415,821	0
2012	14,677,706	0	3,183,334	509,301	0
2011	15,803,424	0	3,486,729	598,932	0
2010	15,901,176	0	3,812,686	684,873	914
2009	16,624,377	0	4,170,986	767,275	38,073
2008	17,289,834	0	4,438,434	829,545	75,916
2007	17,900,290	0	1,996,032	918,855	111,932
2006	18,413,397	0	1,974,032	0	146,214

Source: City Records

(1) See schedule on S-56 for population and personal income. These ratios are calculated using personal income and population for the prior calendar year.

Business-Type Activities					
General Obligation Revenue Bonds	OWDA Loans	Loans Payable	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$1,500,000	\$41,713,399	\$134,616	\$58,214,479	\$2,256.99	10.39%
1,570,000	44,107,382	197,796	62,919,628	2,439	11.23
1,588,285	46,436,047	258,374	67,355,052	2,611	13.06
1,649,180	48,063,420	316,459	68,399,400	2,651.86	13.02
1,753,994	46,725,607	372,152	68,740,838	2,665.10	13.91
1,935,910	43,537,012	425,552	66,298,123	2,570.39	13.58
2,117,825	40,693,071	476,753	64,888,360	2,330.43	12.87
2,294,659	36,781,982	515,446	62,225,816	2,234.80	12.34
2,471,493	34,578,434	570,938	58,547,974	2,102.71	11.61
2,648,327	36,142,140	0	59,324,110	2,130.59	11.76

City of Sandusky  
Ratio of General Bonded Debt to  
Estimated Actual Value and General Bonded Debt Per Capita  
Last Ten Years

Year	Population	Estimated Actual Value	Gross Bonded Debt	Bonded Debt Per Capita	Ratio of Bonded Debt to Estimated Actual Value
2015	25,793	\$1,281,548,246	\$14,649,818	\$567.98	1.14%
2014	25,793	1,285,455,130	16,346,123	633.74	1.27
2013	25,793	1,288,762,889	17,934,810	695.34	1.39
2012	25,793	1,361,052,402	19,510,220	756.42	1.43
2011	25,793	1,370,828,506	21,044,147	815.89	1.54
2010	25,793	1,121,432,882	21,649,772	839.37	1.93
2009	27,844	1,377,868,880	22,913,188	822.91	1.66
2008	27,844	1,647,720,441	24,022,927	862.77	1.46
2007	27,844	1,632,699,220	22,367,815	803.33	1.37
2006	27,844	1,482,723,107	23,035,756	827.31	1.55

Source: City Records

Erie County Auditor

Note: Resources have not been externally restricted for the repayment of debt.

City of Sandusky  
 Computation of Direct and Overlapping Debt for Governmental Activities  
 December 31, 2015

	Debt Outstanding	Percent Applicable to City of Sandusky (1)	Amount Applicable to City of Sandusky
City of Sandusky			
2001 Various Purpose	\$90,000	100.00%	\$90,000
2011 Library Refunding	2,954,440	100.00	2,954,440
2014 Various Purpose Refunding	120,000	100.00	120,000
2015 City Complex Refunding	3,675,000	100.00	3,675,000
2015 Police Pension Bonds Refunding	330,383	100.00	330,383
2015 Fire Pension Bonds Refunding	444,617	100.00	444,617
2015 Various Purpose Bonds Refunding	3,099,069	100.00	3,099,069
2013 Urban Renewal	1,580,000	100.00	1,580,000
Special Assessment Bonds	2,356,309	100.00	2,356,309
Loans Payable	216,646	100.00	216,646
	<u>14,866,464</u>		<u>14,866,464</u>
Erie County	<u>10,076,595</u>	22.65	<u>2,282,349</u>
Total	<u><u>\$24,943,059</u></u>		<u><u>\$17,148,813</u></u>

Source: City Records and Erie County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision. The valuations used were for the 2015 collection year

City of Sandusky  
 Computation of Legal Debt Margin  
 Last Ten Years

	2015	2014	2013
Total Assessed Valuation	\$459,278,000	\$460,060,000	\$460,233,000
Overall Debt Limitation - 10.5 Percent of Assessed Valuator	48,224,190	48,306,300	48,324,465
Gross Indebtedness	60,044,560	64,847,881	69,424,886
Less Debt Outside Limitation			
Revenue Bonds	1,580,000	1,950,000	2,310,000
Special Assessment Bonds	2,272,092	2,539,063	2,810,036
General Obligation Revenue Bonds	1,500,000	1,570,000	1,565,000
OWDA Loans	41,713,399	44,107,382	46,436,047
Net Indebtedness	12,979,069	14,681,436	16,303,803
Less Fund Balance in Debt Service Fund	129,875	45,366	57,130
Net Debt Within 10.5 Percent Limitation	12,849,194	14,636,070	16,246,673
Legal Debt Margin Within 10.5 Percent Limitation	\$35,374,996	\$33,670,230	\$32,077,792
Legal Debt Margin as a Percentage of the Overall Debt Limitation	73.36%	69.70%	66.38%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuator	\$25,260,290	\$25,303,300	\$25,312,815
Gross Indebtedness	60,044,560	64,847,881	69,424,886
Less Debt Outside Limitation			
Revenue Bonds	1,580,000	1,950,000	2,310,000
Special Assessment Bonds	2,272,092	2,539,063	2,810,036
General Obligation Revenue Bonds	1,500,000	1,570,000	1,565,000
OWDA Loans	41,713,399	44,107,382	46,436,047
Net Indebtedness	12,979,069	14,681,436	16,303,803
Less Fund Balance in Debt Service Fund	129,875	45,366	57,130
Net Debt Within 5.5 Percent Limitation	12,849,194	14,636,070	16,246,673
Legal Debt Margin Within 5.5 Percent Limitation	\$12,411,096	\$10,667,230	\$9,066,142
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	49.13%	42.16%	35.82%

Source: City Records



2012	2011	2010	2009	2008	2007	2006
<u>\$484,811,000</u>	<u>\$487,852,000</u>	<u>\$400,482,525</u>	<u>\$490,136,050</u>	<u>\$508,186,420</u>	<u>\$522,301,470</u>	<u>\$487,545,890</u>
50,905,155	51,224,460	42,050,665	51,464,285	53,359,574	54,841,654	51,192,318
73,103,099	73,755,127	71,437,371	69,034,270	68,244,180	65,841,032	67,414,138
0	0	0	0	0	0	0
3,086,009	3,384,549	3,706,088	4,060,063	4,324,197	1,992,732	1,970,132
1,625,000	1,729,000	1,906,000	2,083,000	2,255,000	2,427,000	2,599,000
<u>48,063,420</u>	<u>46,725,607</u>	<u>43,537,012</u>	<u>40,693,071</u>	<u>36,781,982</u>	<u>34,578,434</u>	<u>36,142,140</u>
20,328,670	21,915,971	22,288,271	22,198,136	24,883,001	26,842,866	26,702,866
29,134	32,753	82,687	173,295	162,155	205,867	266,065
<u>20,299,536</u>	<u>21,883,218</u>	<u>22,205,584</u>	<u>22,024,841</u>	<u>24,720,846</u>	<u>26,636,999</u>	<u>26,436,801</u>
<u>\$30,605,619</u>	<u>\$29,341,242</u>	<u>\$19,845,081</u>	<u>\$29,439,444</u>	<u>\$28,638,728</u>	<u>\$28,204,655</u>	<u>\$24,755,517</u>
60.12%	57.28%	47.19%	57.20%	53.67%	51.43%	48.36%
\$26,664,605	\$26,831,860	\$22,026,539	\$26,957,483	\$27,950,253	\$28,726,581	\$26,815,024
73,103,099	73,755,127	71,437,371	69,034,270	68,244,180	65,841,032	67,414,138
0	0	0	0	0	0	0
3,086,009	3,384,549	3,706,088	4,060,063	4,324,197	1,992,732	1,970,132
1,625,000	1,729,000	1,906,000	2,083,000	2,255,000	2,427,000	2,599,000
<u>48,063,420</u>	<u>46,725,607</u>	<u>43,537,012</u>	<u>40,693,071</u>	<u>36,781,982</u>	<u>34,578,434</u>	<u>36,142,140</u>
20,328,670	21,915,971	22,288,271	22,198,136	24,883,001	26,842,866	26,702,866
29,134	32,753	82,687	173,295	162,155	205,867	266,065
<u>20,299,536</u>	<u>21,883,218</u>	<u>22,205,584</u>	<u>22,024,841</u>	<u>24,720,846</u>	<u>26,636,999</u>	<u>26,436,801</u>
<u>\$6,365,069</u>	<u>\$4,948,642</u>	<u>(\$179,045)</u>	<u>\$4,932,642</u>	<u>\$3,229,407</u>	<u>\$2,089,582</u>	<u>\$378,223</u>
23.87%	18.44%	(0.81%)	18.30%	11.55%	7.27%	1.41%



City of Sandusky  
Revenue Supported - Bond Coverage  
Governmental Activities  
Last Three Years

Year	Payment in Lieu of Taxes Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	\$532,265	\$370,000	\$59,525	\$429,525	1.24
2014	537,159	360,000	69,005	429,005	1.25
2013	558,906	370,000	133,603	503,603	1.11

Source: City Records

(1) Includes only payment in lieu of taxes revenue from the Urban Renewal Debt Retirement debt service fund.

City of Sandusky  
 General Obligation - Revenue Supported - Bond Coverage  
 Water Enterprise Fund  
 Last Ten Years

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$5,402,733	\$4,985,761	\$416,972	\$10,000	\$4,118	\$14,118	29.53
2014	5,395,434	5,100,326	295,108	140,000	9,140	149,140	1.98
2013	5,330,875	4,681,292	649,583	5,000	5,641	10,641	61.05
2012	5,301,855	4,537,221	764,634	5,000	5,898	10,898	70.16
2011	5,296,814	4,770,271	526,543	85,000	10,523	95,523	5.51
2010	5,135,801	4,198,140	937,661	85,000	14,523	99,523	9.42
2009	5,377,081	4,182,466	1,194,615	85,000	18,524	103,524	11.54
2008	5,499,096	4,626,578	872,518	85,000	22,525	107,525	8.11
2007	4,746,271	3,841,614	904,657	85,000	26,328	111,328	8.13
2006	5,648,139	3,341,908	2,306,231	205,000	39,080	244,080	9.45

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

City of Sandusky  
 General Obligation - Revenue Supported - Bond Coverage  
 Sewer Enterprise Fund  
 Last Ten Years

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$7,311,210	\$6,338,635	\$972,575	\$60,000	\$43,768	\$103,768	9.37
2014	5,789,026	5,836,218	(47,192)	1,485,000	108,913	1,593,913	(0.03)
2013	5,981,063	5,316,839	664,224	55,000	59,739	114,739	5.79
2012	5,552,003	4,829,487	722,516	99,000	64,335	163,335	4.42
2011	6,816,622	6,343,763	472,859	92,000	68,641	160,641	2.94
2010	6,390,831	5,854,281	536,550	92,000	72,946	164,946	3.25
2009	6,113,987	5,143,723	970,264	87,000	76,995	163,995	5.92
2008	6,879,298	5,276,170	1,603,128	87,000	81,045	168,045	9.54
2007	6,749,919	4,921,594	1,828,325	87,000	85,094	172,094	10.62
2006	6,616,989	4,246,275	2,370,714	92,000	100,920	192,920	12.29

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

City of Sandusky  
Demographic Statistics  
Last Ten Years

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Dwelling Units (1)	Occupied Dwelling Units Households (1)
2015	25,793	\$560,352,925	\$21,725	13,706	11,432
2014	25,793	538,635,219	20,883	13,447	11,155
2013	25,793	515,679,449	19,993	13,536	11,138
2012	25,793	525,222,859	20,363	13,386	11,082
2011	25,793	494,116,501	19,157	13,386	11,082
2010	25,793	488,106,732	18,924	13,377	11,153
2009	27,844	504,282,684	18,111	13,323	11,851
2008	27,844	504,282,684	18,111	13,323	11,851
2007	27,844	504,282,684	18,111	13,323	11,851
2006	27,844	504,282,684	18,111	13,323	11,851

Source: (1) U.S. Bureau of the Census

(2) U.S. Department of Labor: Bureau of Labor Statistics

(3) Computation of per capita personal income multiplied by population.

Persons Per Household (1)	Owner Occupied Units (1)	Median Family Income (1)	Unemployment Rate (2)
2.15	5,965	\$44,441	5.9%
2.25	5,786	45,208	7.0
2.27	5,906	43,723	7.9
2.28	5,916	44,615	7.6
2.28	5,916	44,270	9.2
2.26	6,490	43,302	9.8
2.31	6,692	37,749	12.4
2.31	6,692	37,749	9.8
2.31	6,692	37,749	7.3
2.31	6,692	37,749	6.6

City of Sandusky  
Principal Employers  
Current Year and Nine Years Ago

Employer	Type of Business	2015		
		Number of Employees	Rank	Percentage of Total Employment
Magnum Management Corp.	Entertainment	6,070	1	47.52%
Firelands Regional Health System	Hospital	2,043	2	15.99
Erie County	Government	578	3	4.52
Sandusky Board of Education	Education	508	4	3.97
Kyklos Bearings International	Automotive	416	5	3.27
Providence Care Center	Nursing Home	389	6	3.05
Wal-Mart	Retail	268	7	2.10
Stein Hospice Service	Hospice	236	8	1.85
Lewco, Inc.	Manufacturing	183	9	1.43
Sandusky International, Inc.	Manufacturing	173	10	1.35
Delphi Automotive System	Automotive			
City of Sandusky	Government			
Ford Motor Company	Automotive			
FMC Corporation	Food Equipment			
Sandusky Limited	Port Facilities			
Industrial Nut Corp.	Manufacturing			
	Total	<u>10,864</u>		<u>85.05%</u>
	Total City Employment	<u>12,774</u>		

Source: Regional Income Tax Agency (RITA)



2006		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
6,300	1	49.22%
2,020	2	15.78
866	3	6.77
704	4	5.50
528	5	4.13
295	6	2.30
295	7	2.30
239	8	1.87
150	9	1.17
89	10	0.69
<u>11,486</u>		<u>89.73%</u>
<u>12,800</u>		

City of Sandusky  
Full Time Equivalent City Government Employees by Function/Program  
Last Ten Years

Function/Program	2015	2014	2013
Security of Persons and Property-Police			
Police Patrol	47.0	45.0	45.0
Police Records	2.0	1.0	1.0
Police Reserve	3.0	0.0	4.0
Security of Persons and Property-Fire			
Fire Suppression	48.0	48.0	53.0
Public Health			
Oakland Cemetery	2.5	2.0	2.5
Leisure Time Activities			
Golf Course	0.5	0.0	0.0
Recreation	1.5	1.0	1.0
Pavillion	0.0	0.0	0.0
Community Environment			
Community Development	10.0	6.0	7.0
Horticultural Services	9.0	7.0	7.5
Transportation			
Streets	11.5	11.0	10.5
Traffic and Electrical Maintenance	1.0	2.0	2.0
General Government-Municipal Court			
Court-Criminal	17.0	14.0	17.0
General Government-Other			
City Manager	2.0	1.0	1.0
Personnel Labor Relations	4.0	2.0	3.0
Finance	3.0	3.0	3.0
Law Director	5.5	4.0	4.5
City Commission	8.0	8.0	8.0
Municipal Buildings and Lands	4.0	2.0	2.5
Engineering	10.0	8.0	8.0
Fleet	4.0	4.0	4.0
Basic Utility Services			
Water/Sewer Office	3.0	3.0	3.0
Waterworks Filtration	13.0	13.0	12.0
Waterworks Distribution	10.0	9.0	9.0
Water Pollution Control	15.0	15.0	15.0
Sewer Maintenance	10.0	9.0	9.0
Total	244.5	218.0	232.5

Source: City Records

Method: Using 1.0 for each full-time employee and .5 for each part-time employee as of December 31 of each year.

2012	2011	2010	2009	2008	2007	2006
45.0	47.0	45.0	52.0	52.0	49.0	50.0
1.0	4.5	6.0	10.0	12.0	11.0	10.5
4.0	2.0	0.0	0.0	3.5	7.0	8.5
53.0	54.0	48.0	54.0	52.0	53.0	53.0
2.5	2.5	2.5	3.5	3.0	4.5	4.0
0.5	0.0	0.0	0.0	0.0	0.0	0.0
1.0	2.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	0.5	0.5	0.0	0.0
6.0	6.0	6.0	5.0	8.5	10.5	11.5
8.0	8.5	8.5	8.0	9.0	11.5	11.0
10.5	9.5	9.5	10.0	10.0	10.0	9.0
2.0	2.0	3.0	3.0	3.0	5.0	4.0
17.5	17.0	18.0	18.0	19.5	19.5	17.5
1.0	1.5	0.0	0.0	2.0	2.0	3.0
3.0	4.0	4.0	4.5	5.5	5.5	3.5
3.0	2.0	3.0	4.0	4.0	4.0	4.0
4.5	4.5	4.5	4.0	6.0	6.0	6.0
8.0	8.0	8.0	8.0	9.0	9.0	9.0
3.5	3.5	4.5	4.0	5.5	4.5	4.5
7.0	7.0	7.0	10.0	11.0	11.0	12.0
4.0	4.0	4.0	4.0	4.0	4.0	4.0
3.0	3.0	3.0	3.0	3.0	2.0	3.0
13.0	13.0	13.0	12.0	12.0	13.0	13.0
8.0	8.0	8.5	9.0	9.0	10.0	10.0
17.0	18.0	18.0	18.0	18.0	18.0	18.0
9.0	8.0	9.0	9.0	9.0	9.0	10.0
<u>235.0</u>	<u>239.5</u>	<u>234.0</u>	<u>254.5</u>	<u>272.0</u>	<u>280.0</u>	<u>280.0</u>

City of Sandusky  
Operating Indicators by Function/Program  
Last Ten Years

Function/Program	2015	2014	2013
<b>Security of Persons and Property-Police</b>			
Number of Calls for Service	34,386	25,192	43,330
Number of Traffic Citations and Arrests	2,050	2,785	4,281
Number of Parking Tickets Issued	426	349	396
<b>Accident Severity Breakdown</b>			
Fatalities	1	0	0
Injury	120	125	100
Property Damage	539	568	514
Number of Criminal Arrests	4,256	6,026	6,391
Number of DUI Arrests	173	255	237
Square Miles Served	14.9	14.9	14.9
Original Department Operating Budget (General Fund)	\$5,042,948	\$4,665,990	\$4,727,118
<b>Security of Persons and Property-Fire</b>			
Number of EMS Calls	4,962	4,904	4,542
Number of Fire Calls	1,241	1,059	897
Net Ambulance Billing Collections	\$907,778	\$850,165	\$780,893
EMS Response Time (in seconds)	101	186	175
Fire Reponse Time (in seconds)	237	255	226
Number of Times Mutual Aid Given	31	29	32
Number of Times Mutual Aid Received	33	23	23
Square Miles Served	14.9	14.9	14.9
Number of Stations	3	3	3
Original Department Operating Budget (General Fund)	\$4,666,999	\$4,508,719	\$4,294,596
<b>Public Health</b>			
Cemetery Burials	124	138	138
Cemetery Cremations	35	38	48
Cemetery Sale of Lots	93	62	75
Cemetery Charges for Services Receipts	\$106,665	\$90,118	\$96,550
<b>Leisure Time Activities</b>			
<b>Recreation</b>			
Boat Ramp Receipts	\$300	\$0	\$28,763
Golf Course Receipts	\$188,674	\$183,990	\$162,553
Recreation Receipts	\$42,286	\$46,700	\$40,456
Sandusky Bay Pavilion Receipts	\$1,000	\$790	\$10,540
Paper District Marina Receipts	\$50,848	\$44,738	\$36,975
Reimbursements/Donations	\$1,211	\$3,048	\$3,483
Golf Course-Daily Pay Rounds	7,638	7,707	7,150
Golf Course-Daily Pass Rounds	5,489	6,487	5,983
Golf Course-Annual Pass Sales	102	110	113
Boat Ramp-Number of Daily Passes Sold	0	0	2,932
Boat Ramp-Number of Season Passes Sold	0	0	80
Boat Ramp-Number of Tournament Days	19	22	19
Paper District Marina-3-Hour Docks	1,795	1,811	1,722
Paper District Marina-Overnight Boat	255	299	334
Paper District Marina-Weekly Boat	0	0	0
Paper District Marina-Jetski Day	14	15	38
Paper District Marina-Jetski Overnight	5	0	6
Paper District Marina-Jetski 10-Day	2	0	0
Paper District Marina-Seasonal Dock (Boat)	10	6	1
Paper District Marina-Seasonal Dock (Jetski)	8	8	5

2012	2011	2010	2009	2008	2007	2006
36,934	37,071	19,471	28,288	21,441	17,529	15,951
3,922	3,452	3,072	4,319	4,892	3,807	2,598
445	557	611	1,069	1,819	1,815	2,672
2	0	0	0	2	0	0
127	138	101	120	123	132	159
577	574	603	511	575	651	582
6,094	5,881	6,505	5,771	7,953	8,094	7,829
184	185	241	241	209	235	174
14.9	14.9	14.9	14.9	14.9	14.9	14.9
\$4,951,507	\$4,686,741	\$4,673,083	\$5,404,496	\$5,384,630	\$5,017,372	\$4,835,645
4,495	4,312	3,914	3,858	3,673	3,641	3,332
855	791	838	1,177	1,168	1,115	950
\$864,791	\$622,476	\$767,177	\$626,958	\$660,239	\$599,323	\$637,234
178	191	184	178	186	214	199
251	288	285	247	207	226	191
23	26	21	18	27	18	23
17	29	23	16	19	30	45
14.9	14.9	14.9	14.9	14.9	14.9	14.9
3	3	3	3	3	3	3
\$4,176,776	\$4,105,936	\$4,392,888	\$4,900,965	\$4,745,641	\$4,515,255	\$4,314,322
108	128	110	95	93	103	131
34	34	33	42	42	35	26
74	66	65	69	74	103	64
\$74,340	\$90,515	\$86,562	\$100,113	\$95,190	\$107,389	\$103,154
\$21,369	\$938	\$201	\$845	\$38,128	\$55,519	\$53,306
\$204,010	\$211,717	\$214,839	\$207,048	\$244,384	\$209,793	\$188,407
\$30,954	\$30,958	\$23,786	\$27,820	\$36,325	\$34,509	\$22,999
\$0	\$5,000	\$500	\$17,515	\$34,261	\$35,741	\$54,355
\$21,369	\$6,033	\$0	\$0	\$0	\$0	\$0
\$3,262	\$760	\$650	\$669	\$529	\$124	\$877
9,801	6,935	9,610	9,517	11,275	10,357	8,140
6,952	6,880	6,588	9,484	9,973	10,074	8,695
120	119	124	132	145	164	197
2,501	0	n/a	n/a	3,915	4,513	4,616
65	0	n/a	n/a	78	113	124
12	14	12	14	4	22	19
722	186	0	0	0	0	0
109	89	0	0	0	0	0
0	11	0	0	0	0	0
17	39	0	0	0	0	0
0	2	0	0	0	0	0
0	2	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

(continued)

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years  
 (continued)

Function/Program	2015	2014	2013
<b>Horticulture Services</b>			
Trees Planted	40	58	56
Trees Removed	129	136	113
Trees Trimmed	102	235	250
Stumps Removed	62	136	98
Loads of Wood and Chips to Residents	30	132	132
<b>Number of Regularly Scheduled Work Hours Related to</b>			
Trees Planted	0	135	143
Trees Removed	0	818	827
Trees Trimmed	0	427	476
Stumps Removed	32	137	149
Storm Cleanup	350	336	297
Plant Propagation	1,060	1,172	1,112
Plant Installation	700	565	499
Landscape Maintenance	1,500	1,575	1,521
Fountain and Irrigation Maintenance	200	143	164
Playground Equipment Maintenance	225	103	102
Nursery Maintenance	0	327	371
Baseball Field Maintenance	400	117	106
Public Restroom Maintenance	680	295	289
Holiday Decorations	224	793	732
Christmas Tree Pickup	40	87	81
<b>Transportation</b>			
Cost of Salt Purchased	\$9,847	\$45,472	\$50,460
Number of Regularly Scheduled Work Hours Related to Snow Removal	0	996	1,110
Sign Department Hours	2,180	1,561	1,600
Guardrail Repair Hours	48	3	8
Street Improvements-Asphalt Overlay (linear feet)	4,084	896	1,241
Pavement Marking Hours	256	555	654
Cold Patch Hours	2,512	1,090	1,245
Street Sweeping Hours	1,160	1,502	1,484
<b>General Government-Court</b>			
<b>Municipal Court</b>			
Number of Civil Cases	2,383	2,375	2,622
Number of Criminal Cases	10,519	11,716	12,843
<b>General Government-Other</b>			
<b>Finance</b>			
Agency Ratings-Moody's Financial Services	Aa3	Aa3	Aa3
<b>Income Tax</b>			
Number of Individual Returns	14,938	15,827	13,682
Number of Business Returns	3,019	3,382	2,927
Number of Business Withholding Accounts	13,979	14,381	14,168
Amount of Interest and Penalties Collected	115,775	\$149,107	\$97,234
Tax Revenue	\$11,126,894	\$7,297,336	\$8,303,179
<b>City Commission</b>			
Number of Ordinances Passed	201	160	146
Number of Resolutions Passed	57	54	50

2012	2011	2010	2009	2008	2007	2006
65	52	25	20	32	103	134
153	143	118	108	133	159	208
232	223	478	265	408	659	486
177	132	114	75	245	202	177
135	128	132	176	133	246	254
244	18	166	222	188	250	212
688	939	854	1,036	1,210	1,550	2,242
375	430	622	216	680	866	1,113
144	119	185	230	382	364	306
491	220	179	288	489	357	299
1,350	1,055	931	1,857	1,276	1,949	2,412
731	465	300	573	961	700	1,461
1,945	1,260	1,357	2,060	875	1,893	2,090
174	92	226	130	100	121	170
120	87	99	117	80	170	221
16	593	503	75	95	87	96
125	120	73	342	371	326	871
286	309	271	258	242	266	489
715	931	551	856	1,251	1,208	533
122	57	64	16	24	56	59
\$25,307	\$60,650	\$63,648	\$7,095	\$71,372	\$83,436	\$25,872
694	1,185	1,452	1,398	1,595	1,301	336
1,503	1,581	1,716	2,251	1,904	2,538	2,312
0	0	24	16	0	18,718	0
1,331	115	2,278	2,740	3,444	547	7,580
520	492	950	841	850	1,160	516
839	1,185	1,711	1,330	1,922	1,281	410
1,425	1,598	1,429	1,453	1,358	1,477	1,156
2,749	2,502	2,727	3,166	3,277	3,097	2,893
11,597	9,879	10,295	13,156	12,888	12,052	10,915
Aa3	Aa3	Aa3	A2	A2	A2	A2
15,306	15,050	10,091	6,982	12,838	9,704	11,503
2,748	2,460	1,846	2,070	1,423	1,292	1,226
13,387	12,168	9,767	8,550	1,337	1,352	8,885
\$100,984	\$122,404	\$98,699	\$148,491	\$165,724	\$207,015	\$78,435
\$7,971,818	\$7,234,468	\$6,811,653	\$6,249,181	\$8,179,964	\$6,891,325	\$7,179,950
141	143	162	131	150	105	130
39	52	44	33	37	38	55

(continued)

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years  
 (continued)

Function/Program	2015	2014	2013
<b>Municipal Buildings and Lands</b>			
Number of Construction Permits Issued (building, electric, plumbing)	803	772	842
Estimated Value of Construction	\$8,096,977	\$15,478,633	\$55,106,730
Amount of Revenue Generated from Building Department	\$192,458	\$170,621	\$290,930
<b>Civil Service</b>			
Number of Police Entry Tests Administered	1	0	0
Number of Fire Entry Tests Administered	1	0	1
Number of Police Promotional Tests Administered	0	0	1
Number of Fire Promotional Tests Administered	1	0	2
Number of Hires of Police Officers from Certified Lists	4	0	0
Number of Hires of Fire/Medics from Certified Lists	3	0	0
Number of Promotions from Police Certified Lists	2	2	0
Number of Promotions from Fire Certified Lists	2	4	0
<b>Water Department</b>			
Water Rates per 100 Cubic Feet of Water Used Monthly (1)	\$6.41	\$4.10	\$4.10
<b>Sewer Department</b>			
Sewer Rates per 100 Cubic Feet of Water Used Monthly (1)	\$10.94	\$7.00	\$7.00
Total Flow of Wastewater Treatment Plant	5,132	4,625	4,696
Average Daily Flow (millions of gallons per day)	14.10	12.70	12.90
Tons of Dry Sludge Removed	1,189	1,211	1,210

Source: City Records

(1) Based on 5/8" meter



2012	2011	2010	2009	2008	2007	2006
927	1,060	2,259	931	1,146	892	1,018
\$16,070,557	\$11,484,665	\$26,426,795	\$30,794,209	\$14,812,745	\$12,990,490	\$71,960,299
\$188,287	\$146,647	\$232,932	\$162,116	\$162,072	\$136,065	\$329,152
0	1	0	0	0	1	0
0	1	0	0	1	0	0
0	2	0	0	1	3	0
1	2	0	1	1	0	0
7	5	0	0	7	4	0
4	6	0	2	2	0	0
5	4	0	0	2	8	0
6	2	0	1	1	0	0
\$4.10	\$4.10	\$4.10	\$4.10	\$4.10	\$4.10	\$4.10
\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
4,401	5,865	3,764	3,791	4,300	4,174	4,120
12.01	16.10	10.30	10.42	11.79	11.42	11.30
1,272	1,017	1,246	1,441	1,491	1,650	1,357

City of Sandusky  
Capital Assets by Function/Program  
Last Ten Years

Function/Program	2015	2014	2013
Security of Persons and Property-Police			
Stations	1	1	1
Vehicles	26	24	22
Security of Persons and Property-Fire			
Stations	3	3	3
Vehicles	15	15	15
Public Health			
Vehicles	2	2	2
Leisure Time Activities			
Number of Parks	20	20	20
Number of Piers/Pavilions/Plazas	4	4	4
Number of Boat Launch Ramps	1	1	1
Number of Golf Courses	1	1	1
Number of Baseball/Softball Diamonds	17	17	17
Number of Skateboarding Areas	1	1	1
Community Environment			
Vehicles	50	50	46
Transportation			
Bridges	1	1	1
Streets (miles)	113.8	113.7	113.7
Vehicles	17	17	17
General Government-Other			
City Manager Vehicles	0	0	0
Mechanic Vehicles	4	4	4
Engineering Vehicles	3	3	3
Water			
Water Lines (miles)	134.88	134.88	134.88
Vehicles	14	12	11
Sewer			
Sewer Lines (miles)	164.44	164.15	163.69
Vehicles	15	16	14

Source: City Records

2012	2011	2010	2009	2008	2007	2006
1 27	1 26	1 26	1 27	1 27	1 25	1 27
3 16	3 15	3 15	3 15	3 16	3 15	3 14
3	3	3	3	3	3	3
20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1
46	46	46	34	34	34	34
1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 29
5 4 10	6 4 10	6 4 10	6 4 10	6 4 10	6 4 10	6 5 10
134.88 18	134.88 18	134.88 18	134.82 16	134.69 16	134.66 16	134.37 16
163.69 20	163.69 20	163.69 20	163.69 19	163.49 19	162.52 19	162.50 19





# Dave Yost • Auditor of State

**CITY OF SANDUSKY**

**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  
AUGUST 30, 2016**