

JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF SANDUSKY
ERIE COUNTY

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**CITY OF SANDUSKY
ERIE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Disbursements
UNITED STATES DEPARTMENT OF HOUSING AND DEVELOPMENT:			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grant - Small Cities Program	14.228	A-T-95-172-1 A-F-97-172 A-E-97-172 A-F-98-172 A-E-99-172 A-F-99-172	\$1,809 107,181 50,000 96,440 170,992 339
Total Department of Housing and Urban Development			<u>426,761</u>
FEDERAL TRANSIT ADMINISTRATION			
<i>Passed Through Ohio Department of Transportation:</i>			
Mass Transportation Grant	20.509	RPT-4022-018-001 RPT-4022-018-991 RPT-4022-020-011 RPT-0022-018-992 RPT-0022-019-002	170,724 37,940 19,418 47,972 11,547
Total Transit Administration			<u>287,601</u>
UNITED STATES DEPARTMENT OF JUSTICE:			
COPS More 97 Grant	16.710	97-CM-WX-1039	64,780
Universal Hiring Grant	16.710	97-UM-WX-1519	<u>27,759</u>
Total COPS Grants			92,539
Local Law Enforcement Block Grant	16.592	99-LB-VX-2619	<u>21,546</u>
Total Department of Justice			<u>114,085</u>
FEDERAL HIGHWAY ADMINISTRATION:			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction Grant	20.205	G990655	<u>475,606</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$1,304,053</u></u>

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

**CITY OF SANDUSKY
ERIE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The City administers loan programs with funds provided by the U. S. Department of Housing and Urban Development (HUD) through the Ohio Department of Development. The loans are provided through the Community Development Block Grant Program (CFDA 14.228) for the purposes of rental housing rehabilitation and economic development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. Loan agreements provide for equipment or other assets to be used as collateral for the loans. As of December 31, 2000, the total amount of loans outstanding, before allowances for uncollectibles, was \$1,437,870.

NOTE C - MATCHING REQUIREMENTS

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



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

City of Sandusky
Erie County, Ohio
222 Meigs Street
Sandusky, Ohio 44870-2837

To the City Commission:

We have audited the financial statements of the City of Sandusky, Erie County, Ohio, (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated June 22, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-20522-001 and 2000-20522-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the City in a separate letter dated June 22, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the City in a separate letter dated June 22, 2001.

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

Jim Petro
Auditor of State

June 22, 2001



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

City of Sandusky
Erie County, Ohio
222 Meigs Street
Sandusky, Ohio 44870-2837

To the City Commission:

Compliance

We have audited the compliance of the City of Sandusky, Erie County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000. We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated June 22, 2001.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City as of and for the year ended December 31, 2000, and have issued our report thereon dated June 22, 2001. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Jim Petro
Auditor of State

June 22, 2001

**CITY OF SANDUSKY
ERIE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant - CFDA # 14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-20522-001

Noncompliance Citation

Ohio Revised Code § 2743.70 requires the court in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, to impose costs, in addition to any other court costs that the court is required by law to impose upon the offender, in the amount of thirty dollars if the offense is a felony; nine dollars if the offense is a misdemeanor. The court shall not waive the payment of the thirty or nine dollars court costs, unless the court determines that the offender is indigent and waives the payment of all court costs imposed upon the indigent defender. In 7% of the cases selected for examination, the Municipal Court did not collect the required court costs. No case files indicated that the offender had been declared indigent. In all instances for which required court costs were not collected, the Municipal Court collected local court costs.

FINDING NUMBER 2000-20522-002

Noncompliance Citation

Ohio Revised Code § 2949.091 requires the court in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, to impose the sum of eleven dollars as costs in the case in addition to other court costs that the court is required by law to impose upon the offender. The court shall not waive the payment of the additional eleven dollars court costs, unless the court determines that the offender is indigent and waives the payment of all court imposed upon the indigent defender. In 7% of the cases selected for examination, the Municipal Court did not collect the required court costs. No case files indicated that the offender had been declared indigent. In all instances for which required court costs were not collected, the Municipal Court collected local court costs.

3. SCHEDULE OF FINDINGS FOR FEDERAL AWARDS

None.

CITY OF SANDUSKY, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2000

Prepared By:

Department of Finance

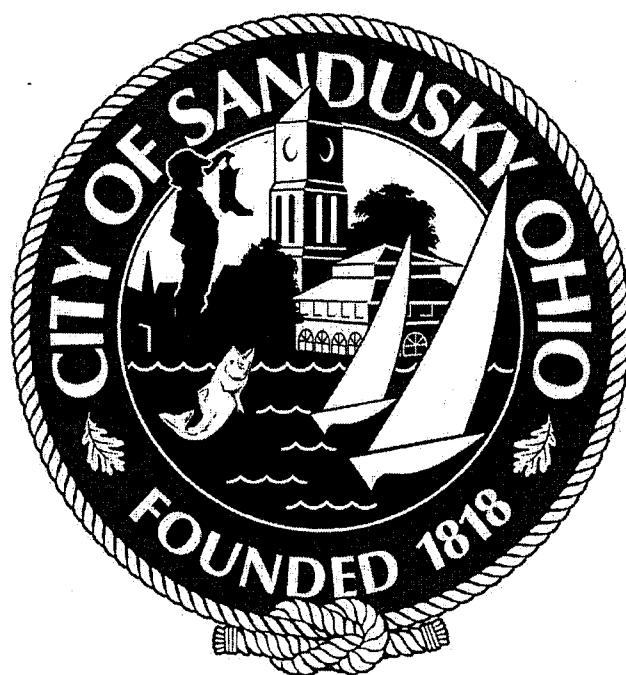
Edward A. Widman
Finance Director

Patricia R. Smith
Office Manager

Carol A. Roth
Secretary

Lisa A. Hoffman
Senior Accounting Clerk II

Carolyn S. Meyer
Senior Accounting Clerk II



CITY OF SANDUSKY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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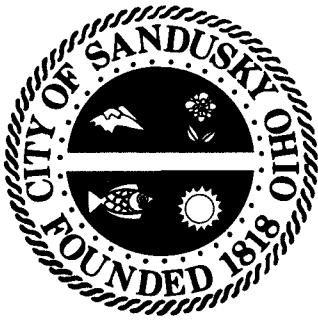
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DEPARTMENT OF FINANCE
DIVISION OF FINANCE & AUDITS
EDWARD A. WIDMAN, Finance Director

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June 23, 2001

To the City Commission and Citizens of Sandusky,

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2000, is herewith submitted. 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 the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

This report is divided into three sections: The Introductory Section contains the table of contents, the letter of transmittal, the Certificate of Achievement for Excellence in Financial Reporting awarded for the 1999 City of Sandusky Comprehensive Annual Financial Report, the City's organizational chart, and a list of elected and appointed officials. The Financial Section includes the general purpose financial statements, the notes to the financial statements, combining statements by fund type, and other statements and schedules that provide detailed information to the general purpose financial statements. The Statistical Section includes tables of unaudited data depicting the financial history of the City and other pertinent facts, generally presented on a multi-year basis.

City Background

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 travelers. Sandusky is the largest city in Erie County and is the county seat. Major east-west transportation arteries are available to vehicles and trains, north-south highways are excellent for vehicular traffic, and a local airport provides access to small commercial planes.

The City of Sandusky is a home rule municipal corporation under the laws of the State of Ohio and, as such, operates under its own Charter adopted in 1914. The City operates under the City Commission - City Manager form of government. The seven City Commissioners are elected at-large and serve four-year terms. The president of the City Commission serves as the Ex-Officio Mayor. The City Manager, Finance Director, Law Director, and Clerk of Commission are appointed by, and serve at the pleasure of, the City Commission.

Reporting Entity

The 2000 Comprehensive Annual Financial Report (CAFR) includes all funds, departments, boards, and agencies that compose the City's reporting entity. The primary government consists of all funds and departments which provide various services including police and fire protection, planning, 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.

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 influence significantly 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 for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Sandusky in 2000.

The City of Sandusky is a member of the Buckeye Ohio Risk Management Agency (BORMA); a public entity shared risk pool for health insurance coverage and property, crime, and liability insurance coverage. The BORMA pool consists of thirteen cities for health insurance and six cities for property, crime, and liability insurance.

Internal Control and Financial Reporting

In developing and evaluating the City's accounting system, consideration is given to the accuracy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding:

1. The safeguarding of assets against loss from unauthorized use or disposition; and
2. The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. Cost of controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Consistent with the above-mentioned safeguarding of assets, all employees of the City of Sandusky are covered by a blanket bond, in the amount of \$1 million.

Budgetary control is maintained by City ordinance. Internal control provides for audit at the levels of personal services, travel and transportation, contractual services, materials and supplies, and capital outlay. Each department is responsible for requisitioning materials. The budget is audited by the City Manager prior to issuing the purchase order. The Finance Director audits the purchase order, via computer control, prior to signing the purchase order.

For recording purposes, the City maintains a cash accounting system as historically required by the State of Ohio. For reporting purposes, the City includes in this report all funds, departments, boards, and agencies that are controlled by, or dependent upon, the City's legislative body.

Governmental Operations

The following summary schedule identifies the revenues for governmental functions that include the general, special revenue, debt service, and capital project funds:

Revenue Sources	2000 Amount	Percent of Total	1999 Amount	Percent of Total	1998 Amount	Percent of Total
Property Taxes	\$1,998,241	8.66%	\$1,999,129	8.37%	\$1,523,369	6.30%
Other Local Taxes	3,944,466	17.10	3,493,101	14.63	3,420,412	14.14
Municipal Income Taxes	7,037,346	30.51	7,018,275	29.40	6,943,669	28.70
Payment in Lieu of Taxes	103,116	0.45	0	0.00	0	0.00
Special Assessments	649,763	2.82	811,449	3.40	661,217	2.73
Intergovernmental	4,420,339	19.16	5,102,313	21.37	6,306,993	26.07
Charges for Services	1,517,275	6.58	1,402,865	5.88	1,230,854	5.09
Fees, Licenses, and Permits	380,545	1.65	622,330	2.60	551,840	2.28
Fines and Forfeitures	773,159	3.35	872,419	3.65	789,367	3.26
Interest	1,431,680	6.21	1,059,212	4.44	1,172,590	4.85
Other	810,114	3.51	1,494,063	6.26	1,592,346	6.58
Total Revenues	\$23,066,044	100.00%	\$23,875,156	100.00%	\$24,192,657	100.00%

Intergovernmental sources include various grants that totaled over \$1.9 million in 2000. The comparable amount for 1999 was over \$2.8 million. Several capital projects received these grant funds in 2000 including Dorn Community Complex, Remington Avenue, and Street Resurfacing Projects. Increases in taxes that are worth noting were an increase of about 13 percent in tourist related sources (Other Local Taxes, i.e., admission and lodging). It should be noted that the City has allocated over \$3.3 million from the General fund in the last two years to supplement capital projects.

The following summary schedule identifies the expenditures for general governmental functions that include the general, special revenue, debt service, and capital project funds:

Function	2000 Amount	Percent of Total	1999 Amount	Percent of Total	1998 Amount	Percent of Total
Security of Persons and Property	\$8,341,499	28.95%	\$7,927,614	30.78%	\$7,361,784	27.79%
Public Health	273,223	0.95	258,835	1.00	280,211	1.06
Leisure Time Activities	651,004	2.26	619,518	2.41	606,572	2.29
Community Environment	2,447,580	8.50	2,847,660	11.06	1,888,166	7.13
Transportation	2,496,429	8.66	2,175,015	8.45	1,929,043	7.28
General Government	4,132,239	14.34	3,462,839	13.45	3,267,417	12.33
Other	86,263	0.30	42,637	0.16	61,232	0.23
Capital Outlay	9,156,554	31.78	7,426,232	28.84	9,561,279	36.08
Debt Service:						
Principal Retirement	399,146	1.39	372,637	1.45	1,065,848	4.02
Interest and Fiscal Charges	826,736	2.87	618,101	2.40	471,471	1.79
Total Expenditures	\$28,810,673	100.00%	\$25,751,088	100.00%	\$26,493,023	100.00%

The major impact on expenditures continues to be capital projects. The City had several projects that continued in 2000. The City issued bonds or notes to finance the City's share of these projects. Some of the City's major projects include City Complex Relocation (\$4.4 million), Schade/Mylander Plaza (\$1.3 million), Remington Avenue (\$.73 million) and Sandusky Library Improvements (\$.45 million). The Sandusky Library project will be joined by the Central Fire Station Project in 2001 as major improvement projects.

Enterprise Funds

The City's enterprise funds consist of the Water fund and the Sewer fund. The focus of enterprise funds is cost of service measurement or capital maintenance. The following schedule demonstrates return on net fixed assets and return on equity.

	Water			Sewer		
	2000	1999	1998	2000	1999	1998
Construction in Progress	\$1,267,747	\$779,032	\$239,438	\$6,466,746	\$3,079,938	\$1,844,656
Net Fixed Assets (excluding Construction in Progress)	4,716,343	4,819,155	4,692,364	6,268,703	6,388,671	6,410,312
Total Equity	6,658,932	6,238,228	5,631,329	5,715,418	5,432,050	5,672,163
Net Income (Loss)	405,005	606,899	584,763	202,354	(878,439)	586,217
Return on Net Fixed Assets	8.59%	12.59%	12.46%	3.23%	(13.75%)	9.14%
Return on Equity	6.08%	9.73%	10.38%	3.54%	(16.17%)	10.33%

In 2000, the City reviewed the water and sewer rates. Since the City will be using Ohio Water Development Authority loans to finance approximately \$30 million of improvements in both water and sewer, the City needed to raise the rates in 2001. The scheduled increases, based on commodity charges over the next three year period, are March 2001, 35 percent, January 2002, 30 percent, and January 2003, 25 percent. The City's intention is that these rate increases will adequately satisfy the City's future cash flow requirements. While the City will monitor the water and sewer rates over the next three years, it is not anticipated that the rates will need to increase in the same magnitude during the following three year cycle.

Fiduciary Funds

Fiduciary funds account for assets held by the City of Sandusky in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's only fiduciary funds are agency funds.

Debt Administration

The current outstanding debt consists of the following:

	Bonds	Notes
Governmental	\$6,495,411	\$6,282,000
Enterprise	7,844,046	2,478,000
Special Assessments	2,901,858	1,119,000

The City of Sandusky has maintained an A2 rating from Moody's Investors Service on recent bond issues.

Under state statutes, the City's debt limitation is 10.5 percent of the total assessed property valuation. As of December 31, 2000, the City's net debt of \$12,642,000 was well below the legal limit of \$46,162,089. A complete discussion of the City's outstanding debt is provided in Notes 16, 17, and 18 to the combined financial statements.

Management/Employee Relations

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. In January 2001, the respective unions and the City Commission approved new contracts with all three bargaining units. These agreements expire on December 31, 2003.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions, excluding the fixed assets recorded in the enterprise funds (water and sewer). As of December 31, 2000, the general fixed assets of the City totaled \$34,189,436. This amount represents either actual cost or estimated historical cost of the assets.

Cash Management

During the year ended December 31, 2000, the City's cash resources, temporarily idle during the year, were invested in certificates of deposit with local depositories, U.S. Treasury and government securities, commercial paper, and Star Ohio. Long-term investments include bonds of the City of Sandusky and range from one year to twenty years and carry interest rates from 4.62 percent to 10 percent.

As of December 31, 2000, the City's total available cash resources were divided between deposits and investments (bank balances of the deposits and the carrying amounts of investments) as follows:

Cash	\$3,745	0.02%
Deposits	3,469,336	17.37
U. S. Treasury Notes	499,687	2.50
U.S. Government Securities	8,711,617	43.62
Commercial Paper	986,567	4.94
City of Sandusky Bonds	264,140	1.32
Star Ohio	<u>6,038,572</u>	<u>30.23</u>
Total	<u>\$19,973,664</u>	<u>100.00%</u>

Risk Management

The City participates in the Buckeye Ohio Risk Management Agency (BORMA), a public entity shared risk pool. The City insures all risk through BORMA and maintains a variety of coverage. Some of the principal coverage includes property, crime, and liability insurance. A more detailed description of the City's risk management may be found in Note 20 to the general purpose financial statements.

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.

Accounting and Audit

The Auditor of State of Ohio audits all operations of the City of Sandusky. Technical assistance in the preparation of this report has been provided by the Local Government Services Division, Auditor of State's Office.

Economic Condition and Outlook

The City has a unique position as a tourist center, not only as home to Cedar Point Amusement Park, but because of its location on Sandusky Bay. The City is bordered by 22 miles of breathtaking shoreline and is enhanced by the City's Battery Park Marina, Sadler Sailing Club, Sandusky Yacht Club, and numerous public parks. Facilities include not only the marina and park, but also a restaurant. Battery Park is 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, and a new handicap accessible fishing area.

The Bayfront Corridor; a linear park linking major attractions located on the City's central waterfront with a continuous walkway, is another asset in the downtown. 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 Bayfront Corridor development; that project was completed in 2000. Most of these waterfront improvements are part of the Port Development Plan adopted by the City Commission.

Along with the Battery Park Marina, there are other marinas which have been developed over the last decade, including a \$5 million 250 slip marina created from idle industrial space and a \$3 million marina and entertainment facility. The City partnered with Ohio Division of Watercraft to develop the Shelby Street boat launch facility that also provides dockage for City vessels and additional parking for vehicles with trailers. Currently, there are over 8,000 slips available in the Sandusky Bay area, with anticipated demand for more.

The City is also served by a number of ferryboat lines, which transport passengers and automobiles to certain islands in Lake Erie as well as offering daylong cruises to those islands for tourists. The Island Express Boat Line departs from Downtown Sandusky and delivers tourists throughout the neighboring islands. The City is also served by a Canadian ferry boat line which provides ferry services to Canada. The City is a significant port of entry to Canada.

Cedar Point, a 364-acre amusement and theme park, is located on a peninsula extending outward from the City. Cedar Point also includes an RV area, marina, restaurants, and four hotels with a combined capacity of almost 1100 beds. This year, Cedar Point has added the Breaker's Express Hotel and a new RV park that includes family cabins. 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.

Cedar Point makes significant capital expenditures on new attractions yearly. These expenditures totaled over \$85,000,000 during the last five years and included a new roller coaster known as "Millennium Force" that opened in 2000. Millennium Force is Cedar Point's 14th roller coaster and is currently the fastest and tallest coaster in North America.

The City of Sandusky received a Community Housing Improvement Program grant in 2000, in the amount of \$500,000. Ten acquisition/rehabilitation projects, ten owner rehabilitation projects, and sixteen emergency repairs are to be completed with this grant. All work under this program must be completed by July 31, 2002.

The City continues to aggressively pursue economic growth through a number of initiatives. One of the City's most important economic development functions is supporting the retention and expansion of existing businesses. The last couple of years have included the construction and completion of buildings in the City's new Bayside Business Park by R. S. Business Machines, Ned's Upholstery, R. B. Manufacturing Co., and Bailey's Landscaping. The City is working with other existing and new businesses interested in locating at this attractive business park. To enhance the industrial park further, the City is working on placing infrastructure to the remaining property.

Several manufacturers expanded operations in the last two years. Whirley of Ohio, Sandusky Plastics Division, undertook a \$9 million expansion, which is expected to create between 75 to 100 new jobs over a three-year period. R. B. Manufacturing Co. also undertook a \$2.5 million expansion, which generated 25 new jobs. They also added a \$2 million expansion to their new building that added another 30 jobs. Sandusky International invested \$3.2 million in new machinery and equipment at their existing plant. Lewco added 30 new jobs and an investment of \$3 million. Other companies that expanded were Fisher Drug, Sandusky Laundry, and Universal Clay. Site Selection Magazine named the City of Sandusky as one of the top 25 small cities in the United States for economic development. This is the premier trade magazine for economic development in the United States.

The Streetscape Project in the City's Central Business District has been completed. This project, coupled with the completion of the City's Downtown Revitalization Program, has resulted in major improvements to the infrastructure of the Central Business District and to several private buildings located in that area. Additional signs have been placed on the major routes through the City to direct tourists to our historic downtown and the signage at the public parking facilities has been upgraded.

Several major private developers have expressed an interest in recent years in renovating historic buildings in the City's Downtown/Waterfront Revitalization Area. In November 1999, the City acquired the Chesapeake Building, a vacated industrial building on the central waterfront, and has received several proposals from developers for an adaptive reuse development of the property. The City has entered into a pre-development agreement with one of those developers. The developer and the City are working on the feasibility studies and the master plan. The City continues to work closely with local developers interested in renovating additional historic buildings in the Central Business District.

The renovation of the building at which the Amtrak station is located has been completed. The service contractor for the Sandusky Transit System also occupies that building. A tourist shuttle service is provided by the Sandusky Transit System from this location, linking rail passengers with local tourist destinations. Amtrak is currently providing daytime service to Chicago and Philadelphia from the station, as well as service to New York and Boston.

Greater Erie County Marketing Group, Inc. (GEM) provides economic development assistance to the City under an economic development administrative service contract. GEM has also provided assistance to over one hundred businesses or individuals in the City regarding the City's economic development programs.

Major Initiatives

For many years, the west side of Sandusky has been isolated and subject to service interruptions because of a railroad crossing. A grade separation project for this crossing has been on the long-range capital improvement list. However, due to limited capital funds, the estimated costs of this project exceeded the City's ability to undertake the project. In the past year, the City applied to the Ohio Department of Transportation as part of a state program that is specifically designed to provide funding for railroad grade separations. Sandusky has been selected as a high-ranking candidate. In order to expedite the process, the City has selected an engineering consultant to develop a preliminary engineering study of the site. This study is the first step in the process of formally obtaining the funding. The funds that the City spends on this process will be applied towards the City's total 5 percent share of the project. This process will be followed by design, land acquisition, and construction phases. In all, the process will take three to six years. Completion of this project will greatly enhance the City's ability to compete economically in the future.

In the fall of 1998, City of Sandusky voters approved a bond levy for the Sandusky Library Improvement Project. The voters authorized the sale of \$7.2 million for improvements to the library facilities. Preliminary work is almost completed and the City Commission has authorized the project to go out to bid. During the next couple of years, the City of Sandusky and the Sandusky Library Board will see the physical completion of this project in downtown Sandusky.

In the fall of 1997, City of Sandusky voters defeated a levy to fund a new central fire station for the City. Through much planning and restructuring of a project that would have totally revamped the fire services in the City, the City found the ability to proceed with a new central fire station without upgrading the remaining facilities. The approximately \$3.9 million improvement will be completed near the end of 2001. This project will provide the Sandusky Fire Department with a state of the art central fire station.

The City has established many programs to encourage economic development, including the Sandusky Enterprise Zone Program and the Sandusky Revolving Loan Program. The City has successfully negotiated with new and existing businesses to help them locate or expand within the City, using these and State of Ohio development tools. In 1998, the City established the Economic Development Incentives Review Committee to provide a strong structure for dealing with City incentives. The City also continues to develop neighborhood improvement projects that add to the quality of life for residents and also provide economic development benefits by visually improving areas within the community. 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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the ninth time a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandusky, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 1999. 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 comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

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 to live and work.

Special thanks to the staff of the Department of Finance who have spent so many hours on the preparation of this report. Without their efforts, this report would not have been possible.



Edward A. Widman,
Finance Director

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, 1999

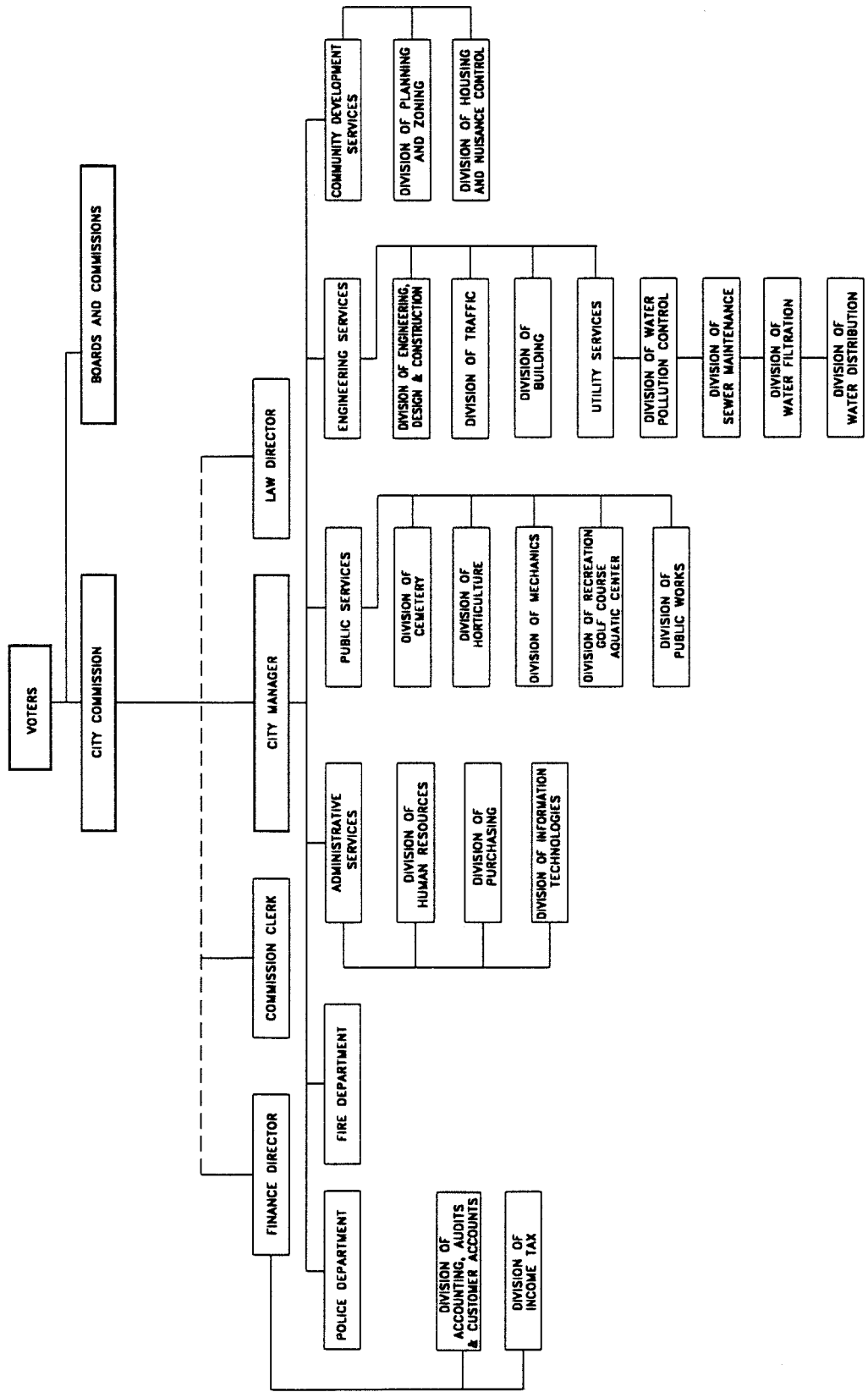
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

ORGANIZATIONAL CHART City of Sandusky



CITY OF SANDUSKY, OHIO

ELECTED OFFICIALS

December 31, 2000

CITY COMMISSION

Michael J. Kresser
President/Ex-Officio Mayor
Term Expires 12-31-01
First took office 01-01-86

Suanne N. Brown
Vice-President
Term Expires 12-31-01
First took office 01-01-98

Edward L. Feick
Term Expires 12-31-01
First took office 01-01-98

Frank M. Fosco
Term Expires 12-31-03
First took office 01-01-00

John G. Ginty
Term Expires 12-31-03
First took office 01-01-00

Al Mason
Term Expires 12-31-03
First took office 01-01-96

Frank Valli
Term Expires 12-31-03
First took office 01-01-96

APPOINTED OFFICIALS

December 31, 2000

CITY MANAGER

Gerald A. Lechner

FINANCE DIRECTOR

Edward A. Widman

LAW DIRECTOR

Donald C. Icsman

CLERK OF COMMISSION

B. Joyce Brown





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

City of Sandusky
Erie County
222 Meigs Street
Sandusky, Ohio 44870-2837

To the City Commission:

We have audited the accompanying general-purpose financial statements of the City of Sandusky, Erie County, Ohio, (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Sandusky, Erie County, Ohio, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

Jim Petro
Auditor of State

June 22, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the City include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations, and of cash flows of the enterprise funds.

City of Sandusky
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,512,091	\$5,120,924	\$1,598,740	\$5,977,543
Receivables:				
Property Taxes	1,449,459	238,288	500,360	0
Other Local Taxes	34,134	30,580	0	0
Municipal Income Taxes	1,561,938	0	109,996	87,997
Special Assessments	9,067	0	3,221,925	220,687
Accounts	359,754	0	0	0
Notes (net of allowance for uncollectibles)	0	1,414,702	0	0
Accrued Interest	178,511	50,615	0	0
Due from Other Funds	842	0	0	0
Due from Other Governments	380,237	65,945	0	4,819
Materials and Supplies Inventory	173,003	26,953	0	0
Prepaid Items	106,678	13,648	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<u>Other Debits</u>				
Amount to be Provided from General Governmental Resources	0	0	0	0
Amount to be Provided for Retirement of Special Assessment Debt	0	0	0	0
Amount Available in Debt Service Fund for Retirement of Special Assessment Debt	0	0	0	0
Total Assets and Other Debits	<u>\$7,765,714</u>	<u>\$6,961,655</u>	<u>\$5,431,021</u>	<u>\$6,291,046</u>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long - Term Obligations	
Enterprise	Agency			
\$3,609,462	\$154,904	\$0	\$0	\$19,973,664
0	0	0	0	2,188,107
0	0	0	0	64,714
0	0	0	0	1,759,931
0	0	0	0	3,451,679
483,094	0	0	0	842,848
0	0	0	0	1,414,702
0	0	0	0	229,126
0	0	0	0	842
171,688	0	0	0	622,689
520,177	0	0	0	720,133
50,171	0	0	0	170,497
18,719,539	0	34,189,436	0	52,908,975
0	0	0	9,815,301	9,815,301
0	0	0	2,574,586	2,574,586
0	0	0	327,272	327,272
<u>\$23,554,131</u>	<u>\$154,904</u>	<u>\$34,189,436</u>	<u>\$12,717,159</u>	<u>\$97,065,066</u>

(continued)

City of Sandusky
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 31, 2000
 (continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity, and Other Credits</u>				
<u>Liabilities</u>				
Accounts Payable	\$56,810	\$103,706	\$1,796	\$13,113
Contracts Payable	0	0	0	268,487
Accrued Wages Payable	238,527	25,890	0	851
Retainage Payable	0	0	0	40,002
Due to Other Funds	0	0	0	0
Due to Other Governments	110,000	14,037	0	462
Deferred Revenue	2,731,471	238,288	3,785,362	271,149
Undistributed Assets	0	0	0	0
Notes Payable	0	6,800	1,911,000	5,483,200
Accrued Interest Payable	0	29	27,006	28,184
Loan Payable	0	0	0	500,000
Compensated Absences Payable	28,724	1,606	0	0
Police and Fire Pension Liability	0	0	0	0
OWDA Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
Total Liabilities	3,165,532	390,356	5,725,164	6,605,448
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Contributed Capital	0	0	0	0
Fund Balance:				
Reserved:				
Reserved for Notes Receivable	0	1,414,702	0	0
Reserved for Inventory	173,003	26,953	0	0
Reserved for Encumbrances	198,969	89,459	0	565,243
Unreserved (Deficit)	4,228,210	5,040,185	(294,143)	(879,645)
Total Fund Equity (Deficit) and Other Credits	4,600,182	6,571,299	(294,143)	(314,402)
Total Liabilities, Fund Equity, and Other Credits	\$7,765,714	\$6,961,655	\$5,431,021	\$6,291,046

See Accompanying Notes to the General Purpose Financial Statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long - Term Obligations	
Enterprise	Agency			
\$80,933	\$0	\$0	\$0	\$256,358
81,913	0	0	0	350,400
73,347	0	0	0	338,615
29,344	0	0	0	69,346
0	842	0	0	842
102,758	0	0	405,417	632,674
0	0	0	0	7,026,270
0	154,062	0	0	154,062
2,478,000	0	0	0	9,879,000
73,594	0	0	0	128,813
0	0	0	0	500,000
415,846	0	0	1,234,807	1,680,983
0	0	0	1,679,666	1,679,666
5,662,046	0	0	135,411	5,797,457
2,182,000	0	0	6,360,000	8,542,000
0	0	0	2,901,858	2,901,858
11,179,781	154,904	0	12,717,159	39,938,344
0	0	34,189,436	0	34,189,436
9,397,966	0	0	0	9,397,966
2,976,384	0	0	0	2,976,384
0	0	0	0	1,414,702
0	0	0	0	199,956
0	0	0	0	853,671
0	0	0	0	8,094,607
12,374,350	0	34,189,436	0	57,126,722
\$23,554,131	\$154,904	\$34,189,436	\$12,717,159	\$97,065,066

City of Sandusky
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Year Ended December 31, 2000

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
<u>Revenues</u>					
Property Taxes	\$1,323,698	\$217,595	\$456,948	\$0	\$1,998,241
Other Local Taxes	3,448,737	495,729	0	0	3,944,466
Municipal Income Taxes	6,289,080	0	415,703	332,563	7,037,346
Payment in Lieu of Taxes	0	0	0	103,116	103,116
Special Assessments	0	0	442,391	207,372	649,763
Intergovernmental	1,803,670	1,845,376	82,318	688,975	4,420,339
Charges for Services	254,010	914,682	0	348,583	1,517,275
Fees, Licenses, and Permits	278,407	43,186	0	58,952	380,545
Fines and Forfeitures	729,111	44,048	0	0	773,159
Interest	1,037,356	352,418	0	41,906	1,431,680
Other	457,270	59,619	1,704	291,521	810,114
Total Revenues	15,621,339	3,972,653	1,399,064	2,072,988	23,066,044
<u>Expenditures</u>					
Current:					
Security of Persons and Property	7,173,052	1,168,447	0	0	8,341,499
Public Health	258,271	14,952	0	0	273,223
Leisure Time Activities	0	651,004	0	0	651,004
Community Environment	1,713,712	733,868	0	0	2,447,580
Transportation	0	2,496,429	0	0	2,496,429
General Government	4,132,239	0	0	0	4,132,239
Other	650	85,613	0	0	86,263
Capital Outlay	0	0	0	9,156,554	9,156,554
Debt Service:					
Principal Retirement	0	21,275	377,871	0	399,146
Interest and Fiscal Charges	0	72,686	532,421	221,629	826,736
Total Expenditures	13,277,924	5,244,274	910,292	9,378,183	28,810,673
Excess of Revenues Over (Under) Expenditures	2,343,415	(1,271,621)	488,772	(7,305,195)	(5,744,629)
<u>Other Financing Sources (Uses)</u>					
Sale of Fixed Assets	51,112	0	0	0	51,112
Proceeds of Bonds	0	0	0	6,254,000	6,254,000
Operating Transfers - In	0	1,836,707	193,334	6,793,410	8,823,451
Operating Transfers - Out	(3,566,754)	(402,662)	(2,205,464)	(2,479,123)	(8,654,003)
Total Other Financing Sources (Uses)	(3,515,642)	1,434,045	(2,012,130)	10,568,287	6,474,560
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,172,227)	162,424	(1,523,358)	3,263,092	729,931
Fund Balances (Deficit) at Beginning of Year	5,739,363	6,398,626	1,229,215	(3,577,494)	9,789,710
Increase in Reserve for Inventory	33,046	10,249	0	0	43,295
Fund Balances (Deficit) at End of Year	\$4,600,182	\$6,571,299	(\$294,143)	(\$314,402)	\$10,562,936

See Accompanying Notes to the General Purpose Financial Statements

City of Sandusky
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Budget (Non-GAAP Budgetary Basis) and Actual
 All Governmental Fund Types
 For the Year Ended December 31, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Property Taxes	\$1,296,323	\$1,323,698	\$27,375	\$215,326	\$217,595	\$2,269
Other Local Taxes	3,453,000	3,472,733	19,733	504,000	498,829	(5,171)
Municipal Income Taxes	6,700,283	6,832,853	132,570	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Intergovernmental	2,053,204	2,034,256	(18,948)	1,965,977	2,029,625	63,648
Charges for Services	280,865	265,966	(14,899)	801,930	914,329	112,399
Fees, Licenses, and Permits	535,308	489,933	(45,375)	49,200	42,325	(6,875)
Fines and Forfeitures	822,000	738,841	(83,159)	37,325	47,842	10,517
Interest	960,000	957,762	(2,238)	251,455	266,310	14,855
Other	224,189	220,716	(3,473)	185,645	193,358	7,713
Total Revenues	16,325,172	16,336,758	11,586	4,010,858	4,210,213	199,355
Expenditures						
Current:						
Security of Persons and Property	7,320,317	7,091,590	228,727	1,324,146	1,322,362	1,784
Public Health	276,929	262,686	14,243	64,753	14,941	49,812
Leisure Time Activities	0	0	0	714,084	664,196	49,888
Community Environment	1,764,891	1,708,328	56,563	1,193,283	789,791	403,492
Transportation	90	0	90	2,688,749	2,587,402	101,347
General Government	4,635,987	4,323,508	312,479	0	0	0
Other	650	650	0	151,333	95,576	55,757
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	6,800	6,800	0
Interest and Fiscal Charges	0	0	0	1,096	1,096	0
Total Expenditures	13,998,864	13,386,762	612,102	6,144,244	5,482,164	662,080
Excess of Revenues Over (Under) Expenditures	2,326,308	2,949,996	623,688	(2,133,386)	(1,271,951)	861,435
Other Financing Sources (Uses)						
Other Financing Sources	174,693	244,178	69,485	12,896	13,353	457
Sale of Fixed Assets	51,000	51,112	112	0	0	0
Proceeds of Notes	0	0	0	0	0	0
Proceeds of Bonds	0	0	0	0	0	0
Operating Transfers - In	0	0	0	2,173,100	1,836,707	(336,393)
Operating Transfers - Out	(4,527,409)	(3,566,754)	960,655	(402,662)	(402,662)	0
Total Other Financing Sources (Uses)	(4,301,716)	(3,271,464)	1,030,252	1,783,334	1,447,398	(335,936)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,975,408)	(321,468)	1,653,940	(350,052)	175,447	525,499
Fund Balances						
at Beginning of Year	3,399,669	3,399,669	0	4,477,632	4,477,632	0
Prior Years Encumbrances Appropriated	144,458	144,458	0	217,312	217,312	0
Fund Balances at End of Year	\$1,568,719	\$3,222,659	\$1,653,940	\$4,344,892	\$4,870,391	\$525,499

(continued)

City of Sandusky
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Budget (Non-GAAP Budgetary Basis) and Actual
 All Governmental Fund Types
 For the Year Ended December 31, 2000
 (continued)

	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Property Taxes	\$524,987	\$456,948	(\$68,039)	\$0	\$0	\$0
Other Local Taxes	0	0	0	0	0	0
Municipal Income Taxes	553,300	453,997	(99,303)	344,891	363,198	18,307
Payment in Lieu of Taxes	0	0	0	103,000	103,116	116
Special Assessments	443,282	442,391	(891)	211,239	207,372	(3,867)
Intergovernmental	4,633	82,318	77,685	545,939	703,253	157,314
Charges for Services	0	0	0	744,412	348,583	(395,829)
Fees, Licenses, and Permits	0	0	0	44,623	56,505	11,882
Fines and Forfeitures	0	0	0	0	0	0
Interest	0	0	0	41,629	52,592	10,963
Other	0	1,704	1,704	212,179	235,946	23,767
Total Revenues	1,526,202	1,437,358	(88,844)	2,247,912	2,070,565	(177,347)
Expenditures						
Current:						
Security of Persons and Property	0	0	0	32,361	31,896	465
Public Health	0	0	0	0	0	0
Leisure Time Activities	0	0	0	123	123	0
Community Environment	0	0	0	131,936	109,721	22,215
Transportation	0	0	0	117,415	100,055	17,360
General Government	0	0	0	93,013	43,013	50,000
Other	0	0	0	0	0	0
Capital Outlay	0	0	0	11,135,168	10,646,711	488,457
Debt Service:						
Principal Retirement	3,499,182	3,499,178	4	8,256,041	8,216,600	39,441
Interest and Fiscal Charges	690,706	687,412	3,294	130,127	130,043	84
Total Expenditures	4,189,888	4,186,590	3,298	19,896,184	19,278,162	618,022
Excess of Revenues Over (Under) Expenditures	(2,663,686)	(2,749,232)	(85,546)	(17,648,272)	(17,207,597)	440,675
Other Financing Sources (Uses)						
Other Financing Sources	0	0	0	214,258	96,511	(117,747)
Sale of Fixed Assets	0	0	0	0	0	0
Proceeds of Notes	2,222,295	2,076,000	(146,295)	2,038,482	6,092,400	4,053,918
Proceeds of Bonds	0	0	0	6,263,194	6,254,000	(9,194)
Operating Transfers - In	223,376	149,116	(74,260)	5,063,168	4,462,720	(600,448)
Operating Transfers - Out	0	0	0	(2,529,571)	(2,479,123)	50,448
Total Other Financing Sources (Uses)	2,445,671	2,225,116	(220,555)	11,049,531	14,426,508	3,376,977
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(218,015)	(524,116)	(306,101)	(6,598,741)	(2,781,089)	3,817,652
Fund Balances						
at Beginning of Year	2,122,856	2,122,856	0	1,147,989	1,147,989	0
Prior Years Encumbrances Appropriated	0	0	0	6,871,815	6,871,815	0
Fund Balances at End of Year	\$1,904,841	\$1,598,740	(\$306,101)	\$1,421,063	\$5,238,715	\$3,817,652

See Accompanying Notes to the General Purpose Financial Statements

Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$2,036,636	\$1,998,241	(\$38,395)
3,957,000	3,971,562	14,562
7,598,474	7,650,048	51,574
103,000	103,116	116
654,521	649,763	(4,758)
4,569,753	4,849,452	279,699
1,827,207	1,528,878	(298,329)
629,131	588,763	(40,368)
859,325	786,683	(72,642)
1,253,084	1,276,664	23,580
622,013	651,724	29,711
<u>24,110,144</u>	<u>24,054,894</u>	<u>(55,250)</u>
8,676,824	8,445,848	230,976
341,682	277,627	64,055
714,207	664,319	49,888
3,090,110	2,607,840	482,270
2,806,254	2,687,457	118,797
4,729,000	4,366,521	362,479
151,983	96,226	55,757
11,135,168	10,646,711	488,457
11,762,023	11,722,578	39,445
821,929	818,551	3,378
<u>44,229,180</u>	<u>42,333,678</u>	<u>1,895,502</u>
<u>(20,119,036)</u>	<u>(18,278,784)</u>	<u>1,840,252</u>
401,847	354,042	(47,805)
51,000	51,112	112
4,260,777	8,168,400	3,907,623
6,263,194	6,254,000	(9,194)
7,459,644	6,448,543	(1,011,101)
<u>(7,459,642)</u>	<u>(6,448,539)</u>	<u>1,011,103</u>
<u>10,976,820</u>	<u>14,827,558</u>	<u>3,850,738</u>
(9,142,216)	(3,451,226)	5,690,990
11,148,146	11,148,146	0
<u>7,233,585</u>	<u>7,233,585</u>	<u>0</u>
<u>\$9,239,515</u>	<u>\$14,930,505</u>	<u>\$5,690,990</u>

City of Sandusky
 Combined Statement of Revenues, Expenses,
 and Changes in Fund Equity
 All Enterprise Funds
 For the Year Ended December 31, 2000

<u>Operating Revenues</u>	
Charges for Services	\$6,811,369
Other Operating Revenues	10,585
	6,821,954
Total Operating Revenues	
<u>Operating Expenses</u>	
Personal Services	3,430,132
Travel and Transportation	29,982
Contractual Services	1,347,437
Materials and Supplies	263,153
Depreciation	665,894
Other Operating Expenses	1,906
	5,738,504
Total Operating Expenses	
Operating Income	1,083,450
<u>Non-Operating Revenues (Expenses)</u>	
Gain on Sale of Fixed Assets	14,543
Interest Income	458
Interest Expense	(321,644)
	(306,643)
Total Non-Operating Revenues (Expenses)	
Income Before Operating Transfers	776,807
Operating Transfers - Out	(169,448)
	607,359
Net Income	
Depreciation on Fixed Assets Acquired by Contributed Capital	198,520
Retained Earnings at Beginning of Year	8,592,087
Retained Earnings at End of Year	9,397,966
Contributed Capital at Beginning of Year	3,078,191
Contributed from Other Funds	96,713
Depreciation on Fixed Assets Acquired by Contributed Capital	(198,520)
	2,976,384
Contributed Capital at End of Year	
Total Fund Equity at End of Year	\$12,374,350

See Accompanying Notes to the General Purpose Financial Statements

City of Sandusky
 Combined Statement of Revenues, Expenses,
 and Changes in Fund Balances
 Budget (Non-GAAP Budgetary Basis) and Actual
 All Enterprise Funds
 For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$6,940,900	\$6,795,214	(\$145,686)
Proceeds of Notes	4,635,600	4,635,600	0
Proceeds of OWDA Loans	4,897,536	3,308,462	(1,589,074)
Sale of Fixed Assets	5,000	15,250	10,250
Interest Income	0	458	458
Other	31,107	10,585	(20,522)
Total Revenues	16,510,143	14,765,569	(1,744,574)
<u>Expenses</u>			
Personal Services	3,559,760	3,368,959	190,801
Travel and Transportation	42,873	31,816	11,057
Contractual Services	1,640,923	1,561,149	79,774
Materials and Supplies	791,062	754,974	36,088
Other	4,328	1,906	2,422
Capital Outlay	5,554,928	5,550,193	4,735
Debt Service:			
Principal Retirement	5,054,369	5,052,188	2,181
Interest and Fiscal Charges	351,974	347,462	4,512
Total Expenses	17,000,217	16,668,647	331,570
Excess of Revenues Under Expenses	(490,074)	(1,903,078)	(1,413,004)
Operating Transfers - Out	(4)	(4)	0
Excess of Revenues Under Expenses and Transfers	(490,078)	(1,903,082)	(1,413,004)
Fund Balances at Beginning of Year	194,578	194,578	0
Prior Year Encumbrances Appropriated	3,785,153	3,785,153	0
Fund Balances at End of Year	\$3,489,653	\$2,076,649	(\$1,413,004)

See Accompanying Notes to the General Purpose Financial Statements

City of Sandusky
 Combined Statement of Cash Flows
 All Enterprise Funds
 For the Year Ended December 31, 2000

Increases (Decreases) in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$6,795,214
Cash Payments for Personal Services	(3,366,197)
Cash Payments for Contractual Services	(1,375,705)
Cash Payments to Suppliers	(769,493)
Cash Received from Other Revenues	10,585
Cash Payments for Other Expenses	(1,906)
	1,292,498
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating Transfers - Out	(169,448)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Bond Anticipation Notes	(4,531,900)
Principal Paid on OWDA Loans	(96,895)
Principal Paid on General Obligation Bonds	(289,000)
Interest Paid on Bond Anticipation Notes	(112,393)
Interest Paid on OWDA Loans	(37,262)
Interest Paid on General Obligation Bonds	(162,756)
Proceeds of Notes	4,635,600
Proceeds of OWDA Loans	3,308,462
Sale of Fixed Assets	15,250
Acquisition of Fixed Assets	(4,222,631)
	(1,493,525)
<u>Cash Flows from Investing Activities</u>	
Interest Income	458
	(370,017)
Cash and Cash Equivalents at Beginning of Year	3,979,479
	\$3,609,462

Reconciliation of Operating Income to
Net Cash Provided by Operating Activities

Operating Income	\$1,083,450
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	665,894
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(16,460)
Decrease in Due from Other Governments	305
Increase in Materials and Supplies Inventory	(155,206)
Increase in Prepaid Items	(15,908)
Decrease in Accounts Payable	(37,221)
Decrease in Contracts Payable	(237,516)
Increase in Accrued Wages Payable	28,230
Decrease in Retainage Payable	(57,461)
Decrease in Due to Other Governments	(16,585)
Increase in Compensated Absences Payable	50,976
	\$1,292,498

Noncash Capital Transactions

In 2000, fixed assets were constructed in the Special Assessment Improvement capital projects fund, in the amount of \$96,713; \$15,699 was donated to the Water enterprise fund and \$81,014 was donated to the Sewer enterprise fund. These fixed assets were capitalized and recorded as contributed capital in the Water and Sewer enterprise funds.

See Accompanying Notes to the General Purpose Financial Statements

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

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 the first wave action pool in Ohio and 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 influence significantly 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 for which the City approves the budget, the issuance of debt, or the levying of taxes. There were no component units of the City of Sandusky in 2000.

The City of Sandusky is associated with the Buckeye Ohio Risk Management Agency (BORMA), a public entity shared risk pool. This organization is presented in Note 22 to the general purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its enterprise funds provided they do not conflict with or contradict GASB pronouncements.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories of governmental, proprietary, and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the enterprise funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

General Fund

The General fund is the general operating fund of the City. It is used to account 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.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) whose use is restricted. The uses and limitations of each special revenue fund are specified by City ordinances or federal and state statutes.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and the payment of, general and special assessment long-term obligation principal, interest, and related costs.

Capital Projects Funds

The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the enterprise funds).

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Type

Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The following is the City's proprietary fund type:

Enterprise Funds

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

Fiduciary Fund Type

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. The City's fiduciary funds are agency funds, which are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to a specific fund and those of general government, and between long-term liabilities related to a specific fund and those of a general nature, the following account groups are used:

General Fixed Assets Account Group

The general fixed assets account group is used to account for all fixed assets of the City, except those accounted for in the enterprise funds. These assets do not represent financial resources available for expenditure.

General Long-Term Obligations Account Group

The general long-term obligations account group is used to account for all unmatured long-term obligations of the City, except those accounted for in the enterprise funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All enterprise funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental fund types and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the City is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income taxes withheld by employers, intergovernmental revenues (including motor vehicle license fees, gasoline tax, and local government assistance), reimbursements due from federally funded projects for which corresponding expenditures have been made, charges for current services, fines and forfeitures, and earnings on investments. Other revenues, including income taxes other than those withheld by employers, fees, licenses, and permits, and other revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 2000, and delinquent property taxes, whose availability is indeterminable and which are not intended to finance 2000 operations, have been recorded as deferred revenue. Special assessments are also recorded as deferred revenue because they do not meet the availability criteria.

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. Principal and interest on general and special assessment long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available expendable resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The enterprise funds are reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Process

An annual budget is prepared by the City Manager for all funds of the City, in accordance with the provisions of the City Charter, as well as the Ohio Revised Code, and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated.

Estimated Resources

The County Budget Commission reviews the estimated revenues and determines if there is a need to levy all or part of previously authorized taxes. The County Budget Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the estimated beginning of year fund balance and projected revenue of each fund. Prior to December 31, the City must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include the actual unencumbered fund balances from the preceding year. The certificate of estimated resources may be further amended during the year if the Finance Director determines that revenue to be collected will be greater than or less than prior estimates and the County Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the financial statements represent estimates from the final amended official certificate of estimated resources issued during 2000.

Appropriations

A temporary appropriations ordinance to control the level of expenditures for all funds may be passed on or about January 1 of each year, for the period January 1 to March 31. An annual appropriations ordinance must be passed by April 1 of each year, for the period January 1 to December 31. Appropriations may not exceed estimated resources as established in the amended official certificate of estimated resources. The allocation of appropriations among departments within the General fund, or at the fund level for all other funds may be modified during the year only with City Commission approval. Several supplemental appropriations ordinances were legally enacted by the City Commission during the year. The budget figures which appear in the statements of budgetary comparisons represent the appropriated budget amounts and all supplemental appropriations.

Budgeted Level of Expenditures

Administrative control is maintained through the establishment of detailed line-item budgets. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by the City Commission. Appropriations are made by the City Commission at the fund and department level in the General fund and at the fund level for all other funds, the legal levels of budgetary control, and may not be expended for purposes other than those designated in the appropriations ordinance without legislative authority by the City Commission. The appropriations set by the City Commission must remain fixed unless amended by the City Commission according to the City's charter. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within the City Commission's appropriated amount.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance for subsequent-year expenditures for governmental fund types and reported in the notes to the financial statements for the enterprise funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding year and are not reappropriated.

D. Cash and Investments

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

Investments are reported at fair value, except for non-negotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2000.

Following the City Charter and Ohio statutes, the City has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during 2000 was \$1,037,356, which included \$414,771 assigned from other City funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the City are considered to be cash and cash equivalents.

E. Notes Receivable

Notes receivable represent the right to receive repayment for certain loans made by the City. The loans are based upon written agreements between the City and the various loan recipients.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Materials and Supplies Inventory

Inventory in the governmental fund types is stated at cost while inventory in the enterprise funds is stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the enterprise funds when used. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental fund types which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Fixed Assets

The fixed asset values were initially determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were used. Donated fixed assets are capitalized at fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

General Fixed Assets

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental fund types, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized or reported as these assets are immovable and of value only to the City.

Enterprise Fund Fixed Assets

Fixed assets reflected in the enterprise funds are stated at historical cost or estimated historical cost and are updated for the cost of additions and reductions during the year.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

<u>Asset Category</u>	<u>Estimated Lives</u>
Buildings	15-45 years
Improvements Other Than Buildings	7-50 years
Utility Plant in Service	15-45 years
Utility Lines in Service	50 years
Equipment	5-20 years

Capitalization of Interest

Interest is capitalized on enterprise fund assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from the temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset. For 2000, there were no capitalized interest costs incurred on enterprise fund construction projects.

I. Interfund Assets/Liabilities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivable and payables are classified as "Due from/to Other Funds".

J. 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 that 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 employees' 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.

For governmental fund types, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. For the enterprise funds, the entire amount of compensated absences is reported as a fund liability.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, contractually required pension contributions and compensated absences that will be paid from governmental funds are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments made more than thirty-one days after year end are considered not to have used current available expendable resources. The police and fire pension liability, OWDA loans, general obligation bonds, and special assessment debt are reported as liabilities in the general long-term obligations account group until due. Long-term debt and other obligations financed by the enterprise funds are reported as liabilities in the appropriate enterprise fund.

Under Ohio law, a debt service fund may be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the appropriate funds and the general long-term obligations account group, with principal and interest payments on matured general long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt service funds have been split among the appropriate funds and the general long-term obligations account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

L. Contributed Capital

Contributed capital represents contributions made by the City, other governments, and donations by developers. These assets are recorded at their fair market value on the date contributed and are not subject to repayment.

To determine the amount of contributed capital initially recorded, the City performed a review of financial data in the enterprise funds for approximately a thirty year period. Items were recorded as contributed capital as identified from this review; all other fund equity amounts pertaining to the enterprise funds have been classified as retained earnings. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

M. Reserves of Fund Equity

The City records reservations for portions of fund balance that are segregated for specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for notes receivable, inventory, and encumbrances.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements, and shared revenues are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements, and shared revenues received for enterprise fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

O. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. Estimates

The preparation of 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.

Q. Memorandum Only - Total Columns on Combined Financial Statements

Total columns on the combined statements overview are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - ACCOUNTABILITY

The deficits in the General Bond Retirement debt service fund and the Capital Projects and Special Assessment Improvement capital projects funds, in the amounts of \$621,415, \$114,560 and \$278,735, respectively, were caused by the requirement to report the bond anticipation notes in the fund receiving the note proceeds. These deficits will be alleviated when the bonds are issued or when the notes are paid.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances/retained earnings 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 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Enterprise Funds are 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/expenses 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/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for the enterprise funds (GAAP basis).
4. Under Ohio law, debt transactions may be recorded in a debt service fund (budget basis) as opposed to allocating the payments to the fund in which the proceeds were recorded (GAAP basis).
5. For the enterprise funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$1,172,227)	\$162,424	(\$1,523,358)	\$3,263,092
<u>Increases (Decreases) Due To</u>				
Revenue Accruals:				
Accrued 1999, Received in Cash 2000	2,302,150	321,290	85,213	133,786
Accrued 2000, Not Yet Received in Cash	(1,241,652)	(147,151)	(46,919)	(42,354)
Expenditure Accruals:				
Accrued 1999, Paid in Cash 2000	(292,005)	(176,072)	(13,854)	(1,299,871)
Accrued 2000, Not Yet Paid in Cash	433,242	145,279	28,802	157,872
Cash Adjustments:				
Unrecorded Activity 1999	(37,904)	(10,204)	0	(79,028)
Unrecorded Activity 2000	(62,997)	(63,593)	0	(6,050)
Notes Receivable				
New Loans	0	(8,128)	0	0
Repayments	0	146,545	0	0
Changes in Prepaid Items	(23,640)	(4,603)	0	42
Proceeds of Notes	0	0	2,076,000	6,092,400
Note Principal Retirement	0	(3,400)	(3,135,000)	(8,142,500)
Note Interest	0	0	(200,464)	204,990
Reallocation of Debt Activity	0	0	2,205,464	(2,330,690)
Encumbrances Outstanding at Year End (Budget Basis)	(226,435)	(186,940)	0	(732,778)
Budget Basis	(\$321,468)	\$175,447	(\$524,116)	(\$2,781,089)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Income/Excess of Revenues Under Expenses and Transfers
All Enterprise Funds

GAAP Basis	\$607,359
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 1999, Received in Cash 2000	638,627
Accrued 2000, Not Yet Received in Cash	(654,782)
Expense Accruals:	
Accrued 1999, Paid in Cash 2000	(1,031,274)
Accrued 2000, Not Yet Paid in Cash	766,404
Cash Adjustments:	
Unrecorded Activity 1999	(252)
Unrecorded Activity 2000	261
Materials and Supplies Inventory	(155,206)
Changes in Prepaid Items	(15,908)
Depreciation Expense	665,894
Sale of Fixed Assets	15,250
Gain on Sale of Fixed Assets	(14,543)
Acquisition of Fixed Assets	(4,222,631)
Proceeds of Notes	4,635,600
Proceeds of OWDA Loans	3,308,462
Debt Principal Retirement	(5,038,495)
Reallocation of Debt Activity	125,226
Encumbrances Outstanding at Year End (Budget Basis)	(1,533,074)
Budget Basis	(\$1,903,082)

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

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

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Inactive deposits are public deposits the City Commission has identified as not required for use within the current two 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.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25 percent of interim monies available for investment at any one time. Bankers' acceptances must mature in two hundred seventy days or less and must be eligible for purchase by the federal reserve system. Commercial paper must be issued by a corporation incorporated under the laws of the United States or any state and must be rated in the highest category by two nationally recognized rating agencies.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

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

At year end, the City had \$3,745 in undeposited cash on hand which is included on the combined balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents".

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

At year end, the carrying amount of the City's deposits was \$3,469,336 and the bank balance was \$3,924,832. Of the bank balance, \$483,899 was covered by the federal depository insurance, \$755,867 was secured by collateral in the City's name held by the Citizens Banking Company, \$2,650,000 was insured by surety company bonds, and \$35,066 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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The City's investments are categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered for which the securities are held by the City or the City's agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	<u>Category 1</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$499,687	\$499,687
Federal National Mortgage Association Notes	2,891,467	2,891,467
Federal Farm Credit Bank Notes	1,147,912	1,147,912
Federal Home Loan Bank Notes	3,578,684	3,578,684
Federal Home Loan Mortgage Corporation Notes	1,093,554	1,093,554
American Express Commercial Paper	986,567	986,567
City of Sandusky Bonds	264,140	264,140
	<u>\$10,462,011</u>	10,462,011
STAR Ohio		<u>6,038,572</u>
Total Investments		<u>\$16,500,583</u>

The classification of cash and cash equivalents and investments on the combined balance sheet is based on the criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classification of cash and cash equivalents and investments on the combined balance sheet and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$19,973,664	\$0
Cash on Hand	(3,745)	0
Investments:		
U.S. Treasury Notes	(499,687)	499,687
Federal National Mortgage Association Notes	(2,891,467)	2,891,467
Federal Farm Credit Bank Notes	(1,147,912)	1,147,912
Federal Home Loan Bank Notes	(3,578,684)	3,578,684
Federal Home Loan Mortgage Corporation Notes	(1,093,554)	1,093,554
American Express Commercial Paper	(986,567)	986,567
City of Sandusky Bonds	(264,140)	264,140
STAR Ohio	(6,038,572)	6,038,572
GASB Statement No. 3	<u>\$3,469,336</u>	<u>\$16,500,583</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Real property tax revenues received in 2000 represent the collection of 1999 taxes. For 2000, real property taxes were levied after October 1, 2000, on the assessed values as of January 1, 2000, the lien date. These taxes will be collected in and are intended to finance 2001 operations. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2000. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes were levied after October 1, 2000, on the assessed values as of December 31, 1999, the lien date. These taxes will be collected in and are intended to finance 2001 operations. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2000 (other than public utility property) represent the collection of 2000 taxes. For 2000, tangible personal property taxes were levied after October 1, 1999, on the true value as of December 31, 1999. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. The first payment is due April 30, with the remainder payable by September 20.

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 delinquent taxes outstanding and real, public utility, and tangible personal property taxes which were measurable as of December 31, 2000. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2000 operations.

The full tax rate for all City operations the year ended December 31, 2000, was \$5.51 per \$1,000 of assessed value. The assessed values of real, public utility, and tangible personal property upon which 2000 property tax receipts were based are as follows:

Category	Amount
Real Property	\$350,462,030
Public Utility Property	23,655,510
Tangible Personal Property	65,521,406
Total Assessed Value	\$439,638,946

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 7 - MUNICIPAL INCOME TAXES

The City levies and collects an income tax of 1 percent based on all income earned within the City as well as on incomes of residents earned outside the City. Residents of the City are granted a credit of ½ percent for taxes paid to other Ohio municipalities. 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.

Effective January 1, 1994, income taxes are 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.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2000, consisted of taxes; special assessments (including delinquent special assessments, in the amount of \$342,671); accounts (billings for user charged services, including unbilled utility services); notes; accrued interest; services charged to other funds; and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered fully collectible, except for notes receivable.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
General Fund	
Estate Tax	\$226,295
Fines and Forfeitures	40,543
Local Government	67,272
Local Government Revenue Assistance	16,585
Bureau of Motor Vehicles	315
DARE Grant	20,477
Erie County	8,750
Total General Fund	380,237
Special Revenue Funds	
Street Maintenance	
Gasoline Tax	27,563
Motor Vehicle License Tax	9,277
Permissive Motor Vehicle License Tax	416
Municipalities	14,116
Total Street Maintenance	51,372

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 8 - RECEIVABLES (continued)

	Amount
Special Revenue Funds (continued)	
State Highway	
Gasoline Tax	\$2,235
Motor Vehicle License Tax	752
Municipalities	1,145
Total State Highway	4,132
State Grants	
Housing Grant	7,572
Indigent Drivers Alcohol	
Fees, Licenses, and Permits	580
Enforcement and Education	
Fines and Forfeitures	763
Indigent Telephone	
Fees, Licenses, and Permits	183
Municipal Probation	
Fees, Licenses, and Permits	1,343
Total Special Revenue Funds	65,945
Capital Projects Fund	
Capital Projects	
Fees, Licenses, and Permits	4,819
Enterprise Funds	
Water	
Erie County	111,709
Sewer	
Erie County	59,979
Total Enterprise Funds	171,688
Total All Funds	\$622,689

By statute, local property taxes have been reduced 10 percent, with additional reductions for the elderly and the disabled. The amount of these reductions, estimated to be \$195,220, will be paid to the City by the State of Ohio in the latter part of 2001.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 9 - NOTES RECEIVABLE

A summary of the changes in notes receivable during 2000 follows:

	Balance December 31, 1999	New Loans	Repayments	Balance December 31, 2000
Special Revenue Fund				
State Grants				
CDBG	\$319,161	\$0	\$41,445	\$277,716
Revolving Loans	223,759	8,128	42,360	189,527
MICRO - Enterprise Loans	13,211	0	520	12,691
Rehabilitation Revolving Loans	1,020,156	0	62,220	957,936
	<u>\$1,576,287</u>	<u>\$8,128</u>	<u>\$146,545</u>	1,437,870
Less Allowance for Uncollectible Accounts				23,168
				<u>\$1,414,702</u>

NOTE 10 - FIXED ASSETS

A. General Fixed Assets

A summary of the changes in general fixed assets during 2000 is as follows:

	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
Land	\$3,281,670	\$12,781	\$0	\$3,294,451
Buildings	7,656,875	621,086	0	8,277,961
Improvements Other Than Buildings	5,764,747	1,103,039	0	6,867,786
Furniture, Fixtures, and Equipment	7,254,043	975,839	171,516	8,058,366
Construction in Progress	2,864,128	6,195,730	1,368,986	7,690,872
Total General Fixed Assets	<u>\$26,821,463</u>	<u>\$8,908,475</u>	<u>\$1,540,502</u>	<u>\$34,189,436</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 10 - FIXED ASSETS (continued)

B. Enterprise Fund Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 2000, follows:

	Water	Sewer	Total Enterprise Funds
Land	\$24,888	\$297,992	\$322,880
Buildings	4,070,853	10,164,334	14,235,187
Improvements Other Than Buildings	3,230,664	120,031	3,350,695
Utility Plant in Service	706,279	878,925	1,585,204
Utility Lines in Service	5,956,012	6,592,899	12,548,911
Equipment	980,603	1,195,450	2,176,053
Construction in Progress	1,267,747	6,466,746	7,734,493
Total	16,237,046	25,716,377	41,953,423
Less Accumulated Depreciation	10,252,956	12,980,928	23,233,884
Total Fixed Assets Net of Accumulated Depreciation	\$5,984,090	\$12,735,449	\$18,719,539

NOTE 11 - INTERFUND ASSETS/LIABILITIES

At December 31, 2000, the General fund and the State Patrol Transfer agency fund had receivables and payables that resulted from various interfund transactions, in the amount of \$842.

NOTE 12 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The City has several outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2000:

Fund Type	Remaining Commitment
General Fund	\$116,842
Special Revenue Funds	113,959
Capital Projects Funds	711,665
Enterprise Funds	1,378,599
Total	\$2,321,065

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

The City contributes to the Public Employees Retirement System of Ohio (the "System"), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 10.84 percent; 6.54 percent was the portion used to fund pension obligations for 2000. The employer contribution rate for 2000 represents a temporary rate reduction from the 1999 contribution rate of 13.55 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's contributions to the System for the years ended December 31, 2000, 1999, and 1998, were \$442,422, \$604,393, and \$580,638, respectively; 77 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000, in the amount of \$103,873, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (the "Fund"), a cost-sharing multiple employer defined benefit pension plan administered by the Fund's Board of Trustees. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The Fund issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police (12.25 percent was the portion used to fund pension obligations); and 24 percent for firefighters (16.75 percent was the portion used to fund pension obligations). Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2000, 1999, and 1998, were \$770,809, \$759,438, and \$786,095, respectively; 74 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000, in the amount of \$197,909, is recorded as a liability within the respective funds and the general long-term obligations account group.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (the "System") provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the System is set aside for the funding of postretirement health care based on authority granted by state statute. The employer contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion used to fund health care for 2000. In 1999, the employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion used to fund health care.

Benefits are advance funded using the entry age normal cost method (For 2000, the System returned to an actuarially prefunded disclosure because this provides a better presentation of the System's actual funding methodology. In prior years, the disclosure was based on a pay-as-you-go basis.). Significant actuarial assumptions include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually, and an additional increase in total payroll of .54 percent to 5.1 percent based on additional pay increases. Health care premiums were assumed to increase 4.75 percent annually.

OPB are financed through employer contributions and investment earnings. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

At December 31, 2000, the total number of benefit recipients eligible for OPB through the System was 401,339. As of December 31, 2000, the actuarial value of net assets available for future OPB payments were \$10,085.5 million. The actuarially accrued liability and the unfunded actuarial liability were \$12,473.6 million and \$1,668.1 million, respectively. The City's actual contributions for 2000 which were used to fund OPB were \$290,889.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (the "Fund") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check, or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen, whether or not the child is attending school, or under the age of twenty-two if attending school full-time or on a two-thirds basis.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Fund's Board of Trustees to provide health care coverage and states that health care costs paid from the Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate was 19.5 percent of covered payroll and the firefighter employer contribution rate was 24 percent; 7.25 percent was the portion used to fund health care for 2000. The portion used to fund health care was 7 percent in 1999. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters. The City's actual contributions for 2000 that were used to fund postemployment benefits were \$205,734 for police and \$183,171 for firefighters. The Fund's total health care expenses for the year ended December 31, 1999, (the latest information available), were \$95,004,633, which was net of member contributions of \$5,518,098.

NOTE 15 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components is derived from negotiated agreements and state laws.

City employees earn vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Vacation leave must be used within a twelve month period or it is forfeited. Employees are paid for 100 percent of accumulated 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 30 percent of the value of their accumulated unused sick leave up to the maximum number of hours as follows:

	<u>AFCSME</u>	<u>IFA</u>	<u>FOP</u>	<u>Administration</u>
40 hours/week	600	600	600	600
Sick hours 2,001 - 2,499	0	Additional 10%	0	Additional 10%
Sick hours 2,500 - 2,999	0	Additional 20%	0	Additional 20%
Sick hours over 3,000	0	Additional 30%	0	Additional 30%
52 hours/week	n/a	720	n/a	n/a
Sick hours 2,401 - 2,999	n/a	Additional 10%	n/a	n/a
Sick hours 3,000 - 3,499	n/a	Additional 20%	n/a	n/a
Sick hours over 3,500	n/a	Additional 30%	n/a	n/a

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

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 16 - NOTES PAYABLE

The City's note transactions for the year ended December 31, 2000, were as follows:

	Interest Rate	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
<u>Bond Anticipation Notes</u>					
Special Revenue Fund					
1997 Various Improvement	4.60%	\$10,200	\$0	\$3,400	\$6,800
Debt Service Fund					
1999 Various Improvement	3.87	165,000	0	165,000	0
1999 Various Improvement	4.13	800,000	0	800,000	0
2000 Various Improvement	4.63	0	1,911,000	0	1,911,000
Wastewater System Improvements	4.75	0	165,000	165,000	0
Total Debt Service Fund		965,000	2,076,000	1,130,000	1,911,000
Capital Projects Funds					
Fire Apparatus	4.55	240,000	0	60,000	180,000
1997 Various Improvement	4.60	222,300	0	74,100	148,200
1999 Various Improvement	3.87	5,000,000	0	5,000,000	0
1999 Various Improvement	3.87	120,700	0	120,700	0
Fire Station	4.35	236,000	0	236,000	0
Schade/Mylander	4.35	200,000	0	200,000	0
City Complex Improvement	4.50	1,000,000	0	1,000,000	0
2000 Various Improvement	4.63	0	436,000	0	436,000
Library Improvement	5.13	0	860,000	860,000	0
Wastewater System Improvements	4.75	0	77,400	77,400	0
Fire Station	4.75	0	3,600,000	0	3,600,000
Total Capital Projects Funds		7,019,000	4,973,400	7,628,200	4,364,200
Enterprise Funds					
1999 Various Improvement	3.87	2,114,300	0	2,114,300	0
1999 Various Improvement	4.13	260,000	0	260,000	0
2000 Various Improvement	4.63	0	243,000	0	243,000
2000 Various Improvement	4.63	0	2,235,000	0	2,235,000
Wastewater System Improvements	4.75	0	2,157,600	2,157,600	0
Total Enterprise Funds		2,374,300	4,635,600	4,531,900	2,478,000
Total Bond Anticipation Notes		10,368,500	11,685,000	13,293,500	8,760,000

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 16 - NOTES PAYABLE (continued)

	Interest Rate	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
<u>Special Assessment Notes</u>					
Capital Projects Fund					
1999 Various Improvement	4.13%	\$2,640,000	\$0	\$2,640,000	\$0
2000 Various Improvement	4.90	0	454,000	0	454,000
2000 Various Improvement	4.63	0	665,000	0	665,000
Total Special Assessment Notes		<u>2,640,000</u>	<u>1,119,000</u>	<u>2,640,000</u>	<u>1,119,000</u>
Total Notes Payable		<u>\$13,008,500</u>	<u>\$12,804,000</u>	<u>\$15,933,500</u>	<u>\$9,879,000</u>

According to Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. The liability for all notes is presented in the fund receiving the proceeds.

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 special assessment notes 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, the City will be required to pay the related debt.

NOTE 17 - LOAN PAYABLE

On August 9, 1999, the City executed a loan agreement with the Greater Erie County Marketing Group and the Dorn Foundation, in the amount of \$500,000, for the purchase of the Chesapeake Building. The City has agreed to sell the property to a redeveloper for renovation, redevelopment, and the creation of employment opportunities. The loan is interest free and payable on or before January 31, 2001. The repayment shall be made from the proceeds from the sale of the property or from other nontax revenues.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 18 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2000, was as follows:

	Interest Rate	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
<u>General Long-Term Obligations</u>					
General Obligation Bonds					
1992 Judgement	5.39%	\$390,000	\$0	\$30,000	\$360,000
2000 City Complex	4.35-6.25	0	6,000,000	0	6,000,000
Total General Obligation Bonds		390,000	6,000,000	30,000	6,360,000
Other General Long-Term Obligations					
Due to Other Governments		480,652	405,417	480,652	405,417
Compensated Absences Payable		1,076,044	158,763	0	1,234,807
Police and Fire Pension Liability		1,700,941	0	21,275	1,679,666
OWDA Loans Payable	12.00	176,382	0	40,971	135,411
Special Assessment Debt with Governmental Commitment	4.87- 13.00	2,954,758	254,000	306,900	2,901,858
Total Other General Long-Term Obligations		6,388,777	818,180	849,798	6,357,159
Total General Long-Term Obligations		6,778,777	6,818,180	879,798	12,717,159
Enterprise Fund Long-Term Obligations					
General Obligation Bonds					
1986 Waterworks Improvement	7.38	840,000	0	120,000	720,000
1991 Water Meter Improvement	6.38	90,000	0	45,000	45,000
1991 Waterworks Improvement	6.57	960,000	0	80,000	880,000
1992 Water Pollution Control	5.39	581,000	0	44,000	537,000
Total General Obligation Bonds		2,471,000	0	289,000	2,182,000
OWDA Loans					
Water	12.00	298,965	539,252	40,971	797,246
Sewer	3.20	2,151,514	2,769,210	55,924	4,864,800
Total OWDA Loans		2,450,479	3,308,462	96,895	5,662,046
Other Long-Term Obligations					
Compensated Absences Payable		363,015	52,831	0	415,846
Total Enterprise Fund Long-Term Obligations		5,284,494	3,361,293	385,895	8,259,892
Total Long-Term Obligations		\$12,063,271	\$10,179,473	\$1,265,693	\$20,977,051

General Obligation Bonds

General obligation bonds consist of bonds issued in 1992 related to a judgement against the City and bonds issued in 2000 for the construction of a new City Complex. The bonds are being repaid through the General Bond Retirement debt service fund.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Due to Other Governments

The due to other governments liability, representing the City's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid.

Compensated Absences Payable

Compensated absences are presented at net because it is not practical to determine the actual increases and decreases. The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

Police and Fire Pension Liability

The City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire personnel in 1967. The liability is payable semiannually from the Fire Pension and Police Pension special revenue funds.

OWDA Loans Payable

The City entered into agreements with the Ohio Water Development Authority for loans for the construction of the Cedar Point Chaussee water line, improvements and replacement of the Cedar Point lift station, construction of a disinfection facility, for the preliminary and rehabilitation phases of the combined sewer overflow improvements, flow monitors, wastewater planning, and sewer rehabilitation. OWDA loans will be paid from special assessments and from resources of the water and sewer enterprise funds.

Special Assessment Debt with Governmental Commitment

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.

Enterprise General Obligation Bonds

The enterprise general obligation 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 that the enterprise funds' revenues are not sufficient to meet the principal and interest requirements.

The City's legal debt margin was \$33,520,089 at December 31, 2000.

The Cedar Point lift station, construction of the disinfection facility, and the rehabilitation phases of the combined sewer overflow improvements projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire general long-term obligations outstanding at December 31, 2000, were as follows:

Year	General Obligation Bonds	Police and Fire Pension Liability	OWDA Loans	Special Assessment Debt	Total
2001	\$401,580	\$93,502	\$64,056	\$465,738	\$1,024,876
2002	404,862	93,502	64,056	428,014	990,434
2003	407,903	93,502	36,390	376,343	914,138
2004	405,637	93,502	0	348,439	847,578
2005	408,327	93,502	0	334,816	836,645
2006-2010	2,263,343	467,510	0	1,211,919	3,942,772
2011-2035	7,868,245	2,282,802	0	849,593	11,000,640
	<u>\$12,159,897</u>	<u>\$3,217,822</u>	<u>\$164,502</u>	<u>\$4,014,862</u>	<u>\$19,557,083</u>

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2000, from the enterprise funds were as follows:

Year	1986 Waterworks Improvement	1991 Water Meter Improvement	1991 Water Works Improvement	1992 Water Pollution Control	OWDA Loans	Total
2001	\$173,100	\$47,869	\$138,380	\$73,387	\$64,056	\$496,792
2002	164,250	0	133,280	73,188	64,056	434,774
2003	155,400	0	128,180	71,887	36,390	391,857
2004	146,550	0	123,080	69,444	0	339,074
2005	137,700	0	117,800	66,952	0	322,452
2006-2010	128,850	0	508,200	277,431	0	914,481
2011-2012	0	0	85,440	99,050	0	184,490
	<u>\$905,850</u>	<u>\$47,869</u>	<u>\$1,234,360</u>	<u>\$731,339</u>	<u>\$164,502</u>	<u>\$3,083,920</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

Bonds payable at December 31, 2000, were comprised of the following issues:

Bonds	Term	Percent	Original Issue	Outstanding 12/31/00
General Long-Term Obligations Account Group				
General Obligation Bonds				
1992 Judgement	1993-2012	5.39%	\$600,000	\$360,000
2000 City Complex	2000-2020	4.35 to 6.25	6,000,000	6,000,000
			6,600,000	6,360,000
Special Assessment Bonds				
1982 PP Sidewalk Improvement	1983-2002	13.00	141,260	15,000
1983 PP Water Improvement	1984-2003	9.50	11,710	1,756
1985 PP Water Improvement	1986-2005	9.50	10,645	2,662
1985 PP Water Improvement	1986-2005	9.00	11,720	2,930
1986 PP Street Improvement	1987-2006	7.38	135,688	44,000
1987 Anderson Street	1988-2007	7.00	10,835	3,791
1988 PP Street	1989-2008	7.00	18,500	7,400
1989 PP Street	1989-2009	7.75	136,640	63,000
1990 Street	1990-2010	7.40	87,675	47,000
1991 PP Water	1991-2011	6.50	7,690	769
1991 PP Water	1991-2011	6.75	13,800	7,590
1992 PP St. Clair Street	1993-2012	5.39	197,400	120,100
1992 PP Sidewalk 1990	1993-2001	5.39	162,000	18,000
1992 PP First Street	1993-2011	5.39	81,650	47,900
1992 PP Water	1993-2011	5.39	69,250	40,800
1992 PP Sidewalk 1991	1993-2002	5.39	253,700	51,200
1995 PP McDonough Street	1995-2015	5.23	2,963	2,183
1995 PP Sidewalk 1992	1995-2003	5.23	120,962	45,362
1995 PP Sidewalk 1993	1995-2005	5.23	122,750	61,375
1995 PP Sidewalk 1994	1995-2005	5.23	149,514	74,759
1995 PP Street	1995-2014	5.23	120,974	89,139
1995 PP Dutch Street	1995-2013	5.23	35,512	25,647
1995 Streetscape	1995-2005	5.23	4,648	2,325
1995 Filmore	1995-2014	5.23	247,677	229,209
1996 Perry Street	1996-2016	5.72	40,000	32,000
1996 Sidewalk 1995	1996-2006	5.72	166,400	99,840
1996 Shoreline Walkway	1996-2006	5.72	13,600	8,161

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 18 - LONG-TERM OBLIGATIONS (continued)

<u>Bonds</u>	<u>Term</u>	<u>Percent</u>	<u>Original Issue</u>	<u>Outstanding 12/31/00</u>
1996 Perry Street - City Port	1996-2016	5.72%	\$350,000	\$310,000
1997 Polk Street Improvement	1997-2016	6.00	53,980	45,900
1997 Sidewalk	1997-2007	5.50	175,770	123,060
1998 Sidewalk	1998-2008	4.87	201,000	161,000
1998 PP Street	1998-2008	4.87	48,894	43,972
1998 PP Street	1998-2008	4.87	31,000	27,880
1998 PP Street	1998-2008	4.87	69,106	62,148
1999 Sidewalk	1999-2009	5.50	227,000	204,000
1999 Winnebago	1999-2019	5.50	81,000	77,000
1999 Wilbert	1999-2019	5.50	143,000	136,000
1999 Streetscape	1999-2019	5.50	329,000	313,000
2000 Curb, Sidewalk, and Gutter	2000-2010	6.10	254,000	254,000
			4,338,913	2,901,858
<u>Enterprise Funds</u>				
General Obligation Bonds				
Water				
1986 Waterworks Improvement	1987-2006	7.38	2,400,000	720,000
1991 Water Meter Improvement	1992-2001	6.57	135,000	13,500
1991 Waterworks Improvement	1992-2011	6.57	1,570,000	880,000
			4,105,000	1,613,500
Sewer				
1991 Water Meter Improvement	1992-2001	6.57	315,000	31,500
1992 Water Pollution Control	1993-2012	5.39	885,000	537,000
			1,200,000	568,500
Total Bonds Payable			\$16,243,913	\$11,443,858

NOTE 19 - OPERATING LEASE

Battery Park Marina

In February 1985, the City entered into an operating lease with Sandusky Bay Investment Company, Limited, whereby the 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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 19 - OPERATING LEASE (continued)

The general fixed assets account group includes the City's investment of \$1,948,680 for land and improvements, \$91,576 for floating docks, and \$4,000 for a picnic shelter. The leaseholder's improvements are not recorded in the general fixed assets account group.

For 2000, the City received payments, in the amount of \$20,000. Future annual lease payments to be received are as follows:

Year	Annual Lease Payment	Total Lease for Period
2001-2004	\$20,000	\$80,000
2005-2009	25,000	125,000
2010-2014	25,000	125,000
2015-2024	30,000	300,000
Total minimum future rentals		\$630,000

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 a percentage of gross income calculated at the following percentages:

	Percentage of Gross Income
2000-2004	.025%
2005-2009	.05
2010-2014	1.0
2015-2024	2.0

The City did not receive any additional rents in 2000.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 20 - 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. The City participates in the Buckeye Ohio Risk Management Agency (BORMA), a public entity shared risk pool among of several cities in Northern Ohio. The City pays monthly premiums for health care coverage for its employees and for property, crime, and liability insurance. BORMA is responsible for the management and operation of the programs. Member cities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverages provided under the respective programs. Member cities are subject to supplemental assessments of up to 25 percent of the premiums paid for health insurance during that year and in an amount equal to the annual premiums for property, crime, and liability insurance 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 from the respective programs. During 2000, the City contracted with BORMA for the following coverages and deductibles:

Type of Coverage	Coverage	Deductible
Property (building and contents)	\$250,580,406	\$1,000
Earthquake	20,000,000	1,000
Flood	20,000,000	1,000
Mobile Equipment, Valuable Papers	various	1,000
General Liability	1,000,000 occurrence 1,000,000 aggregate	 0
Employee Benefit Liability	1,000,000	0
Ohio Stop Gap	1,000,000	0
Law Enforcement Professional Liability	1,000,000	0
Employee Dishonesty	1,000,000	1,000
Computer Fraud	1,000,000	1,000
Money and Securities	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Auto Fleet Liability	1,000,000	1,000
Auto Uninsured-Underinsured	1,000,000	1,000
Boiler and Machinery	50,000,000	1,000 to 15,000
Public Official Liability	1,000,000 occurrence 1,000,000 aggregate	 0 0
Umbrella Liability	9,000,000 occurrence 9,000,000 aggregate	 0

There has been no significant reduction in insurance coverage from 1999, and no insurance settlement has exceeded insurance coverage during the last three years.

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 General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 21 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains two enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers for water and sewer services. Financial segment information as of and for the year ended December 31, 2000, was as follows:

	Water	Sewer	Total Enterprise Funds
Operating Revenues	\$3,083,574	\$3,738,380	\$6,821,954
Depreciation Expense	245,288	420,606	665,894
Operating Income	565,329	518,121	1,083,450
Operating Transfers - Out	4	169,444	169,448
Net Income	405,005	202,354	607,359
Current Capital Contributions Contributed from Other Funds	15,699	81,014	96,713
Fixed Assets			
Additions	631,190	3,688,153	4,319,343
Reductions	16,037	52,764	68,801
Net Working Capital	3,008,482	(1,435,041)	1,573,441
Bonds and Other Long-Term Obligations			
Compensated Absences Payable	184,724	227,190	411,914
OWDA Loans Payable	748,916	4,864,800	5,613,716
General Obligation Bonds Payable	1,400,000	493,000	1,893,000
Total Assets	9,624,864	13,929,267	23,554,131
Total Equity	6,658,932	5,715,418	12,374,350
Encumbrances Outstanding at Year End (Budget Basis)	445,703	1,087,371	1,533,074

NOTE 22 - PUBLIC ENTITY SHARED RISK POOL

The Buckeye Ohio Risk Management Agency (BORMA) is a public entity shared risk pool among several cities in Northern Ohio. BORMA was formed as an Ohio not-for-profit corporation and operates a health insurance program and a property, crime, and liability 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 health insurance program and three years for participation in the property, crime, and liability insurance program. Each member city'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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000
(continued)

NOTE 22 - PUBLIC ENTITY SHARED RISK POOL (continued)

Participation in BORMA is by written application subject to the approval of the Board of Directors and the payment of premiums. Member cities 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 does not have any outstanding debt obligations as of December 31, 2000. Financial information may be obtained from Arthur J. Gallagher & Co. - Cleveland, Gallagher Pipino, Inc., M-K Ferguson Plaza, 1500 West Third Street, Suite 405, Cleveland, Ohio 44113.

NOTE 23 - 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 adverse effect, if any, on the financial condition of the City.

B. Federal and State Grants

For the period January 1, 2000, to December 31, 2000, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

NOTE 24 -SUBSEQUENT EVENTS

On April 23, 2001, the City issued bond anticipation notes, in the amount of \$1,258,000, to fully retire the City's long-term Police and Fire Pension liability. The notes have an interest rate of 3.875 percent and mature on September 12, 2001.

On May 1, 2001, the City issued general obligation bonds, in the amount of \$6,340,000, to renovate the Sandusky Library. The bonds have an interest rate ranging from 3 to 5 percent and mature on December 1, 2021.



**COMBINING, INDIVIDUAL FUND,
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**



GENERAL FUND

General Fund

To account for all financial resources, except those required to be accounted for in another fund.

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$1,296,323	\$1,323,698	\$27,375
Other Local Taxes	3,453,000	3,472,733	19,733
Municipal Income Taxes	6,700,283	6,832,853	132,570
Intergovernmental	2,053,204	2,034,256	(18,948)
Charges for Services	280,865	265,966	(14,899)
Fees, Licenses, and Permits	535,308	489,933	(45,375)
Fines and Forfeitures	822,000	738,841	(83,159)
Interest	960,000	957,762	(2,238)
Other	224,189	220,716	(3,473)
Total Revenues	16,325,172	16,336,758	11,586
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Patrol	3,127,516	3,063,397	64,119
Police Records	465,696	448,039	17,657
Police Reserve	105,311	99,473	5,838
Police Marine Patrol	39,233	16,766	22,467
Police COPS	204	204	0
Police DARE	622	622	0
Police Dispatch	124	124	0
Police Detectives	100	100	0
Fire Suppression	3,391,264	3,273,626	117,638
Fire Prevention	54,412	54,404	8
Fire Communications	1,470	1,362	108
Fire Rescue	2,686	2,522	164
Fire Hazardous Materials	1,032	1,028	4
Fire EMS	24,647	24,643	4
Street Lighting	106,000	105,280	720
Total Security of Persons and Property	7,320,317	7,091,590	228,727
Public Health			
County Health District	2,000	0	2,000
Oakland Cemetery	274,929	262,686	12,243
Total Public Health	276,929	262,686	14,243
Community Environment			
Community Development Planning	233,490	230,028	3,462
Community Development Housing	291,453	282,749	8,704
City Wide Economic Development	34,081	29,361	4,720
Community Development Building Division	252,360	247,116	5,244
Horticulture Services	953,507	919,074	34,433
Total Community Environment	1,764,891	1,708,328	56,563
Transportation			
Jackson Street Pier	90	0	90

(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, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
General Government			
City Manager	\$76,862	\$75,155	\$1,707
Personnel Labor Relations	172,259	164,474	7,785
Information Services	47,826	44,297	3,529
Purchasing	70,716	65,484	5,232
Finance	203,633	200,420	3,213
Income Tax	265,389	254,395	10,994
Data Processing	125,503	117,882	7,621
Law Director	338,035	319,758	18,277
Law Prosecution	98,203	86,881	11,322
City Commission	60,436	56,273	4,163
City Commission Clerk	71,440	70,288	1,152
Municipal Court	309,207	295,983	13,224
Court - Criminal	443,870	431,605	12,265
Civil Service Commission	61,991	56,032	5,959
Municipal Buildings and Lands	453,402	425,758	27,644
Engineering	411,605	401,750	9,855
Traffic and Electrical Maintenance	156,900	137,166	19,734
Mechanic	504,591	360,971	143,620
Administrative Support	764,119	758,936	5,183
Total General Government	<u>4,635,987</u>	<u>4,323,508</u>	<u>312,479</u>
Other	<u>650</u>	<u>650</u>	<u>0</u>
Total Expenditures	<u>13,998,864</u>	<u>13,386,762</u>	<u>612,102</u>
Excess of Revenues Over Expenditures	<u>2,326,308</u>	<u>2,949,996</u>	<u>623,688</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	174,693	244,178	69,485
Sale of Fixed Assets	51,000	51,112	112
Operating Transfers - Out	<u>(4,527,409)</u>	<u>(3,566,754)</u>	<u>960,655</u>
Total Other Financing Sources (Uses)	<u>(4,301,716)</u>	<u>(3,271,464)</u>	<u>1,030,252</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(1,975,408)	(321,468)	1,653,940
Fund Balance at Beginning of Year	3,399,669	3,399,669	0
Prior Year Encumbrances Appropriated	<u>144,458</u>	<u>144,458</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,568,719</u></u>	<u><u>\$3,222,659</u></u>	<u><u>\$1,653,940</u></u>

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) whose use is restricted.

Street Maintenance Fund

To account for 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. Monies are used for street maintenance and repairs.

State Highway Fund

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. Monies are used 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 Fund

To account for monies received from the federal and state government under the Section 18 Program and from users of the public transit system. Monies are used for operations of the public transit system.

Parks and Recreational Fund

To account for monies collected at the municipal golf course and swimming pool, plant rentals from the greenhouse, and transfers from the General fund (primarily for the parks and greenhouse). Monies are used for operation of the parks, greenhouse, and recreational facilities.

Fire Pension Fund

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

Police Pension Fund

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

State Grants Fund

To account for monies received from the state government under the community development block grant program and the revolving loan program, as well as several other state grants.

Federal Grants Fund

To account for monies received from the federal government for the community oriented police grant (COPS) and the revolving loan program.

(continued)

SPECIAL REVENUE FUNDS
(continued)

Indigent Drivers Alcohol Fund

To account for monies received under Ohio Revised Code Sections 4511.191(M) and 4507.99(B)(4). This fund provides for payment of the cost for treatment, at a certified alcohol and drug addiction program, of a person convicted of a violation of Ohio Revised Code Section 4511.19 or a similar municipal ordinance.

Enforcement and Education Fund

To account for monies received under Ohio Revised Code Section 4511.99. This fund is used by the police department to pay the costs it incurs in enforcing Ohio Revised Code Section 4511.19 or a similar municipal ordinance, and in educating the public on laws governing the operation of a motor vehicle while under the influence of alcohol.

Court Computerization Fund

To account for fines collected by the municipal court under Ohio Revised Code Section 1901.26. This fund is used for computerization of the clerk of court's office.

Indigent Telephone Fund

To account for monies received under Ohio Revised Code Section 2929.23. This fund provides for payment of the costs of providing house detention for eligible indigent offenders.

Municipal Probation Fund

To account for monies received under Ohio Revised Code Section 737.41. This fund provides for payment of the costs of the municipal probation department.

General Trust Fund

To account for contraband forfeitures and various monies donated to the City.

Park Donations Fund

To account for donations from the Fred G. Epple Estate.

Cemetery Donations Fund

To account for charges for burials and donations.

City of Sandusky
Special Revenue Funds

Combining Balance Sheet
December 31, 2000

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Public Transit</u>	<u>Parks and Recreational</u>	<u>Fire Pension</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$482,736	\$6,960	\$85,405	\$21,138	\$0
Receivables:					
Property Taxes	0	0	0	0	119,144
Other Local Taxes	30,580	0	0	0	0
Notes (net of allowance for uncollectibles)	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Due from Other Governments	51,372	4,132	0	0	0
Materials and Supplies Inventory	20,246	0	0	6,707	0
Prepaid Items	13,032	0	555	61	0
Total Assets	<u>\$597,966</u>	<u>\$11,092</u>	<u>\$85,960</u>	<u>\$27,906</u>	<u>\$119,144</u>
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$19,297	\$2,388	\$69,773	\$5,258	\$0
Accrued Wages Payable	18,791	2,810	0	4,289	0
Due to Other Governments	8,019	1,246	0	3,727	0
Deferred Revenue	0	0	0	0	119,144
Notes Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
Compensated Absences Payable	1,088	42	0	476	0
Total Liabilities	<u>47,195</u>	<u>6,486</u>	<u>69,773</u>	<u>13,750</u>	<u>119,144</u>
<u>Fund Equity</u>					
Fund Balance:					
Reserved:					
Reserved for Notes Receivable	0	0	0	0	0
Reserved for Inventory	20,246	0	0	6,707	0
Reserved for Encumbrances	13,666	1,836	14,728	14,945	0
Unreserved (Deficit)	516,859	2,770	1,459	(7,496)	0
Total Fund Equity	<u>550,771</u>	<u>4,606</u>	<u>16,187</u>	<u>14,156</u>	<u>0</u>
Total Liabilities and Fund Equity	<u>\$597,966</u>	<u>\$11,092</u>	<u>\$85,960</u>	<u>\$27,906</u>	<u>\$119,144</u>

<u>Police Pension</u>	<u>State Grants</u>	<u>Federal Grants</u>	<u>Indigent Drivers Alcohol</u>	<u>Enforcement and Education</u>	<u>Court Computerization</u>	<u>Indigent Telephone</u>
\$0	\$791,749	\$2,612,471	\$77,621	\$63,855	\$58,054	\$22,568
119,144	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,414,702	0	0	0	0	0
0	0	36,183	0	0	0	0
0	7,572	0	580	763	0	183
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$119,144</u>	<u>\$2,214,023</u>	<u>\$2,648,654</u>	<u>\$78,201</u>	<u>\$64,618</u>	<u>\$58,054</u>	<u>\$22,751</u>
\$0	\$3,149	\$0	\$2,990	\$0	\$259	\$0
0	0	0	0	0	0	0
0	912	133	0	0	0	0
119,144	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
<u>119,144</u>	<u>4,061</u>	<u>133</u>	<u>2,990</u>	<u>0</u>	<u>259</u>	<u>0</u>
0	1,414,702	0	0	0	0	0
0	0	0	0	0	0	0
0	18,339	0	2,122	0	0	4,592
0	776,921	2,648,521	73,089	64,618	57,795	18,159
0	2,209,962	2,648,521	75,211	64,618	57,795	22,751
<u>\$119,144</u>	<u>\$2,214,023</u>	<u>\$2,648,654</u>	<u>\$78,201</u>	<u>\$64,618</u>	<u>\$58,054</u>	<u>\$22,751</u>

(continued)

City of Sandusky
Special Revenue Funds

Combining Balance Sheet
December 31, 2000
(continued)

	Municipal Probation	General Trust	Park Donations	Cemetery Donations	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$55,272	\$90,056	\$102,432	\$650,607	\$5,120,924
Receivables:					
Property Taxes	0	0	0	0	238,288
Other Local Taxes	0	0	0	0	30,580
Notes (net of allowance for uncollectibles)	0	0	0	0	1,414,702
Accrued Interest	0	0	0	14,432	50,615
Due from Other Governments	1,343	0	0	0	65,945
Materials and Supplies Inventory	0	0	0	0	26,953
Prepaid Items	0	0	0	0	13,648
Total Assets	\$56,615	\$90,056	\$102,432	\$665,039	\$6,961,655
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$276	\$316	\$0	\$0	\$103,706
Accrued Wages Payable	0	0	0	0	25,890
Due to Other Governments	0	0	0	0	14,037
Deferred Revenue	0	0	0	0	238,288
Notes Payable	0	0	0	6,800	6,800
Accrued Interest Payable	0	0	0	29	29
Compensated Absences Payable	0	0	0	0	1,606
Total Liabilities	276	316	0	6,829	390,356
<u>Fund Equity</u>					
Fund Balance:					
Reserved:					
Reserved for Notes Receivable	0	0	0	0	1,414,702
Reserved for Inventory	0	0	0	0	26,953
Reserved for Encumbrances	388	18,843	0	0	89,459
Unreserved (Deficit)	55,951	70,897	102,432	658,210	5,040,185
Total Fund Equity	56,339	89,740	102,432	658,210	6,571,299
Total Liabilities and Fund Equity	\$56,615	\$90,056	\$102,432	\$665,039	\$6,961,655

City of Sandusky
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Public Transit</u>	<u>Parks and Recreational</u>	<u>Fire Pension</u>
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$0	\$108,797
Other Local Taxes	495,729	0	0	0	0
Intergovernmental	710,165	57,581	383,574	0	11,611
Charges for Services	0	0	574,606	326,426	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Interest	5,975	51	0	0	0
Other	863	16	0	13,892	0
Total Revenues	<u>1,212,732</u>	<u>57,648</u>	<u>958,180</u>	<u>340,318</u>	<u>120,408</u>
<u>Expenditures</u>					
Current:					
Security of Persons and Property	0	0	0	0	600,175
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	649,546	0
Community Environment	0	0	0	0	0
Transportation	1,199,023	205,230	1,092,176	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	12,205
Interest and Fiscal Charges	0	0	0	0	41,435
Total Expenditures	<u>1,199,023</u>	<u>205,230</u>	<u>1,092,176</u>	<u>649,546</u>	<u>653,815</u>
Excess of Revenues Over (Under) Expenditures	<u>13,709</u>	<u>(147,582)</u>	<u>(133,996)</u>	<u>(309,228)</u>	<u>(533,407)</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers - In	251,340	146,304	186,133	320,610	533,407
Operating Transfers - Out	<u>(127,021)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>124,319</u>	<u>146,304</u>	<u>186,133</u>	<u>320,610</u>	<u>533,407</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	138,028	(1,278)	52,137	11,382	0
Fund Balances (Deficit) at Beginning of Year	404,557	5,884	(35,950)	711	0
Increase in Reserve for Inventory	<u>8,186</u>	<u>0</u>	<u>0</u>	<u>2,063</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$550,771</u></u>	<u><u>\$4,606</u></u>	<u><u>\$16,187</u></u>	<u><u>\$14,156</u></u>	<u><u>\$0</u></u>

(continued)

City of Sandusky
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000
(continued)

	Police Pension	State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education
<u>Revenues</u>					
Property Taxes	\$108,798	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0	0
Intergovernmental	10,525	578,293	93,627	0	0
Charges for Services	0	0	0	0	0
Fees, Licenses, and Permits	0	1,000	0	23,354	0
Fines and Forfeitures	0	0	0	0	11,334
Interest	0	60,603	234,779	0	0
Other	0	19	24	0	0
Total Revenues	<u>119,323</u>	<u>639,915</u>	<u>328,430</u>	<u>23,354</u>	<u>11,334</u>
<u>Expenditures</u>					
Current:					
Security of Persons and Property	478,374	0	42,966	0	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	733,868	0	0	0
Transportation	0	0	0	0	0
Other	0	0	0	33,668	10,379
Debt Service:					
Principal Retirement	9,070	0	0	0	0
Interest and Fiscal Charges	30,792	0	0	0	0
Total Expenditures	<u>518,236</u>	<u>733,868</u>	<u>42,966</u>	<u>33,668</u>	<u>10,379</u>
Excess of Revenues Over (Under) Expenditures	<u>(398,913)</u>	<u>(93,953)</u>	<u>285,464</u>	<u>(10,314)</u>	<u>955</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers - In	398,913	0	0	0	0
Operating Transfers - Out	0	0	(275,641)	0	0
Total Other Financing Sources (Uses)	<u>398,913</u>	<u>0</u>	<u>(275,641)</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	(93,953)	9,823	(10,314)	955
Fund Balances (Deficit) at Beginning of Year	0	2,303,915	2,638,698	85,525	63,663
Increase in Reserve for Inventory	0	0	0	0	0
Fund Balances at End of Year	<u>\$0</u>	<u>\$2,209,962</u>	<u>\$2,648,521</u>	<u>\$75,211</u>	<u>\$64,618</u>

<u>Court Computerization</u>	<u>Indigent Telephone</u>	<u>Municipal Probation</u>	<u>General Trust</u>	<u>Park Donations</u>	<u>Cemetery Donations</u>	<u>Total</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$217,595
0	0	0	0	0	0	495,729
0	0	0	0	0	0	1,845,376
0	0	0	0	0	13,650	914,682
0	2,376	16,456	0	0	0	43,186
28,617	0	0	4,097	0	0	44,048
0	0	0	0	0	51,010	352,418
0	0	0	37,358	453	6,994	59,619
<u>28,617</u>	<u>2,376</u>	<u>16,456</u>	<u>41,455</u>	<u>453</u>	<u>71,654</u>	<u>3,972,653</u>
0	0	0	46,932	0	0	1,168,447
0	0	0	0	0	14,952	14,952
0	0	0	1,233	225	0	651,004
0	0	0	0	0	0	733,868
0	0	0	0	0	0	2,496,429
22,592	308	9,413	0	9,253	0	85,613
0	0	0	0	0	0	21,275
0	0	0	0	0	459	72,686
<u>22,592</u>	<u>308</u>	<u>9,413</u>	<u>48,165</u>	<u>9,478</u>	<u>15,411</u>	<u>5,244,274</u>
<u>6,025</u>	<u>2,068</u>	<u>7,043</u>	<u>(6,710)</u>	<u>(9,025)</u>	<u>56,243</u>	<u>(1,271,621)</u>
0	0	0	0	0	0	1,836,707
0	0	0	0	0	0	(402,662)
0	0	0	0	0	0	1,434,045
6,025	2,068	7,043	(6,710)	(9,025)	56,243	162,424
51,770	20,683	49,296	96,450	111,457	601,967	6,398,626
0	0	0	0	0	0	10,249
<u>\$57,795</u>	<u>\$22,751</u>	<u>\$56,339</u>	<u>\$89,740</u>	<u>\$102,432</u>	<u>\$658,210</u>	<u>\$6,571,299</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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other Local Taxes	\$504,000	\$498,829	(\$5,171)
Intergovernmental	718,000	710,722	(7,278)
Interest	4,000	5,757	1,757
Total Revenues	<u>1,226,000</u>	<u>1,215,308</u>	<u>(10,692)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Street Resurfacing	48,000	0	48,000
Public Works	917,552	890,317	27,235
Traffic and Electrical Maintenance	184,768	178,453	6,315
Street Cleaning, Snow, and Ice Removal	86,934	78,180	8,754
Administrative Support	64,427	61,991	2,436
Total Expenditures	<u>1,301,681</u>	<u>1,208,941</u>	<u>92,740</u>
Excess of Revenues Over (Under) Expenditures	<u>(75,681)</u>	<u>6,367</u>	<u>82,048</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	0	863	863
Operating Transfers - In	308,460	251,340	(57,120)
Operating Transfers - Out	(127,021)	(127,021)	0
Total Other Financing Sources (Uses)	<u>181,439</u>	<u>125,182</u>	<u>(56,257)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	105,758	131,549	25,791
Fund Balance at Beginning of Year	302,802	302,802	0
Prior Year Encumbrances Appropriated	<u>16,169</u>	<u>16,169</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$424,729</u></u>	<u><u>\$450,520</u></u>	<u><u>\$25,791</u></u>

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$59,000	\$57,626	(\$1,374)
Interest	0	46	46
Total Revenues	<u>59,000</u>	<u>57,672</u>	<u>(1,328)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Public Works	815	815	0
Traffic and Electrical Maintenance	115,234	110,705	4,529
State Highway Maintenance and Repair	97,281	93,918	3,363
Total Expenditures	<u>213,330</u>	<u>205,438</u>	<u>7,892</u>
Excess of Revenues Under Expenditures	<u>(154,330)</u>	<u>(147,766)</u>	<u>6,564</u>
<u>Other Financing Sources</u>			
Other Financing Sources	0	16	16
Operating Transfers - In	156,304	146,304	(10,000)
Total Other Financing Sources	<u>156,304</u>	<u>146,320</u>	<u>(9,984)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	1,974	(1,446)	(3,420)
Fund Balance at Beginning of Year	3,006	3,006	0
Prior Year Encumbrances Appropriated	<u>1,171</u>	<u>1,171</u>	<u>0</u>
Fund Balance at End of Year	<u>\$6,151</u>	<u>\$2,731</u>	<u>(\$3,420)</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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$307,000	\$399,448	\$92,448
Charges for Services	426,200	574,203	148,003
Total Revenues	733,200	973,651	240,451
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System	1,173,738	1,173,023	715
Excess of Revenues Under Expenditures	(440,538)	(199,372)	241,166
<u>Other Financing Sources</u>			
Operating Transfers - In	439,000	186,133	252,867
Excess of Revenues and Other Financing Sources Under Expenditures	(1,538)	(13,239)	(11,701)
Fund Balance at Beginning of Year	266	266	0
Prior Year Encumbrances Appropriated	12,973	12,973	0
Fund Balance at End of Year	\$11,701	\$0	(\$11,701)

City of Sandusky
Parks and Recreational 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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$360,600	\$326,476	(\$34,124)
Other	8,500	8,463	(37)
Total Revenues	369,100	334,939	(34,161)
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Aquatic Center	128,432	124,768	3,664
Mills Creek Golf Course	272,550	258,045	14,505
Recreation	246,721	228,450	18,271
Boat Launch Ramp	49,102	41,962	7,140
Administrative Support	13,195	9,513	3,682
Total Expenditures	710,000	662,738	47,262
Excess of Revenues Under Expenditures	(340,900)	(327,799)	13,101
<u>Other Financing Sources</u>			
Other Financing Sources	3,000	5,429	2,429
Operating Transfers - In	337,016	320,610	(16,406)
Total Other Financing Sources	340,016	326,039	(13,977)
Excess of Revenues and Other Financing Sources Under Expenditures	(884)	(1,760)	(876)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	3,358	3,358	0
Fund Balance at End of Year	\$2,474	\$1,598	(\$876)

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Property Taxes	\$107,128	\$108,797	\$1,669
Intergovernmental	13,899	11,611	(2,288)
Total Revenues	<u>121,027</u>	<u>120,408</u>	<u>(619)</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Pension	<u>654,434</u>	<u>653,815</u>	<u>619</u>
Excess of Revenues Under Expenditures	(533,407)	(533,407)	0
<u>Other Financing Sources</u>			
Operating Transfers - In	<u>533,407</u>	<u>533,407</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Property Taxes	\$108,198	\$108,798	\$600
Intergovernmental	11,125	10,525	(600)
Total Revenues	<u>119,323</u>	<u>119,323</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Pension	<u>518,236</u>	<u>518,236</u>	<u>0</u>
Excess of Revenues Under Expenditures	(398,913)	(398,913)	0
<u>Other Financing Sources</u>			
Operating Transfers - In	<u>398,913</u>	<u>398,913</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$757,226	\$746,066	(\$11,160)
Fees, Licenses, and Permits	0	1,000	1,000
Interest	51,185	59,501	8,316
Other	140,589	146,545	5,956
Total Revenues	949,000	953,112	4,112
<u>Expenditures</u>			
Current:			
Community Environment			
Universal Hiring	12,816	12,816	0
A-F-97-172 CDBG 97-98	107,521	107,521	0
A-T-95-172-1 CDBG 95-96	1,809	1,809	0
A-F-94-172 CDBG 94-95	28,000	28,000	0
Local Law Enforcement Block 99	15,448	15,448	0
Local Law Enforcement Block 97	39,494	39,494	0
A-F-99-172 CDBP 99-00	186,000	186,000	0
A-F-98-172 CDBP 98-99	50,000	50,000	0
Court Security	10,948	10,948	0
A-E-99-172 LEWCO	96,440	96,440	0
Revolving Loan Rehabilitation	42,018	40,428	1,590
Revolving Loan Economic Development	303,711	101,170	202,541
DRC Probation	99,719	99,717	2
Total Expenditures	993,924	789,791	204,133
Excess of Revenues Over (Under) Expenditures	(44,924)	163,321	208,245
<u>Other Financing Sources</u>			
Other Financing Sources	0	19	19
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(44,924)	163,340	208,264
Fund Balance at Beginning of Year	517,459	517,459	0
Prior Year Encumbrances Appropriated	90,428	90,428	0
Fund Balance at End of Year	\$562,963	\$771,227	\$208,264

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$93,627	\$93,627	\$0
Interest	161,373	171,643	10,270
Total Revenues	255,000	265,270	10,270
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Cops More 97	72,386	71,894	492
Community Environment			
Revolving Loan Economic Development	199,359	0	199,359
Total Expenditures	271,745	71,894	199,851
Excess of Revenues Over (Under) Expenditures	(16,745)	193,376	210,121
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	0	24	24
Operating Transfers - Out	(275,641)	(275,641)	0
Total Other Financing Sources (Uses)	(275,641)	(275,617)	24
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(292,386)	(82,241)	210,145
Fund Balance at Beginning of Year	2,583,089	2,583,089	0
Prior Year Encumbrances Appropriated	61,606	61,606	0
Fund Balance at End of Year	\$2,352,309	\$2,562,454	\$210,145

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$6,100	\$0	(\$6,100)
Fees, Licenses, and Permits	14,500	24,019	9,519
Total Revenues	20,600	24,019	3,419
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol	50,000	38,090	11,910
Excess of Revenues Under Expenditures	(29,400)	(14,071)	15,329
Fund Balance at Beginning of Year	84,952	84,952	0
Prior Year Encumbrances Appropriated	2,998	2,998	0
Fund Balance at End of Year	\$58,550	\$73,879	\$15,329

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fines and Forfeitures	<u>\$13,200</u>	<u>\$12,567</u>	<u>(\$633)</u>
<u>Expenditures</u>			
Current:			
Other			
Enforcement and Education	<u>21,000</u>	<u>10,379</u>	<u>10,621</u>
Excess of Revenues Over (Under) Expenditures	(7,800)	2,188	9,988
Fund Balance at Beginning of Year	<u>61,667</u>	<u>61,667</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$53,867</u></u>	<u><u>\$63,855</u></u>	<u><u>\$9,988</u></u>

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$21,200	\$31,178	\$9,978
<u>Expenditures</u>			
Current:			
Other			
Court Computerization	41,080	23,413	17,667
Excess of Revenues Over (Under) Expenditures	(19,880)	7,765	27,645
Fund Balance at Beginning of Year	42,323	42,323	0
Prior Year Encumbrances Appropriated	7,966	7,966	0
Fund Balance at End of Year	<u>\$30,409</u>	<u>\$58,054</u>	<u>\$27,645</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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$10,200	\$2,193	(\$8,007)
<u>Expenditures</u>			
Current:			
Other			
Indigent Telephone	10,000	4,900	5,100
Excess of Revenues Over (Under) Expenditures	200	(2,707)	(2,907)
Fund Balance at Beginning of Year	16,433	16,433	0
Prior Year Encumbrances Appropriated	4,250	4,250	0
Fund Balance at End of Year	<u>\$20,883</u>	<u>\$17,976</u>	<u>(\$2,907)</u>

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$24,500	\$15,113	(\$9,387)
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation	20,000	9,541	10,459
Excess of Revenues Over Expenditures	4,500	5,572	1,072
Fund Balance at Beginning of Year	49,039	49,039	0
Prior Year Encumbrances Appropriated	257	257	0
Fund Balance at End of Year	<u>\$53,796</u>	<u>\$54,868</u>	<u>\$1,072</u>

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$2,925	\$4,097	\$1,172
Other	36,350	37,350	1,000
Total Revenues	39,275	41,447	2,172
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Cops Phase I	1,272	1,177	95
Contraband Trust	40,699	40,252	447
Police DARE	4,153	4,060	93
Police SRT	866	866	0
Fire Suppression	32,100	32,062	38
Total Security of Persons and Property	79,090	78,417	673
Leisure Time Activities			
Green Trust	3,084	1,233	1,851
Total Expenditures	82,174	79,650	2,524
Excess of Revenues Under Expenditures	(42,899)	(38,203)	4,696
<u>Other Financing Sources</u>			
Other Financing Sources	8	8	0
Excess of Revenues and Other Financing Sources Under Expenditures	(42,891)	(38,195)	4,696
Fund Balance at Beginning of Year	92,956	92,956	0
Prior Year Encumbrances Appropriated	16,136	16,136	0
Fund Balance at End of Year	\$66,201	\$70,897	\$4,696

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$2,530	\$0	(\$2,530)
Other	0	1,000	1,000
Total Revenues	<u>2,530</u>	<u>1,000</u>	<u>(1,530)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Shoreline Park Improvement	<u>1,000</u>	<u>225</u>	<u>775</u>
Other			
Fred Epple Trust	<u>9,253</u>	<u>9,253</u>	<u>0</u>
Total Expenditures	<u>10,253</u>	<u>9,478</u>	<u>775</u>
Excess of Revenues Under Expenditures	(7,723)	(8,478)	(755)
Fund Balance at Beginning of Year	<u>110,910</u>	<u>110,910</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$103,187</u></u>	<u><u>\$102,432</u></u>	<u><u>(\$755)</u></u>

City of Sandusky
Cemetery Donations Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$15,130	\$13,650	(\$1,480)
Interest	32,367	29,363	(3,004)
Other	206	0	(206)
Total Revenues	47,703	43,013	(4,690)
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery	17,693	8,275	9,418
Chapel Restoration	1,311	275	1,036
Garden Mausoleum	4,732	2,113	2,619
Perpetual Care	8,623	1,501	7,122
Special Care	10,976	2,777	8,199
Memorial Paintings	2,070	0	2,070
Mausoleum	18,314	0	18,314
Dorn Endowment	1,034	0	1,034
Total Public Health	64,753	14,941	49,812
Debt Service:			
Principal Retirement	6,800	6,800	0
Interest and Fiscal Charges	1,096	1,096	0
Total Debt Service	7,896	7,896	0
Total Expenditures	72,649	22,837	49,812
Excess of Revenues Over (Under) Expenditures	(24,946)	20,176	45,122
<u>Other Financing Sources</u>			
Other Financing Sources	9,888	6,994	(2,894)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(15,058)	27,170	42,228
Fund Balance at Beginning of Year	612,730	612,730	0
Fund Balance at End of Year	\$597,672	\$639,900	\$42,228

City of Sandusky
Total - Special Revenue Funds

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$215,326	\$217,595	\$2,269
Other Local Taxes	504,000	498,829	(5,171)
Intergovernmental	1,965,977	2,029,625	63,648
Charges for Services	801,930	914,329	112,399
Fees, Licenses, and Permits	49,200	42,325	(6,875)
Fines and Forfeitures	37,325	47,842	10,517
Interest	251,455	266,310	14,855
Other	185,645	193,358	7,713
Total Revenues	4,010,858	4,210,213	199,355
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Pension	654,434	653,815	619
Police Pension	518,236	518,236	0
Police Cops Phase I	1,272	1,177	95
Police Cops More 97	72,386	71,894	492
Contraband Trust	40,699	40,252	447
Police DARE	4,153	4,060	93
Police SRT	866	866	0
Fire Suppression	32,100	32,062	38
Total Security of Persons and Property	1,324,146	1,322,362	1,784
Public Health			
Oakland Cemetery	17,693	8,275	9,418
Chapel Restoration	1,311	275	1,036
Garden Mausoleum	4,732	2,113	2,619
Perpetual Care	8,623	1,501	7,122
Special Care	10,976	2,777	8,199
Memorial Paintings	2,070	0	2,070
Mausoleum	18,314	0	18,314
Dorn Endowment	1,034	0	1,034
Total Public Health	64,753	14,941	49,812
Leisure Time Activities			
Aquatic Center	128,432	124,768	3,664
Mills Creek Golf Course	272,550	258,045	14,505
Recreation	246,721	228,450	18,271
Boat Launch Ramp	49,102	41,962	7,140
Green Trust	3,084	1,233	1,851
Shoreline Park Improvement	1,000	225	775
Administrative Support	13,195	9,513	3,682
Total Leisure Time Activities	714,084	664,196	49,888

(continued)

City of Sandusky
Total - Special Revenue Funds

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Universal Hiring	\$12,816	\$12,816	\$0
A-F-97-172 CDBG 97-98	107,521	107,521	0
A-T-95-172-1 CDBG 95-96	1,809	1,809	0
A-F-94-172 CDBG 94-95	28,000	28,000	0
Local Law Enforcement Block 99	15,448	15,448	0
Local Law Enforcement Block 97	39,494	39,494	0
A-F-99-172 CDBP 99-00	186,000	186,000	0
A-F-98-172 CDBP 98-99	50,000	50,000	0
Court Security	10,948	10,948	0
A-E-99-172 LEWCO	96,440	96,440	0
Revolving Loan Rehabilitation	42,018	40,428	1,590
Revolving Loan Economic Development	503,070	101,170	401,900
DRC Probation	99,719	99,717	2
Total Community Environment	1,193,283	789,791	403,492
Transportation			
Street Resurfacing	48,000	0	48,000
Public Works	918,367	891,132	27,235
Traffic and Electrical Maintenance	300,002	289,158	10,844
Street Cleaning, Snow, and Ice Removal	86,934	78,180	8,754
State Highway Maintenance and Repair	97,281	93,918	3,363
Public Transit System	1,173,738	1,173,023	715
Administrative Support	64,427	61,991	2,436
Total Transportation	2,688,749	2,587,402	101,347
Other			
Indigent Drivers Alcohol	50,000	38,090	11,910
Enforcement and Education	21,000	10,379	10,621
Court Computerization	41,080	23,413	17,667
Indigent Telephone	10,000	4,900	5,100
Municipal Probation	20,000	9,541	10,459
Fred Epple Trust	9,253	9,253	0
Total Other	151,333	95,576	55,757
Debt Service:			
Principal Retirement	6,800	6,800	0
Interest and Fiscal Charges	1,096	1,096	0
Total Expenditures	6,144,244	5,482,164	662,080
Excess of Revenues Under Expenditures	(2,133,386)	(1,271,951)	861,435

(continued)

City of Sandusky
Total - Special Revenue Funds

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	\$12,896	\$13,353	\$457
Operating Transfers - In	2,173,100	1,836,707	(336,393)
Operating Transfers - Out	(402,662)	(402,662)	0
Total Other Financing Sources (Uses)	<u>1,783,334</u>	<u>1,447,398</u>	<u>(335,936)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(350,052)	175,447	525,499
Fund Balance at Beginning of Year	4,477,632	4,477,632	0
Prior Year Encumbrances Appropriated	<u>217,312</u>	<u>217,312</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,344,892</u></u>	<u><u>\$4,870,391</u></u>	<u><u>\$525,499</u></u>

DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources for, and the payment of, general and special assessment long-term obligation principal, interest, and related costs.

General Bond Retirement Fund

To account for resources that are used for the payment of principal, interest, and fiscal charges on general obligation debt.

Special Assessment Bond Retirement Fund

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

City of Sandusky
Debt Service Funds

Combining Balance Sheet
December 31, 2000

	<u>General Bond Retirement</u>	<u>Special Assessment Bond Retirement</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,269,672	\$329,068	\$1,598,740
Receivables:			
Property Taxes	500,360	0	500,360
Municipal Income Taxes	109,996	0	109,996
Special Assessments	<u>0</u>	<u>3,221,925</u>	<u>3,221,925</u>
Total Assets	<u>\$1,880,028</u>	<u>\$3,550,993</u>	<u>\$5,431,021</u>
<u>Liabilities and Fund Equity</u>			
<u>Liabilities</u>			
Accounts Payable	\$0	\$1,796	\$1,796
Deferred Revenue	563,437	3,221,925	3,785,362
Notes Payable	1,911,000	0	1,911,000
Accrued Interest Payable	<u>27,006</u>	<u>0</u>	<u>27,006</u>
Total Liabilities	<u>2,501,443</u>	<u>3,223,721</u>	<u>5,725,164</u>
<u>Fund Equity</u>			
Fund Balance:			
Unreserved (Deficit)	<u>(621,415)</u>	<u>327,272</u>	<u>(294,143)</u>
Total Liabilities and Fund Equity	<u>\$1,880,028</u>	<u>\$3,550,993</u>	<u>\$5,431,021</u>

City of Sandusky
Debt Service Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000

	General Bond Retirement	Special Assessment Bond Retirement	Total
<u>Revenues</u>			
Property Taxes	\$456,948	\$0	\$456,948
Municipal Income Taxes	415,703	0	415,703
Special Assessments	0	442,391	442,391
Intergovernmental	82,318	0	82,318
Other	764	940	1,704
Total Revenues	955,733	443,331	1,399,064
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	30,000	347,871	377,871
Interest and Fiscal Charges	324,836	207,585	532,421
Total Expenditures	354,836	555,456	910,292
Excess of Revenues Over (Under) Expenditures	600,897	(112,125)	488,772
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	149,116	44,218	193,334
Operating Transfers - Out	(2,205,464)	0	(2,205,464)
Total Other Financing Sources (Uses)	(2,056,348)	44,218	(2,012,130)
Excess of Revenues and Other Financing Financing Sources Under Expenditures and Other Financing Uses	(1,455,451)	(67,907)	(1,523,358)
Fund Balance at Beginning of Year	834,036	395,179	1,229,215
Fund Balance (Deficit) at End of Year	(\$621,415)	\$327,272	(\$294,143)

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$524,987	\$456,948	(\$68,039)
Municipal Income Taxes	553,300	453,997	(99,303)
Intergovernmental	4,633	82,318	77,685
Other	0	764	764
	<u>1,082,920</u>	<u>994,027</u>	<u>(88,893)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	3,165,000	3,165,000	0
Interest and Fiscal Charges	513,888	510,965	2,923
	<u>3,678,888</u>	<u>3,675,965</u>	<u>2,923</u>
Total Expenditures			
Excess of Revenues Under Expenditures	<u>(2,595,968)</u>	<u>(2,681,938)</u>	<u>(85,970)</u>
<u>Other Financing Sources</u>			
Proceeds of Notes	2,222,295	2,076,000	(146,295)
Operating Transfers - In	223,376	149,116	(74,260)
	<u>2,445,671</u>	<u>2,225,116</u>	<u>(220,555)</u>
Total Other Financing Sources			
Excess of Revenues and Other Financing Sources Under Expenditures	(150,297)	(456,822)	(306,525)
Fund Balance at Beginning of Year	<u>1,726,494</u>	<u>1,726,494</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,576,197</u>	<u>\$1,269,672</u>	<u>(\$306,525)</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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$443,282	\$442,391	(\$891)
Other	0	940	940
Total Revenues	<u>443,282</u>	<u>443,331</u>	<u>49</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	334,182	334,178	4
Interest and Fiscal Charges	<u>176,818</u>	<u>176,447</u>	<u>371</u>
Total Expenditures	<u>511,000</u>	<u>510,625</u>	<u>375</u>
Excess of Revenues Under Expenditures	(67,718)	(67,294)	424
Fund Balance at Beginning of Year	<u>396,362</u>	<u>396,362</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$328,644</u></u>	<u><u>\$329,068</u></u>	<u><u>\$424</u></u>

City of Sandusky
Total - Debt Service Funds

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$524,987	\$456,948	(\$68,039)
Municipal Income Taxes	553,300	453,997	(99,303)
Special Assessments	443,282	442,391	(891)
Intergovernmental	4,633	82,318	77,685
Other	0	1,704	1,704
Total Revenues	<u>1,526,202</u>	<u>1,437,358</u>	<u>(88,844)</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	3,499,182	3,499,178	4
Interest and Fiscal Charges	690,706	687,412	3,294
Total Expenditures	<u>4,189,888</u>	<u>4,186,590</u>	<u>3,298</u>
Excess of Revenues Under Expenditures	<u>(2,663,686)</u>	<u>(2,749,232)</u>	<u>(85,546)</u>
<u>Other Financing Sources</u>			
Proceeds of Notes	2,222,295	2,076,000	(146,295)
Operating Transfers - In	223,376	149,116	(74,260)
Total Other Financing Sources	<u>2,445,671</u>	<u>2,225,116</u>	<u>(220,555)</u>
Excess of Revenues and Other Financing Sources Under Expenditures	<u>(218,015)</u>	<u>(524,116)</u>	<u>(306,101)</u>
Fund Balance at Beginning of Year	<u>2,122,856</u>	<u>2,122,856</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,904,841</u>	<u>\$1,598,740</u>	<u>(\$306,101)</u>

CAPITAL PROJECTS FUNDS

Capital Projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by the enterprise funds.)

Capital Improvement Fund

To account for tax revenues and transfers used for capital improvements.

Capital Projects Fund

To account for monies received from construction grants, proceeds of bonds and notes, donations, and transfers used for capital projects.

Redevelopment Tax Increment Fund

To account for payments collected in lieu of taxes.

Special Assessment Improvement Fund

To finance and account for the construction of improvements or provision of services which are to be paid for, wholly or in part, from special assessments levied against the benefitted property owners.

City of Sandusky
Capital Projects Funds

Combining Balance Sheet
December 31, 2000

	<u>Capital Improvement</u>	<u>Capital Projects</u>	<u>Redevelopment Tax Increment</u>	<u>Special Assessment Improvement</u>	<u>Total</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$37,724	\$5,756,737	\$3,634	\$179,448	\$5,977,543
Receivables:					
Municipal Income Taxes	87,997	0	0	0	87,997
Special Assessments	0	0	0	220,687	220,687
Due from Other Governments	0	4,819	0	0	4,819
Total Assets	<u>\$125,721</u>	<u>\$5,761,556</u>	<u>\$3,634</u>	<u>\$400,135</u>	<u>\$6,291,046</u>
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$0	\$13,113	\$0	\$0	\$13,113
Contracts Payable	0	268,487	0	0	268,487
Accrued Wages Payable	0	0	0	851	851
Retainage Payable	0	40,002	0	0	40,002
Due to Other Governments	0	34	0	428	462
Deferred Revenue	50,462	0	0	220,687	271,149
Notes Payable	0	5,029,200	0	454,000	5,483,200
Accrued Interest Payable	0	25,280	0	2,904	28,184
Loan Payable	0	500,000	0	0	500,000
Total Liabilities	<u>50,462</u>	<u>5,876,116</u>	<u>0</u>	<u>678,870</u>	<u>6,605,448</u>
<u>Fund Equity</u>					
Fund Balance:					
Reserved:					
Reserved for Encumbrances	0	550,465	0	14,778	565,243
Unreserved (Deficit)	<u>75,259</u>	<u>(665,025)</u>	<u>3,634</u>	<u>(293,513)</u>	<u>(879,645)</u>
Total Fund Equity (Deficit)	<u>75,259</u>	<u>(114,560)</u>	<u>3,634</u>	<u>(278,735)</u>	<u>(314,402)</u>
Total Liabilities and Fund Equity	<u>\$125,721</u>	<u>\$5,761,556</u>	<u>\$3,634</u>	<u>\$400,135</u>	<u>\$6,291,046</u>

City of Sandusky
Capital Projects Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2000

	<u>Capital Improvement</u>	<u>Capital Projects</u>	<u>Redevelopment Tax Increment</u>	<u>Special Assessment Improvement</u>	<u>Total</u>
<u>Revenues</u>					
Municipal Income Taxes	\$332,563	\$0	\$0	\$0	\$332,563
Payment in Lieu of Taxes	0	0	103,116	0	103,116
Special Assessments	0	0	0	207,372	207,372
Intergovernmental	0	688,975	0	0	688,975
Charges for Services	0	345,675	0	2,908	348,583
Fees, Licenses, and Permits	0	58,952	0	0	58,952
Interest	0	28,590	0	13,316	41,906
Other	0	291,351	0	170	291,521
Total Revenues	<u>332,563</u>	<u>1,413,543</u>	<u>103,116</u>	<u>223,766</u>	<u>2,072,988</u>
<u>Expenditures</u>					
Capital Outlay	0	8,727,695	0	428,859	9,156,554
Debt Service:					
Interest and Fiscal Charges	0	152,457	0	69,172	221,629
Total Expenditures	<u>0</u>	<u>8,880,152</u>	<u>0</u>	<u>498,031</u>	<u>9,378,183</u>
Excess of Revenues Over (Under) Expenditures	<u>332,563</u>	<u>(7,466,609)</u>	<u>103,116</u>	<u>(274,265)</u>	<u>(7,305,195)</u>
<u>Other Financing Sources (Uses)</u>					
Proceeds of Bonds	0	6,000,000	0	254,000	6,254,000
Operating Transfers - In	1,741,387	3,726,850	0	1,325,173	6,793,410
Operating Transfers - Out	<u>(2,367,784)</u>	<u>(11,339)</u>	<u>(100,000)</u>	<u>0</u>	<u>(2,479,123)</u>
Total Other Financing Sources (Uses)	<u>(626,397)</u>	<u>9,715,511</u>	<u>(100,000)</u>	<u>1,579,173</u>	<u>10,568,287</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(293,834)</u>	<u>2,248,902</u>	<u>3,116</u>	<u>1,304,908</u>	<u>3,263,092</u>
Fund Balances (Deficit) at Beginning of Year	<u>369,093</u>	<u>(2,363,462)</u>	<u>518</u>	<u>(1,583,643)</u>	<u>(3,577,494)</u>
Fund Balances (Deficit) at End of Year	<u>\$75,259</u>	<u>(\$114,560)</u>	<u>\$3,634</u>	<u>(\$278,735)</u>	<u>(\$314,402)</u>

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Taxes	\$344,891	\$363,198	\$18,307
Intergovernmental	14,278	14,278	0
Total Revenues	<u>359,169</u>	<u>377,476</u>	<u>18,307</u>
<u>Expenditures</u>			
	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>359,169</u>	<u>377,476</u>	<u>18,307</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	2,291,387	1,741,387	(550,000)
Operating Transfers - Out	<u>(2,418,232)</u>	<u>(2,367,784)</u>	<u>50,448</u>
Total Other Financing Sources (Uses)	<u>(126,845)</u>	<u>(626,397)</u>	<u>(499,552)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	232,324	(248,921)	(481,245)
Fund Balance at Beginning of Year	<u>286,645</u>	<u>286,645</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$518,969</u></u>	<u><u>\$37,724</u></u>	<u><u>(\$481,245)</u></u>

City of Sandusky
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$531,661	\$688,975	\$157,314
Charges for Services	288,012	345,675	57,663
Fees, Licenses, and Permits	44,623	56,505	11,882
Interest	39,276	39,276	0
Other	212,130	235,897	23,767
Total Revenues	1,115,702	1,366,328	250,626
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire	32,361	31,896	465
Leisure Time Activities			
Dorn Community Complex	55	55	0
Mills Creek Golf Course	61	61	0
Boat Launch Ramp	3	3	0
West Battery Launch	4	4	0
Total Leisure Time Activities	123	123	0
Community Environment			
City Wide Economic Development	6,202	6,016	186
Remove Unsafe Buildings	60	60	0
Schade/Mylander Plaza	3,815	3,815	0
A-F-99-172 CDBG 99-00	210	184	26
Downtown Revitalization	118,694	97,242	21,452
Total Community Environment	128,981	107,317	21,664
Transportation			
Columbus Avenue Underpass	2,383	2,383	0
West End Grade Separation	40,927	40,911	16
Lane Street Improvements	4	4	0
Street Resurfacing 1997	11	11	0
Issue II 1999 Resurfacing	5	5	0
Issue II 1997 Resurfacing	239	235	4
Shoreline Walkway	600	574	26
Jackson Street Pier	14	14	0
Remington	3,135	3,094	41
Hancock Street Parking Lot	19	19	0
Total Transportation	47,337	47,250	87

(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, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
General Government			
City Hall	\$384	\$384	\$0
Amtrak Station	9,076	9,076	0
Court/Law Renovation	9,038	9,038	0
Amtrak Vehicle Storage	195	195	0
City Complex Relocation	23,752	23,752	0
Other	568	568	0
Administrative Support	50,000	0	50,000
Total General Government	93,013	43,013	50,000
Capital Outlay	10,647,846	10,179,144	468,702
Debt Service:			
Principal Retirement	7,780,032	7,761,200	18,832
Interest and Fiscal Charges	94,742	94,658	84
Total Debt Service	7,874,774	7,855,858	18,916
Total Expenditures	18,824,435	18,264,601	559,834
Excess of Revenues Under Expenditures	(17,708,733)	(16,898,273)	810,460
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	214,258	96,390	(117,868)
Proceeds of Bonds	6,000,000	6,000,000	0
Proceeds of Notes	1,961,082	5,561,000	3,599,918
Operating Transfers - In	2,763,088	2,713,617	(49,471)
Operating Transfers - Out	(11,339)	(11,339)	0
Total Other Financing Sources (Uses)	10,927,089	14,359,668	3,432,579
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(6,781,644)	(2,538,605)	4,243,039
Fund Balance at Beginning of Year	730,832	730,832	0
Prior Year Encumbrances Appropriated	6,840,460	6,840,460	0
Fund Balance at End of Year	\$789,648	\$5,032,687	\$4,243,039

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, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$103,000	\$103,116	\$116
<u>Expenditures</u>			
	0	0	0
Excess of Revenues Over Expenditures	103,000	103,116	116
<u>Other Financing Uses</u>			
Operating Transfers - Out	(100,000)	(100,000)	0
Excess of Revenues Over Expenditures and Other Financing Uses	3,000	3,116	116
Fund Balance at Beginning of Year	518	518	0
Fund Balance at End of Year	<u>\$3,518</u>	<u>\$3,634</u>	<u>\$116</u>

City of Sandusky
Special Assessment 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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$211,239	\$207,372	(\$3,867)
Charges for Services	456,400	2,908	(453,492)
Interest	2,353	13,316	10,963
Other	49	49	0
Total Revenues	670,041	223,645	(446,396)
<u>Expenditures</u>			
Current:			
Community Environment			
Remove Unsafe Buildings	4	4	0
Nuisance Removal	2,951	2,400	551
Total Community Environment	2,955	2,404	551
Transportation			
Sandusky Streetscape	11	11	0
Wilbert Street II	107	107	0
Sidewalk-Curb-Gutter-2000	65,110	47,837	17,273
Sidewalk-Curb-Gutter-1999	4,840	4,840	0
Remington	5	5	0
Winnebago	5	5	0
Total Transportation	70,078	52,805	17,273
Capital Outlay	487,322	467,567	19,755
Debt Service:			
Principal Retirement	476,009	455,400	20,609
Interest and Fiscal Charges	35,385	35,385	0
Total Debt Service	511,394	490,785	20,609
Total Expenditures	1,071,749	1,013,561	58,188
Excess of Revenues Under Expenditures	(401,708)	(789,916)	(388,208)
<u>Other Financing Sources</u>			
Other Financing Sources	0	121	121
Proceeds of Bonds	263,194	254,000	(9,194)
Proceeds of Notes	77,400	531,400	454,000
Operating Transfers - In	8,693	7,716	(977)
Total Other Financing Sources	349,287	793,237	443,950

(continued)

City of Sandusky
Special Assessment 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, 2000
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(\$52,421)	\$3,321	\$55,742
Fund Balance at Beginning of Year	129,994	129,994	0
Prior Year Encumbrances Appropriated	<u>31,355</u>	<u>31,355</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$108,928</u></u>	<u><u>\$164,670</u></u>	<u><u>\$55,742</u></u>

City of Sandusky
Total - Capital Projects Funds

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Taxes	\$344,891	\$363,198	\$18,307
Payment in Lieu of Taxes	103,000	103,116	116
Special Assessments	211,239	207,372	(3,867)
Intergovernmental	545,939	703,253	157,314
Charges for Services	744,412	348,583	(395,829)
Fees, Licenses, and Permits	44,623	56,505	11,882
Interest	41,629	52,592	10,963
Other	212,179	235,946	23,767
Total Revenues	2,247,912	2,070,565	(177,347)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire	32,361	31,896	465
Leisure Time Activities			
Dorn Community Complex	55	55	0
Mills Creek Golf Course	61	61	0
Boat Launch Ramp	3	3	0
West Battery Launch	4	4	0
Total Leisure Time Activities	123	123	0
Community Environment			
City Wide Economic Development	6,202	6,016	186
Remove Unsafe Buildings	64	64	0
Schade/Mylander Plaza	3,815	3,815	0
A-F-99-172 CDBG 99-00	210	184	26
Downtown Revitalization	118,694	97,242	21,452
Nuisance Removal	2,951	2,400	551
Total Community Environment	131,936	109,721	22,215
Transportation			
Sandusky Streetscape	11	11	0
Columbus Avenue Underpass	2,383	2,383	0
West End Grade Separation	40,927	40,911	16
Lane Street Improvements	4	4	0
Street Resurfacing 1997	11	11	0
Issue II 1999 Resurfacing	5	5	0
Issue II 1997 Resurfacing	239	235	4
Shoreline Walkway	600	574	26
Jackson Street Pier	14	14	0
Wilbert St II	107	107	0
Sidewalk-Curb-Gutter-2000	65,110	47,837	17,273
Sidewalk-Curb-Gutter-1999	4,840	4,840	0
Remington	3,140	3,099	41

(continued)

City of Sandusky
Total - Capital Projects Funds

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Transportation (continued)			
Hancock Street Parking Lot	\$19	\$19	\$0
Winnebago	5	5	0
Total Transportation	117,415	100,055	17,360
General Government			
City Hall	384	384	0
Amtrak Station	9,076	9,076	0
Court/Law Renovation	9,038	9,038	0
Amtrak Vehicle Storage	195	195	0
City Complex Relocation	23,752	23,752	0
Other	568	568	0
Administrative Support	50,000	0	50,000
Total General Government	93,013	43,013	50,000
Capital Outlay	11,135,168	10,646,711	488,457
Debt Service:			
Principal Retirement	8,256,041	8,216,600	39,441
Interest and Fiscal Charges	130,127	130,043	84
Total Debt Service	8,386,168	8,346,643	39,525
Total Expenditures	19,896,184	19,278,162	618,022
Excess of Revenues Under Expenditures	(17,648,272)	(17,207,597)	440,675
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	214,258	96,511	(117,747)
Proceeds of Bonds	6,263,194	6,254,000	(9,194)
Proceeds of Notes	2,038,482	6,092,400	4,053,918
Operating Transfers - In	5,063,168	4,462,720	(600,448)
Operating Transfers - Out	(2,529,571)	(2,479,123)	50,448
Total Other Financing Sources (Uses)	11,049,531	14,426,508	3,376,977
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(6,598,741)	(2,781,089)	3,817,652
Fund Balance at Beginning of Year	1,147,989	1,147,989	0
Prior Year Encumbrances Appropriated	6,871,815	6,871,815	0
Fund Balance at End of Year	\$1,421,063	\$5,238,715	\$3,817,652

ENTERPRISE FUNDS

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Water Fund

To account for operations of the water distribution system within the City and for the sale of water to Erie County.

Sewer Fund

To account for operations of the sewer collection system within the City and for the sale of sewer service to Erie County.

City of Sandusky
Enterprise Funds

Combining Balance Sheet
December 31, 2000

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,888,268	\$721,194	\$3,609,462
Receivables:			
Accounts	171,416	311,678	483,094
Due from Other Governments	111,709	59,979	171,688
Materials and Supplies Inventory	445,899	74,278	520,177
Prepaid Items	23,482	26,689	50,171
Total Current Assets	<u>3,640,774</u>	<u>1,193,818</u>	<u>4,834,592</u>
Non-Current Assets:			
Fixed Assets (net of accumulated depreciation)	<u>5,984,090</u>	<u>12,735,449</u>	<u>18,719,539</u>
Total Assets	<u>\$9,624,864</u>	<u>\$13,929,267</u>	<u>\$23,554,131</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$27,086	\$53,847	\$80,933
Contracts Payable	0	81,913	81,913
Accrued Wages Payable	36,849	36,498	73,347
Retainage Payable	0	29,344	29,344
Due to Other Governments	44,803	57,955	102,758
Notes Payable	243,000	2,235,000	2,478,000
Accrued Interest Payable	17,133	56,461	73,594
Compensated Absences Payable	1,591	2,341	3,932
OWDA Loans Payable	48,330	0	48,330
General Obligation Bonds Payable	213,500	75,500	289,000
Total Current Liabilities	<u>632,292</u>	<u>2,628,859</u>	<u>3,261,151</u>
Non-Current Liabilities:			
Compensated Absences Payable	184,724	227,190	411,914
OWDA Loans Payable	748,916	4,864,800	5,613,716
General Obligation Bonds Payable	1,400,000	493,000	1,893,000
Total Non-Current Liabilities	<u>2,333,640</u>	<u>5,584,990</u>	<u>7,918,630</u>
Total Liabilities	<u>2,965,932</u>	<u>8,213,849</u>	<u>11,179,781</u>
<u>Fund Equity</u>			
Retained Earnings:			
Unreserved	6,109,107	3,288,859	9,397,966
Contributed Capital:			
Contributed from Property Taxes	0	148,561	148,561
Contributed from Special Assessments	326,916	541,319	868,235
Contributed from Intergovernmental Sources	185,308	711,621	896,929
Contributed from Other Funds	16,636	977,964	994,600
Contributed from Developers	20,965	47,094	68,059
Total Fund Equity	<u>6,658,932</u>	<u>5,715,418</u>	<u>12,374,350</u>
Total Liabilities and Fund Equity	<u>\$9,624,864</u>	<u>\$13,929,267</u>	<u>\$23,554,131</u>

City of Sandusky
Enterprise Funds

Combining Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended December 31, 2000

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for Services	\$3,079,022	\$3,732,347	\$6,811,369
Other Operating Revenues	<u>4,552</u>	<u>6,033</u>	<u>10,585</u>
Total Operating Revenues	<u>3,083,574</u>	<u>3,738,380</u>	<u>6,821,954</u>
<u>Operating Expenses</u>			
Personal Services	1,666,283	1,763,849	3,430,132
Travel and Transportation	17,156	12,826	29,982
Contractual Services	462,703	884,734	1,347,437
Materials and Supplies	125,867	137,286	263,153
Depreciation	245,288	420,606	665,894
Other Operating Expenses	<u>948</u>	<u>958</u>	<u>1,906</u>
Total Operating Expenses	<u>2,518,245</u>	<u>3,220,259</u>	<u>5,738,504</u>
Operating Income	<u>565,329</u>	<u>518,121</u>	<u>1,083,450</u>
<u>Non-Operating Revenues (Expenses)</u>			
Gain on Sale of Fixed Assets	1,541	13,002	14,543
Interest Income	132	326	458
Interest Expense	<u>(161,993)</u>	<u>(159,651)</u>	<u>(321,644)</u>
Total Non-Operating Revenues (Expenses)	<u>(160,320)</u>	<u>(146,323)</u>	<u>(306,643)</u>
Income Before Operating Transfers	405,009	371,798	776,807
Operating Transfers - Out	<u>(4)</u>	<u>(169,444)</u>	<u>(169,448)</u>
Net Income	405,005	202,354	607,359
Depreciation on Fixed Assets Acquired by Contributed Capital	19,110	179,410	198,520
Retained Earnings at Beginning of Year	<u>5,684,992</u>	<u>2,907,095</u>	<u>8,592,087</u>
Retained Earnings at End of Year	<u>6,109,107</u>	<u>3,288,859</u>	<u>9,397,966</u>
Contributed Capital at Beginning of Year	553,236	2,524,955	3,078,191
Contributed from Other Funds	15,699	81,014	96,713
Depreciation on Fixed Assets Acquired by Contributed Capital	<u>(19,110)</u>	<u>(179,410)</u>	<u>(198,520)</u>
Contributed Capital at End of Year	<u>549,825</u>	<u>2,426,559</u>	<u>2,976,384</u>
Total Fund Equity at End of Year	<u><u>\$6,658,932</u></u>	<u><u>\$5,715,418</u></u>	<u><u>\$12,374,350</u></u>

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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$3,241,700	\$3,081,701	(\$159,999)
Proceeds of Notes	243,000	243,000	0
Proceeds of OWDA Loans	545,937	539,252	(6,685)
Sale of Fixed Assets	3,000	1,541	(1,459)
Interest Income	0	132	132
Other	11,084	4,552	(6,532)
Total Revenues	4,044,721	3,870,178	(174,543)
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	79,635	78,350	1,285
Waterworks Filtration	761,798	713,017	48,781
Waterworks Distribution	572,630	547,388	25,242
Administrative Support	304,843	302,704	2,139
Total Personal Services	1,718,906	1,641,459	77,447
<u>Travel and Transportation</u>			
Water Office	1,000	242	758
Waterworks Filtration	14,576	10,151	4,425
Waterworks Distribution	7,155	6,224	931
Administrative Support	2,280	2,181	99
Total Travel and Transportation	25,011	18,798	6,213
<u>Contractual Services</u>			
Water Office	26,212	24,076	2,136
Waterworks Filtration	436,840	433,885	2,955
Waterworks Distribution	12,375	11,088	1,287
Administrative Support	111,871	108,980	2,891
Total Contractual Services	587,298	578,029	9,269
<u>Materials and Supplies</u>			
Water Office	2,856	2,293	563
Waterworks Filtration	252,244	240,909	11,335
Waterworks Distribution	142,069	138,194	3,875
Administrative Support	34,813	28,776	6,037
Total Materials and Supplies	431,982	410,172	21,810
<u>Other</u>			
Administrative Support	2,164	948	1,216

(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, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay			
Water Office	\$152,901	\$152,246	\$655
Waterworks Filtration	129,447	127,894	1,553
Waterworks Distribution	599,013	599,006	7
Administrative Support	22,306	22,304	2
	<u>903,667</u>	<u>901,450</u>	<u>2,217</u>
Total Capital Outlay			
Debt Service:			
Principal Retirement	516,652	514,471	2,181
Interest and Fiscal Charges	160,962	160,962	0
	<u>677,614</u>	<u>675,433</u>	<u>2,181</u>
Total Debt Service			
Total Expenses	<u>4,346,642</u>	<u>4,226,289</u>	<u>120,353</u>
Excess of Revenues Under Expenses	(301,921)	(356,111)	(54,190)
Operating Transfers - Out	<u>(4)</u>	<u>(4)</u>	<u>0</u>
Excess of Revenues Under Expenses and Transfers	(301,925)	(356,115)	(54,190)
Fund Balance at Beginning of Year	2,202,548	2,202,548	0
Prior Year Encumbrances Appropriated	<u>596,262</u>	<u>596,262</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,496,885</u></u>	<u><u>\$2,442,695</u></u>	<u><u>(\$54,190)</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, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$3,699,200	\$3,713,513	\$14,313
Proceeds of Notes	4,392,600	4,392,600	0
Proceeds of OWDA Loans	4,351,599	2,769,210	(1,582,389)
Sale of Fixed Assets	2,000	13,709	11,709
Interest Income	0	326	326
Other	20,023	6,033	(13,990)
Total Revenues	12,465,422	10,895,391	(1,570,031)
<u>Expenses</u>			
<u>Personal Services</u>			
Sewer Office	81,827	78,349	3,478
Water Pollution Control	949,975	885,892	64,083
Sewer Maintenance	504,807	461,103	43,704
Administrative Support	304,245	302,156	2,089
Total Personal Services	1,840,854	1,727,500	113,354
<u>Travel and Transportation</u>			
Sewer Office	1,000	242	758
Water Pollution Control	9,392	9,392	0
Sewer Maintenance	5,289	1,226	4,063
Administrative Support	2,181	2,158	23
Total Travel and Transportation	17,862	13,018	4,844
<u>Contractual Services</u>			
Sewer Office	23,957	23,957	0
Water Pollution Control	607,153	554,139	53,014
Sewer Maintenance	151,550	147,905	3,645
Administrative Support	270,965	257,119	13,846
Total Contractual Services	1,053,625	983,120	70,505
<u>Materials and Supplies</u>			
Sewer Office	2,821	2,256	565
Water Pollution Control	241,269	234,825	6,444
Sewer Maintenance	83,512	80,125	3,387
Administrative Support	31,478	27,596	3,882
Total Materials and Supplies	359,080	344,802	14,278
<u>Other</u>			
Administrative Support	2,164	958	1,206
<u>Capital Outlay</u>			
Sewer Office	857	857	0
Water Pollution Control	3,055,700	3,054,545	1,155
Sewer Maintenance	1,572,398	1,571,037	1,361
Administrative Support	22,306	22,304	2
Total Capital Outlay	4,651,261	4,648,743	2,518

(continued)

City of Sandusky
Sewer Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Debt Service:			
Principal Retirement	\$4,537,717	\$4,537,717	\$0
Interest and Fiscal Charges	<u>191,012</u>	<u>186,500</u>	<u>4,512</u>
Total Debt Service	<u>4,728,729</u>	<u>4,724,217</u>	<u>4,512</u>
Total Expenses	<u>12,653,575</u>	<u>12,442,358</u>	<u>211,217</u>
Excess of Revenues Under Expenses	(188,153)	(1,546,967)	(1,358,814)
Fund Balance (Deficit) at Beginning of Year	(2,007,970)	(2,007,970)	0
Prior Year Encumbrances Appropriated	<u>3,188,891</u>	<u>3,188,891</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$992,768</u></u>	<u><u>(\$366,046)</u></u>	<u><u>(\$1,358,814)</u></u>

City of Sandusky
Total - Enterprise Funds

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$6,940,900	\$6,795,214	(\$145,686)
Proceeds of Notes	4,635,600	4,635,600	0
Proceeds of OWDA Loans	4,897,536	3,308,462	(1,589,074)
Sale of Fixed Assets	5,000	15,250	10,250
Interest Income	0	458	458
Other	31,107	10,585	(20,522)
Total Revenues	16,510,143	14,765,569	(1,744,574)
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	79,635	78,350	1,285
Waterworks Filtration	761,798	713,017	48,781
Waterworks Distribution	572,630	547,388	25,242
Sewer Office	81,827	78,349	3,478
Water Pollution Control	949,975	885,892	64,083
Sewer Maintenance	504,807	461,103	43,704
Administrative Support	609,088	604,860	4,228
Total Personal Services	3,559,760	3,368,959	190,801
<u>Travel and Transportation</u>			
Water Office	1,000	242	758
Waterworks Filtration	14,576	10,151	4,425
Waterworks Distribution	7,155	6,224	931
Sewer Office	1,000	242	758
Water Pollution Control	9,392	9,392	0
Sewer Maintenance	5,289	1,226	4,063
Administrative Support	4,461	4,339	122
Total Travel and Transportation	42,873	31,816	11,057
<u>Contractual Services</u>			
Water Office	26,212	24,076	2,136
Waterworks Filtration	436,840	433,885	2,955
Waterworks Distribution	12,375	11,088	1,287
Sewer Office	23,957	23,957	0
Water Pollution Control	607,153	554,139	53,014
Sewer Maintenance	151,550	147,905	3,645
Administrative Support	382,836	366,099	16,737
Total Contractual Services	1,640,923	1,561,149	79,774

(continued)

City of Sandusky
Total - Enterprise Funds

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2000
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Materials and Supplies			
Water Office	\$2,856	\$2,293	\$563
Waterworks Filtration	252,244	240,909	11,335
Waterworks Distribution	142,069	138,194	3,875
Sewer Office	2,821	2,256	565
Water Pollution Control	241,269	234,825	6,444
Sewer Maintenance	83,512	80,125	3,387
Administrative Support	66,291	56,372	9,919
Total Materials and Supplies	<u>791,062</u>	<u>754,974</u>	<u>36,088</u>
Other			
Administrative Support	4,328	1,906	2,422
Capital Outlay			
Water Office	152,901	152,246	655
Waterworks Filtration	129,447	127,894	1,553
Waterworks Distribution	599,013	599,006	7
Sewer Office	857	857	0
Water Pollution Control	3,055,700	3,054,545	1,155
Sewer Maintenance	1,572,398	1,571,037	1,361
Administrative Support	44,612	44,608	4
Total Capital Outlay	<u>5,554,928</u>	<u>5,550,193</u>	<u>4,735</u>
Debt Service:			
Principal Retirement	5,054,369	5,052,188	2,181
Interest and Fiscal Charges	351,974	347,462	4,512
Total Debt Service	<u>5,406,343</u>	<u>5,399,650</u>	<u>6,693</u>
Total Expenses	<u>17,000,217</u>	<u>16,668,647</u>	<u>331,570</u>
Excess of Revenues Under Expenses	(490,074)	(1,903,078)	(1,413,004)
Operating Transfers - Out	<u>(4)</u>	<u>(4)</u>	<u>0</u>
Excess of Revenues Under Expenses and Transfers	(490,078)	(1,903,082)	(1,413,004)
Fund Balance at Beginning of Year	194,578	194,578	0
Prior Year Encumbrances Appropriated	<u>3,785,153</u>	<u>3,785,153</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,489,653</u></u>	<u><u>\$2,076,649</u></u>	<u><u>(\$1,413,004)</u></u>

City of Sandusky
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2000

	Water	Sewer	Total
Increases (Decreases) in Cash and Cash Equivalents			
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$3,081,701	\$3,713,513	\$6,795,214
Cash Payments for Personal Services	(1,640,560)	(1,725,637)	(3,366,197)
Cash Payments for Contractual Services	(467,098)	(908,607)	(1,375,705)
Cash Payments to Suppliers	(381,059)	(388,434)	(769,493)
Cash Received from Other Revenues	4,552	6,033	10,585
Cash Payments for Other Expenses	(948)	(958)	(1,906)
Net Cash Provided by Operating Activities	596,588	695,910	1,292,498
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Transfers - Out	(4)	(169,444)	(169,448)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Principal Paid on Bond Anticipation Notes	(260,000)	(4,271,900)	(4,531,900)
Principal Paid on OWDA Loans	(40,971)	(55,924)	(96,895)
Principal Paid on General Obligation Bonds	(213,500)	(75,500)	(289,000)
Interest Paid on Bond Anticipation Notes	(10,725)	(101,668)	(112,393)
Interest Paid on OWDA Loans	(23,085)	(14,177)	(37,262)
Interest Paid on General Obligation Bonds	(127,152)	(35,604)	(162,756)
Proceeds of Notes	243,000	4,392,600	4,635,600
Proceeds of OWDA Loans	539,252	2,769,210	3,308,462
Sale of Fixed Assets	1,541	13,709	15,250
Acquisition of Fixed Assets	(615,492)	(3,607,139)	(4,222,631)
Net Cash Used for Capital and Related Financing Activities	(507,132)	(986,393)	(1,493,525)
<u>Cash Flows from Investing Activities</u>			
Interest Income	132	326	458
Net Increase (Decrease) in Cash and Cash Equivalents	89,584	(459,601)	(370,017)
Cash and Cash Equivalents at Beginning of Year	2,798,684	1,180,795	3,979,479
Cash and Cash Equivalents at End of Year	\$2,888,268	\$721,194	\$3,609,462

(continued)

City of Sandusky
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2000
(continued)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>			
Operating Income	\$565,329	\$518,121	\$1,083,450
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>			
Depreciation	245,288	420,606	665,894
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	3,104	(19,564)	(16,460)
(Increase) Decrease in Due from Other Governments	(425)	730	305
Increase in Materials and Supplies Inventory	(154,021)	(1,185)	(155,206)
Increase in Prepaid Items	(7,456)	(8,452)	(15,908)
Decrease in Accounts Payable	(12,802)	(24,419)	(37,221)
Decrease in Contracts Payable	(55,923)	(181,593)	(237,516)
Increase in Accrued Wages Payable	15,286	12,944	28,230
Decrease in Retainage Payable	(13,157)	(44,304)	(57,461)
Decrease in Due to Other Governments	(5,372)	(11,213)	(16,585)
Increase in Compensated Absences Payable	16,737	34,239	50,976
Net Cash Provided by Operating Activities	<u>\$596,588</u>	<u>\$695,910</u>	<u>\$1,292,498</u>

Noncash Capital Transactions

In 2000, fixed assets were constructed in the Special Assessment Improvement capital projects fund, in the amount of \$96,713; \$15,699 was donated to the Water enterprise fund and \$81,014 was donated to the Sewer enterprise fund. These fixed assets were capitalized and recorded as contributed capital in the Water and Sewer enterprise funds.

AGENCY FUNDS

Agency 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.

State Patrol Transfer Fund

To account for monies deposited with the municipal court pending disposition to the City of Sandusky and the Erie County Law Library.

Guaranteed Deposits Fund

To account for monies deposited by contractors to guarantee the satisfactory completion of a job or project. These monies 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 Fund

To account for bonds and other monies deposited with the municipal court pending final disposition of the various cases.

BSF Assessment Fund

To account for monies received and distributed pursuant to Ohio Revised Code Sections 3781.102 and 5705.09(F) regarding the building standards fee assessment.

Income Tax Garnishment Fund

To account for monies deposited by the City for garnishing the wages of delinquent income tax accounts. These monies include both uncashed \$1 garnishment checks and the amount available for garnishment checks.

Employee Series E Bonds Fund

To account for monies deposited from payroll deductions for the purchase of Series E Bonds for individuals as requested.

Police Temporary Deposit Fund

To account for monies for which the police department has temporary custody due to drug law enforcement or contraband. This money is held on deposit until the court requests the funds.

City of Sandusky
Agency Funds

Combing Balance Sheet
December 31, 2000

	<u>State Patrol Transfer</u>	<u>Guaranteed Deposits</u>	<u>Sandusky Municipal Court</u>	<u>BSF Assessment</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$2,332</u>	<u>\$44,824</u>	<u>\$86,795</u>	<u>\$189</u>
<u>Liabilities</u>				
Due to Other Funds	\$842	\$0	\$0	\$0
Undistributed Assets	<u>1,490</u>	<u>44,824</u>	<u>86,795</u>	<u>189</u>
Total Liabilities	<u>\$2,332</u>	<u>\$44,824</u>	<u>\$86,795</u>	<u>\$189</u>

<u>Income Tax Garnishment</u>	<u>Employee Series E Bonds</u>	<u>Police Temporary Deposit</u>	<u>Total</u>
<u>\$262</u>	<u>\$330</u>	<u>\$20,172</u>	<u>\$154,904</u>
\$0	\$0	\$0	\$842
<u>262</u>	<u>330</u>	<u>20,172</u>	<u>154,062</u>
<u>\$262</u>	<u>\$330</u>	<u>\$20,172</u>	<u>\$154,904</u>

City of Sandusky
Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2000

	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
<u>State Patrol Transfer</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,093	\$33,345	\$32,106	\$2,332
<u>Liabilities</u>				
Due to Other Funds	\$0	\$842	\$0	\$842
Undistributed Assets	1,093	32,503	32,106	1,490
Total Liabilities	\$1,093	\$33,345	\$32,106	\$2,332
<u>Guaranteed Deposits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$33,909	\$10,958	\$43	\$44,824
<u>Liabilities</u>				
Undistributed Assets	\$33,909	\$10,958	\$43	\$44,824
<u>Sandusky Municipal Court</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$104,610	\$2,726,090	\$2,743,905	\$86,795
<u>Liabilities</u>				
Undistributed Assets	\$104,610	\$2,726,090	\$2,743,905	\$86,795
<u>BSF Assessment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$2,037	\$1,848	\$189
<u>Liabilities</u>				
Undistributed Assets	\$0	\$2,037	\$1,848	\$189
<u>Income Tax Garnishment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$497	\$1,400	\$1,635	\$262
<u>Liabilities</u>				
Undistributed Assets	\$497	\$1,400	\$1,635	\$262
<u>Employee Series E Bonds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$277	\$16,278	\$16,225	\$330
<u>Liabilities</u>				
Undistributed Assets	\$277	\$16,278	\$16,225	\$330

(continued)

City of Sandusky
Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2000
(continued)

	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
<u>Police Temporary Deposit</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$21,255	\$3,134	\$4,217	\$20,172
<u>Liabilities</u>				
Undistributed Assets	\$21,255	\$3,134	\$4,217	\$20,172
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$161,641	\$2,793,242	\$2,799,979	\$154,904
<u>Liabilities</u>				
Due to Other Funds	\$0	\$842	\$0	\$842
Undistributed Assets	161,641	2,792,400	2,799,979	154,062
Total Liabilities	\$161,641	\$2,793,242	\$2,799,979	\$154,904

GENERAL FIXED ASSETS
ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for all fixed assets of the City, except those accounted for in the enterprise funds.

City of Sandusky
Schedule of General Fixed Assets
by Program and Department
December 31, 2000

Program/Department	Total	Land	Buildings	Improvement Other Than Buildings	Furniture, Fixtures, and Equipment	Construction in Progress
Security of Persons and Property						
Administrative	\$1,100,142	\$14,268	\$477,444	\$11,400	\$585,173	\$11,857
Police	1,006,444	0	0	8,464	997,980	0
Fire	2,022,153	0	15,595	4,920	1,819,574	182,064
Traffic Control	334,054	0	0	132,756	201,298	0
Total Security of Persons and Property	4,462,793	14,268	493,039	157,540	3,604,025	193,921
Public Health						
Administrative	733,386	32,189	299,883	322,655	14,346	64,313
Oakland Cemetery	420,853	0	47,200	32,475	341,178	0
Total Public Health	1,154,239	32,189	347,083	355,130	355,524	64,313
Leisure Time Activities						
Administrative	5,769,503	1,144,030	1,953,529	2,653,945	17,999	0
Parks and Greenhouse	63,933	0	12,358	18,798	32,777	0
Dorn Community Complex	135,800	0	0	135,800	0	0
Aquatic Center	46,995	0	3,817	8,658	34,520	0
Mills Creek Golf Course	412,845	0	28,580	162,798	221,467	0
Recreation	613,301	0	0	255,270	322,612	35,419
Boat Launch Ramp	256,609	0	0	248,979	0	7,630
Total Leisure Time Activities	7,298,986	1,144,030	1,998,284	3,484,248	629,375	43,049
Community Environment						
Administrative	1,078,920	759,874	1,822	191,152	126,072	0
Planning	141,970	19,500	0	15,034	107,436	0
Schade/Mylander Plaza	95,463	0	0	0	0	95,463
Forestry	1,483,713	0	0	0	263,687	1,220,026
Horticulture Services	342,469	0	0	35,900	306,569	0
Total Community Environment	3,142,535	779,374	1,822	242,086	803,764	1,315,489
Transportation						
Administrative	2,374,303	892,444	167,953	1,313,906	0	0
Street Maintenance	1,060,175	0	0	0	1,060,175	0
Street Cleaning	19,967	0	0	0	19,967	0
Public Transit System	78,416	0	0	0	78,416	0
Butler Street Ramp	57,085	57,085	0	0	0	0
Winnebago	19,169	0	0	0	0	19,169
Total Transportation	3,609,115	949,529	167,953	1,313,906	1,158,558	19,169
General Government						
Administrative	11,101,033	352,610	4,627,537	374,068	151,588	5,595,230
City Manager	89,639	0	0	32,376	57,263	0
Personnel Labor Relations	2,949	0	0	0	2,949	0
Purchasing	3,273	0	0	0	3,273	0
Finance	501,305	0	0	0	57,793	443,512
Income Tax	46,173	0	0	0	46,173	0
Data Processing	265,448	0	0	0	265,448	0
Law Director	18,396	0	0	0	18,396	0
City Commission	12,339	0	0	0	12,339	0
Municipal Court	62,529	0	0	0	62,529	0
Municipal Buildings and Lands	154,587	0	0	137,688	16,899	0
Grounds Maintenance	331,416	22,451	21,157	25,180	262,628	0
Engineering	1,453,235	0	371,567	745,564	336,104	0
Traffic and Electrical Maintenance	120,371	0	0	0	120,371	0
Mechanic	93,367	0	0	0	93,367	0
Court/Law Renovation	16,189	0	0	0	0	16,189
Amtrack Vehicle Storage	249,519	0	249,519	0	0	0
Total General Government	14,521,768	375,061	5,269,780	1,314,876	1,507,120	6,054,931
Total General Fixed Assets	\$34,189,436	\$3,294,451	\$8,277,961	\$6,867,786	\$8,058,366	\$7,690,872

City of Sandusky
Schedule of Changes in General Fixed Assets
by Program and Department
For the Year Ended December 31, 2000

Program/Department	Balance December 31, 1999	Additions	Reductions	Balance December 31, 2000
Security of Persons and Property				
Administrative	\$911,419	\$188,723	\$0	\$1,100,142
Police	993,469	111,998	99,023	1,006,444
Fire	1,811,503	214,282	3,632	2,022,153
Traffic Control	273,668	60,386	0	334,054
Total Security of Persons and Property	3,990,059	575,389	102,655	4,462,793
Public Health				
Administrative	733,386	0	0	733,386
Oakland Cemetery	378,389	42,464	0	420,853
Total Public Health	1,111,775	42,464	0	1,154,239
Leisure Time Activities				
Administrative	5,769,503	0	0	5,769,503
Parks and Greenhouse	76,733	0	12,800	63,933
Dorn Community Complex	135,800	0	0	135,800
Aquatic Center	46,995	0	0	46,995
Mills Creek Golf Course	303,239	178,640	69,034	412,845
Recreation	498,260	115,041	0	613,301
Boat Launch Ramp	256,609	0	0	256,609
Total Leisure Time Activities	7,087,139	293,681	81,834	7,298,986
Community Environment				
Administrative	950,820	128,100	0	1,078,920
Planning	126,686	15,284	0	141,970
Schade/Mylander Plaza	95,463	0	0	95,463
Forestry	267,670	1,220,026	3,983	1,483,713
Horticulture Services	246,033	96,436	0	342,469
Total Community Environment	1,686,672	1,459,846	3,983	3,142,535
Transportation				
Administrative	2,374,303	0	0	2,374,303
Street Maintenance	1,053,608	29,180	22,613	1,060,175
Street Cleaning	19,967	0	0	19,967
Public Transit System	3,786	74,630	0	78,416
Butler Street Ramp	57,085	0	0	57,085
Jackson Street Pier	427,908	0	427,908	0
Hancock Street Parking Lot	1,078	0	1,078	0
Winnebago	19,169	0	0	19,169
Total Transportation	3,956,904	103,810	451,599	3,609,115
General Government				
Administrative	6,704,356	4,396,677	0	11,101,033
City Manager	90,234	0	595	89,639
Personnel Labor Relations	1,478	1,471	0	2,949
Purchasing	3,273	0	0	3,273
Finance	57,793	443,512	0	501,305
Income Tax	47,061	0	888	46,173
Data Processing	100,518	165,483	553	265,448
Law Director	20,850	0	2,454	18,396
City Commission	11,133	1,206	0	12,339
Municipal Court	57,534	4,995	0	62,529
Municipal Buildings and Lands	154,587	0	0	154,587
Grounds Maintenance	331,416	0	0	331,416
Engineering	347,014	1,132,406	26,185	1,453,235
Traffic and Electrical Maintenance	97,596	22,775	0	120,371
Mechanic	93,367	0	0	93,367
Court/Law Renovation	948	15,241	0	16,189
Amtrack Vehicle Storage	869,756	249,519	869,756	249,519
Total General Government	8,988,914	6,433,285	900,431	14,521,768
Total General Fixed Assets	\$26,821,463	\$8,908,475	\$1,540,502	\$34,189,436

City of Sandusky
Schedule of General Fixed Assets by Source
December 31, 2000

	<u>Amounts</u>
<u>General Fixed Assets</u>	
Land	\$3,294,451
Buildings	8,277,961
Improvements Other Than Buildings	6,867,786
Furniture, Fixtures, and Equipment	8,058,366
Construction in Progress	<u>7,690,872</u>
Total General Fixed Assets	<u>\$34,189,436</u>
<u>Investment in General Fixed Assets From</u>	
General Fund Revenues	\$6,087,340
Special Revenue Fund Revenues	8,478,325
State and Federal Grants	2,278,447
Donated Assets	38,138
Bond or Note Debt	<u>17,307,186</u>
Total Investment in General Fixed Assets	<u>\$34,189,436</u>





City of Sandusky
 Governmental Fund Type Expenditures by Program
 Last Ten Years

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Public Health</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>Transportation</u>
1991	\$5,465,264	\$1,233,741	\$536,701	\$624,969	\$965,581
1992	5,696,874	482,649	573,422	640,437	1,048,700
1993	6,002,453	310,374	577,063	800,603	1,157,094
1994	6,294,997	338,042	584,691	935,575	1,435,737
1995	6,724,044	355,436	712,284	1,177,649	1,546,568
1996	6,962,467	363,946	796,013	1,062,791	1,599,905
1997	7,059,645	391,894	808,060	2,008,903	1,566,152
1998	7,361,784	280,211	606,572	1,888,166	1,929,043
1999	7,927,614	258,835	619,518	2,847,660	2,175,015
2000	8,341,499	273,223	651,004	2,447,580	2,496,429

Source: City Records

<u>General Government</u>	<u>Other</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$2,742,412	\$550	\$2,631,356	\$399,976	\$14,600,550
3,326,014	0	1,402,109	411,907	13,582,112
2,841,671	238	2,115,834	514,298	14,319,628
3,223,556	1,442	2,019,450	498,829	15,332,319
2,882,161	14,876	3,379,297	574,556	17,366,871
3,168,214	21,746	3,081,333	712,297	17,768,712
3,351,429	59,532	3,700,153	807,630	19,753,398
3,267,417	61,232	9,561,279	1,537,319	26,493,023
3,462,839	42,637	7,426,232	990,738	25,751,088
4,132,239	86,263	9,156,554	1,225,882	28,810,673

City of Sandusky
 Governmental Fund Type Revenues by Source
 Last Ten Years

Year	Property Taxes	Other Local Taxes	Municipal Income Taxes	Payment in Lieu of Taxes	Special Assessments
1991	\$1,042,995	\$2,192,522	\$4,884,478	\$0	\$541,443
1992	1,240,901	2,318,490	5,114,024	0	614,685
1993	1,209,396	2,486,361	5,373,553	0	564,575
1994	1,265,333	2,916,429	5,861,338	0	660,780
1995	1,176,602	3,227,828	6,178,675	0	572,037
1996	1,391,016	3,262,141	6,447,444	0	615,175
1997	1,400,162	2,807,588	6,449,070	0	539,703
1998	1,523,369	3,420,412	6,943,669	0	661,217
1999	1,999,129	3,493,101	7,018,275	0	811,449
2000	1,998,241	3,944,466	7,037,346	103,116	649,763

Source: City Records

<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fees, Licenses, and Permits</u>	<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
\$2,039,991	\$416,546	\$273,341	\$545,734	\$504,093	\$976,114	\$13,417,257
1,780,189	378,547	278,602	504,108	370,173	311,398	12,911,117
2,923,719	458,060	310,594	560,960	357,752	144,649	14,389,619
2,670,604	762,489	338,952	588,561	417,326	97,291	15,579,103
2,585,948	1,004,248	379,847	670,704	535,102	271,817	16,602,808
3,042,267	1,113,477	415,787	728,144	593,904	251,707	17,861,062
3,568,865	1,054,287	665,962	750,310	966,021	397,853	18,599,821
6,306,993	1,230,854	551,840	789,367	1,172,590	1,592,346	24,192,657
5,102,313	1,402,865	622,330	872,419	1,059,212	1,494,063	23,875,156
4,420,339	1,517,275	380,545	773,159	1,431,680	810,114	23,066,044

City of Sandusky
Real Property Tax Levies and Collections
Last Ten Years

<u>Collection Year</u>	<u>Net Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Net Tax Levy</u>	<u>Delinquent Charges</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Net Tax Levy</u>
1991	\$970,282	\$996,711	102.72%	\$44,749	\$10,611	\$1,007,322	103.82%
1992	1,090,752	1,078,893	98.91	32,548	43,061	1,121,954	102.86
1993	1,088,566	1,078,833	99.11	40,082	41,548	1,120,381	102.92
1994	1,091,149	1,115,407	102.22	47,851	37,772	1,153,179	105.68
1995	1,234,568	1,133,710	91.83	45,180	38,914	1,172,624	94.98
1996	1,213,738	1,140,376	93.96	58,779	40,025	1,180,401	97.25
1997	1,245,757	1,151,578	92.44	51,312	40,464	1,192,042	95.69
1998	1,358,402	1,249,264	91.97	41,665	80,126	1,329,390	97.86
1999	1,883,592	1,812,916	96.25	141,835	74,586	1,887,502	100.21
2000	1,878,167	1,811,168	96.43	145,740	75,352	1,886,520	100.44

Source: Erie County Auditor

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

Collection Year	Assessed Valuations				Estimated Actual Value
	Real	Public Utility	Tangible	Total	
1991	\$237,982,950	\$23,970,110	\$56,079,749	\$318,032,809	\$953,333,465
1992	239,617,470	25,026,790	55,860,713	320,504,973	993,565,410
1993	242,401,870	26,211,960	52,267,043	320,880,873	1,042,862,800
1994	275,371,410	52,812,280	26,472,300	354,655,990	1,043,556,890
1995	274,800,730	24,356,850	56,443,305	355,600,885	1,080,509,160
1996	282,715,850	24,170,500	60,473,494	367,359,844	1,118,712,119
1997	311,447,790	28,747,840	61,487,103	401,682,733	1,172,681,618
1998	317,091,140	24,844,230	64,355,718	406,291,088	1,191,629,636
1999	318,326,290	22,875,100	64,159,264	405,360,654	1,166,166,661
2000	350,462,030	23,655,510	65,521,406	439,638,946	1,290,281,100

Source: Erie County Auditor

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

Year	Assessed Valuation	Assessed to Market Ratio	City				Total City
			General	Fire Pension	Police Pension	Bond Levy	
1991	\$318,032,809	35%	\$3.65	\$0.30	\$0.30	\$0.00	\$4.25
1992	320,504,973	35	3.65	0.30	0.30	0.00	4.25
1993	320,881,872	50	3.65	0.30	0.30	0.00	4.25
1994	354,655,990	50	3.65	0.30	0.30	0.00	4.25
1995	355,600,885	35	3.65	0.30	0.30	0.00	4.25
1996	367,359,844	35	3.65	0.30	0.30	0.00	4.25
1997	401,682,733	35	3.65	0.30	0.30	0.00	4.25
1998	406,291,088	35	3.65	0.30	0.30	0.00	4.25
1999	405,360,654	35	3.65	0.30	0.30	1.26	5.51
2000	439,638,946	35	3.65	0.30	0.30	1.26	5.51

Source: Erie County Auditor

<u>School</u>	<u>County</u>	<u>Total</u>
\$56.95	\$7.20	\$68.40
57.70	8.00	69.95
63.10	8.00	75.35
63.10	8.00	75.35
63.10	7.80	75.15
63.10	7.80	75.15
67.20	8.30	79.75
66.84	8.30	79.39
66.84	8.30	80.65
66.04	8.30	79.85

City of Sandusky
Principal Taxpayers
December 31, 2000

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Assessed Valuation</u>	<u>Percent of Total City Assessed Valuation</u>
Cedar Point, Inc.	Theme Park	\$48,192,720	10.96%
Ohio Edison Company	Electric Utility	10,980,680	2.50
Sandusky International	Central Fugal Castings	7,573,460	1.72
Columbia Gas	Gas Utility	5,761,050	1.31
Whirley of Ohio	Thermaformed Container	5,542,230	1.26
Sandusky Limited	Port Facilities	5,309,451	1.21
Ohio Bell Telephone Company	Communications	4,348,740	0.99
Norfolk & Southern Railroad	Railroad	3,867,110	0.88
S & S Realty	Realty	3,582,690	0.82
US Tsubaki	Chain	<u>2,831,200</u>	<u>0.64</u>
Total Top Ten Taxpayers		<u>\$97,989,331</u>	<u>22.29%</u>
Total City		<u>\$439,638,946</u>	

Source: Erie County Auditor

City of Sandusky
Special Assessment Levies and Collections
Last Ten Years

Collection Year	Current Assessment Levied	Total Assessments Collected (1)	Percentage of Collections to Amount Levied	Accumulated Delinquencies (2)
1991	\$453,896	\$363,260	80.03%	\$104,779
1992	490,706	366,516	74.69	138,159
1993	460,832	423,870	91.98	194,591
1994	468,771	434,653	92.72	232,509
1995	474,115	435,287	91.81	270,517
1996	473,211	455,131	96.18	304,881
1997	463,391	446,180	96.29	333,797
1998	499,722	400,633	80.17	458,718
1999	494,836	449,241	90.79	530,898
2000	509,214	429,463	84.34	319,414

Source: Erie County Auditor

(1) Includes only those amounts billed and collected by the County.

(2) Includes penalties and interest, if applicable.

City of Sandusky
 Legal Debt Margin
 December 31, 2000

Total Assessed Valuation		\$439,638,946
Overall Debt Limitation - 10.5% of Assessed Valuation		46,162,089
Gross Indebtedness	27,120,315	
Less Debt Outside Limitation:		
Bond Anticipation Notes	2,478,000	
Special Assessment Notes	1,119,000	
OWDA Loans	5,797,457	
Special Assessment Bonds	2,901,858	
General Obligation Bonds	<u>2,182,000</u>	
Net Indebtedness	12,642,000	
Net Debt Margin Within 10.5% Limitation		<u>12,642,000</u>
Legal Debt Margin Within 10.5% Limitation		<u><u>\$33,520,089</u></u>

Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$24,180,142
Gross Indebtedness	27,120,315	
Less Debt Outside Limitation:		
Bond Anticipation Notes	2,478,000	
Special Assessment Notes	1,119,000	
OWDA Loans	5,797,457	
Special Assessment Bonds	2,901,858	
General Obligation Bonds	<u>2,182,000</u>	
Net Indebtedness	12,642,000	
Net Debt Margin Within 5.5% Limitation		<u>12,642,000</u>
Legal Debt Margin Within 5.5% Limitation		<u><u>\$11,538,142</u></u>

City of Sandusky
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Bonded Debt Per Capita
Last Ten Years

Year	Population	Assessed Value	Gross Bonded Debt (1)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1991	29,764	\$318,032,809	\$0	\$0	\$0	0.00%	\$0.00
1992	29,764	320,504,973	600,000	0	600,000	0.19	20.16
1993	29,764	320,880,873	570,000	0	570,000	0.18	19.15
1994	29,764	354,655,990	1,420,000	0	1,420,000	0.40	47.71
1995	29,764	355,600,885	1,390,000	0	1,390,000	0.39	46.70
1996	29,764	367,359,844	1,272,000	1,192,743	79,257	0.02	2.66
1997	29,764	401,682,733	1,154,000	1,293,346	0	0.00	0.00
1998	29,764	406,291,088	420,000	873,482	0	0.00	0.00
1999	29,764	405,360,654	390,000	834,036	0	0.00	0.00
2000	27,844	439,638,946	6,360,000	0	6,360,000	1.45	228.42

Source: Erie County Auditor

(1) Gross bonded debt equals the outstanding principal at year end on general obligation bonds payable.

City of Sandusky
Ratio of Annual Debt Service for
General Bonded Debt to Total Governmental Expenditures
Last Ten Years

Year	Debt Service for General Obligation Debt			Governmental Expenditures	Ratio
	Principal	Interest	Total		
1991	\$0	\$0	\$0	\$14,600,550	0.00%
1992	0	0	0	13,582,112	0.00
1993	30,000	31,725	61,725	14,319,628	0.43
1994	30,000	30,225	60,225	15,332,319	0.39
1995	30,000	28,725	58,725	17,366,871	0.34
1996	118,000	75,625	193,625	17,768,712	1.09
1997	118,000	69,285	187,285	19,753,398	0.95
1998	734,000	49,812	783,812	26,493,023	2.96
1999	30,000	22,725	52,725	25,751,088	0.20
2000	30,000	21,225	51,225	28,810,673	0.18

Source: City Records

City of Sandusky
 Computation of Direct and Overlapping Debt
 December 31, 2000

	<u>Assessed Valuation</u>	<u>General Obligation Debt (1)</u>	<u>Percent Applicable to City of Sandusky (2)</u>	<u>Amount Applicable to City of Sandusky</u>
City of Sandusky	\$439,638,946	\$28,064,372	100.00%	\$28,064,372
Erie County	1,660,278,053	46,043,835	6.17	2,840,905
Sandusky City School District	439,638,946	2,602,601	0.00	0

Source: City Records and Erie County Auditor

(1) Includes all debt which is backed by "the full faith and credit" of the entity.

(2) 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 1999 tax year.

City of Sandusky
 General Obligation - Revenue Supported - Bond Coverage
 Water Enterprise Fund
 Last Ten Years

Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	\$2,706,163	\$1,941,480	\$764,683	\$220,000	\$262,720	\$482,720	1.58
1992	2,449,694	1,869,351	580,343	340,000	306,401	646,401	0.90
1993	2,774,464	1,957,749	816,715	308,500	249,482	557,982	1.46
1994	2,730,640	1,970,324	760,316	308,500	228,240	536,740	1.42
1995	2,942,055	2,111,940	830,115	308,500	206,998	515,498	1.61
1996	2,909,367	1,992,100	917,267	208,500	185,756	394,256	2.33
1997	3,008,504	2,381,713	626,791	208,500	170,057	378,557	1.66
1998	3,300,455	2,488,304	812,151	213,500	156,772	370,272	2.19
1999	3,280,565	2,495,424	785,141	213,500	139,668	353,168	2.22
2000	3,083,574	2,518,245	565,329	213,500	127,152	340,652	1.66

Source: City Records

(1) Includes depreciation expense, excludes interest and fiscal charges.

City of Sandusky
 General Obligation - Revenue Supported - Bond Coverage
 Sewer Enterprise Fund
 Last Ten Years

Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1991	\$2,429,682	\$2,183,837	\$245,845	\$0	\$0	\$0	N/A
1992	2,101,572	2,280,906	(179,334)	0	0	0	N/A
1993	2,297,413	2,393,550	(96,137)	71,500	64,861	136,361	(0.71)
1994	2,460,773	2,667,729	(206,956)	74,500	60,853	135,353	(1.53)
1995	3,270,434	2,987,459	282,975	75,500	63,101	138,601	2.04
1996	3,178,778	2,754,656	424,122	75,500	52,436	127,936	3.32
1997	3,175,594	3,406,244	(230,650)	71,807	47,878	119,685	(1.93)
1998	3,372,058	3,172,342	199,716	75,500	44,019	119,519	1.67
1999	3,768,240	3,661,278	106,962	75,500	73,392	148,892	0.72
2000	3,738,380	3,220,259	518,121	75,500	35,604	111,104	4.66

Source: City Records

(1) Includes depreciation expense, excludes interest and fiscal charges.

City of Sandusky
Demographic Statistics
1960 - 1990

<u>Year</u>	<u>Population</u>	<u>Dwelling Units</u>	<u>Occupied Dwelling Units Households</u>	<u>Persons Per Household</u>	<u>Owner Occupied Units</u>	<u>Median Family Income</u>
1960	31,989	7,291	7,016	4.56	3,783	\$6,526
1970 (1)	32,674	11,803	10,867	3.01	6,742	8,915
1980 (2)	31,360	13,169	11,932	2.62	7,328	16,046
1990	29,764	13,416	12,059	2.58	6,931	N/A

Source: City of Sandusky Department of Community Development and U.S. Bureau of the Census

(1) 1968 Figures

(2) 1979 Figures

City of Sandusky
Property Value, Construction, and Bank Deposits
Last Ten Years

Year	Total Real Property Value	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2)
		Number of Units	Value	Number of Units	Value	
1991	\$237,982,950	98	\$12,062,253	268	\$2,583,237	\$388,629,000
1992	239,617,470	60	8,031,112	446	3,886,818	389,745,000
1993	242,401,870	104	11,382,543	700	4,909,685	246,542,000
1994	275,371,410	64	20,704,623	566	4,661,266	246,960,000
1995	274,800,730	96	13,438,185	584	4,602,110	245,973,000
1996	282,715,850	112	13,828,609	605	4,917,967	245,161,000
1997	311,447,790	135	10,170,285	574	4,874,666	268,944,000
1998	317,091,140	102	26,848,146	425	5,124,026	288,494,000
1999	318,326,290	109	34,400,988	491	7,184,258	283,288,000
2000	350,462,030	121	17,186,521	587	7,336,081	279,070,000

(1) Source: Building Inspector

(2) Source: Federal Deposit Insurance Corporation and Federal Savings and Loan Insurance Corporation.
Total Deposits for Erie County.

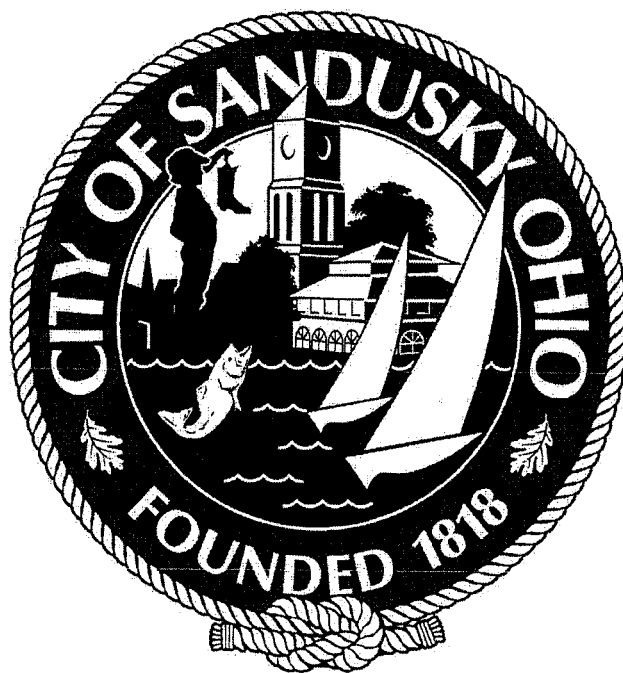
City of Sandusky
Income Tax Collections
1968-2000

Income Tax Rate 1 Percent

Year	General Fund	Street Maintenance Fund	General Bond Retirement Fund	Capital Improvement Fund	Total Collections (1)
1968	60.00%	0.00%	0.00%	40.00%	\$873,898
1969	60.00	0.00	0.00	40.00	1,354,131
1970	60.00	0.00	0.00	40.00	1,456,024
1971	60.00	0.00	0.00	40.00	1,507,636
1972	60.00	0.00	0.00	40.00	1,636,918
1973	60.00	0.00	0.00	40.00	1,812,152
1974	60.00	0.00	0.00	40.00	2,068,399
1975	70.00	0.00	0.00	30.00	2,156,669
1976	70.00	0.00	0.00	30.00	2,186,367
1977	70.00	0.00	0.00	30.00	2,456,051
1978	70.00	0.00	0.00	30.00	2,820,951
1979	70.00	0.00	0.00	30.00	3,145,229
1980	70.00	0.00	0.00	30.00	3,160,968
1981	80.00	0.00	0.00	20.00	3,108,138
1982	80.00	0.00	0.00	20.00	3,096,968
1983	90.00	0.00	0.00	10.00	3,398,780
1984	80.00	0.00	0.00	20.00	3,289,881
1985	80.00	5.00	0.00	15.00	3,618,895
1986	80.00	5.00	6.25	8.75	3,590,649
1987	91.75	0.00	6.25	2.00	4,009,896
1988	91.75	0.00	6.25	2.00	4,542,402
1989	91.75	0.00	6.25	2.00	4,607,716
1990	88.75	0.00	6.25	5.00	4,912,882
1991	88.75	0.00	6.25	5.00	4,884,478
1992	88.75	0.00	6.25	5.00	4,943,999
1993	88.75	0.00	6.25	5.00	5,373,553
1994	88.75	0.00	6.25	5.00	5,861,337
1995	88.75	0.00	6.25	5.00	6,167,312
1996	88.75	0.00	6.25	5.00	6,447,444
1997	88.75	0.00	6.25	5.00	6,449,070
1998	88.75	0.00	6.25	5.00	6,943,669
1999	88.75	0.00	6.25	5.00	7,018,275
2000	88.75	0.00	6.25	5.00	7,037,346

Source: City Records

(1) 1968 - 1984 cash basis; 1985 - 2000 GAAP basis.



City of Sandusky
Sources of Tax and Tax Related Revenue by Fund (Cash Basis)
Last Ten Years

	1991	1992	1993	1994
General Property Tax	\$853,793	\$1,055,892	\$1,038,658	\$1,072,846
Hotel-Motel Tax	427,106	429,743	488,451	483,944
Inheritance Tax	419,217	271,608	407,280	384,738
Beer and Liquor	59,917	57,874	54,248	54,490
LGF: County	449,716	373,038	467,298	450,605
LGF: State	88,000	84,807	87,328	940,178
Municipal Income Tax	4,378,630	4,498,123	4,606,315	4,933,504
Admissions Tax	1,419,159	1,494,448	1,667,568	1,932,767
Cigarette Tax	2,132	0	0	0
State Homestead/Rollback	110,062	120,316	119,556	119,437
Total General Fund	8,207,732	8,385,849	8,936,702	10,372,509
MVR: Local	119,284	118,533	119,588	120,178
MVR: State	199,887	197,310	203,327	202,387
Gas Tax	421,328	437,953	445,048	473,119
MVR: Local-2nd	238,561	237,890	343,510	360,522
Total Street Maintenance Special Revenue Fund	979,060	991,686	1,111,473	1,156,206
Property Tax	80,345	85,912	85,369	87,997
State Homestead/Rollback	9,046	9,889	9,827	9,817
Total Fire Pension Special Revenue Fund	89,391	95,801	95,196	97,814
Property Tax	80,345	85,912	85,369	87,997
State Homestead/Rollback	9,046	9,889	9,827	9,817
Total Police Pension Special Revenue Fund	89,391	95,801	95,196	97,814
General Bond Retirement Debt Service Fund	298,081	300,673	304,784	329,235
Capital Improvement Capital Projects Fund	238,465	240,538	245,371	263,388
Total for All Fund Types	\$9,902,120	\$10,110,348	\$10,788,722	\$12,316,966

Source: City Records

1995	1996	1997	1998	1999	2000
\$1,176,085	\$1,194,868	\$1,202,492	\$1,308,325	\$1,324,289	\$1,323,698
582,213	636,354	625,442	705,265	777,578	865,913
274,399	446,171	438,411	389,928	452,572	793,292
53,062	48,168	60,388	55,841	58,185	51,749
529,720	573,739	609,444	629,303	708,860	715,563
102,117	88,671	122,665	130,085	133,162	139,302
5,556,142	5,685,585	5,828,389	6,130,550	6,151,719	6,832,853
1,985,876	2,102,163	1,973,704	2,221,205	2,181,680	2,488,309
1,824	0	1,486	4,572	1,556	9,098
132,996	137,647	138,056	150,742	172,538	127,791
<u>10,394,434</u>	<u>10,913,366</u>	<u>11,000,477</u>	<u>11,725,816</u>	<u>11,962,139</u>	<u>13,347,568</u>
120,954	122,767	128,926	160,223	124,010	152,189
199,772	205,790	203,055	207,747	218,360	220,638
469,576	489,010	484,145	486,957	498,739	490,084
362,861	368,300	355,127	331,427	372,030	346,640
<u>1,153,163</u>	<u>1,185,867</u>	<u>1,171,253</u>	<u>1,186,354</u>	<u>1,213,139</u>	<u>1,209,551</u>
96,655	98,074	98,835	107,522	108,844	108,797
10,931	11,313	11,347	13,579	15,278	11,611
<u>107,586</u>	<u>109,387</u>	<u>110,182</u>	<u>121,101</u>	<u>124,122</u>	<u>120,408</u>
96,655	98,074	98,835	107,522	108,844	108,798
10,931	11,313	11,347	13,578	15,278	10,525
<u>107,586</u>	<u>109,387</u>	<u>110,182</u>	<u>121,100</u>	<u>124,122</u>	<u>119,323</u>
<u>372,138</u>	<u>377,673</u>	<u>378,887</u>	<u>404,559</u>	<u>912,347</u>	<u>993,263</u>
<u>297,709</u>	<u>302,138</u>	<u>310,154</u>	<u>323,146</u>	<u>339,666</u>	<u>363,198</u>
<u>\$12,432,616</u>	<u>\$12,997,818</u>	<u>\$13,081,135</u>	<u>\$13,882,076</u>	<u>\$14,675,535</u>	<u>\$16,153,311</u>

City of Sandusky
Miscellaneous Statistics
December 31, 2000

Date of Incorporation:	1818	Recreation and Culture:
Form of Government:	City Commission-City Manager	Parks and Playgrounds (236 acres)
Area:	14.9 sq. mi. (land 9.1, water 5.8)	Municipal Golf Course (9 holes)
Location:	Situated on Sandusky Bay, Lake Erie, midway between Cleveland and Toledo	Municipal Boat Ramp
Climatology:	Temperature 49.0 degrees, Rainfall 36.01 (avg)	Country Club, Yacht Club, and Sailing Club
Miles of Streets:	101.79 paved, 5.69 unpaved	Private Marinas
Homes:	12,059	Fishing, Hunting, Swimming, and Boating
Churches:	70, 36 denominations	Cedar Point Amusement Park
Financial Institutions:		Surf's Up Wave Action Pool
Banks	5	Theaters (2)
Savings and Loans	1	Industrial
Fire Protection:		73 Establishments
Number of Stations	3	14,400 Wage Earners
Number of Firemen and Officers	55	Port
Number of Fire Hydrants	915	Major Coal Loading Docks
Police Protection:		Port of Entry U.S. Immigration Service, Passport and Customs Office
Number of Stations	1	Public Utilities
Number of Policemen and Officers	55	Ohio Edison Company/First Energy
Hospitals	2, Total 581 beds, 29 bassinets	Columbia Gas Company of Ohio
Education:		Ameritech
Public		Water Supply
Elementary Schools	8	Capacity of filtration plant 18 million gal.
Middle Schools	2	Water Supply - Lake Erie
Secondary Schools	1	Water Pollution Control
Total	11	Capacity of plant 25 million gal.
Enrollment		Transportation
Elementary Schools	2,340	Griffing Sandusky Airport
Middle Schools	683	Freight - Conrail
Secondary Schools	1,269	Norfolk & Southern Railroad
Total Enrollment	4,292	Greyhound Bus Lines
Communication:		Boat Ferry Service
Newspapers		Airplane Service
Sandusky Register	Circulation - 24,000	21 Trucking Lines
Morning Journal	Circulation - 50,000	Passenger Service (freight and auto)
Radio Stations		Amtrak
WLEC 1450 AM	35 mile radius	Canada - Pelee Island Steamer
WCPZ 102.7 FM	50 mile radius	Lake Erie Islands - Neuman Boat Lines, Goodtime I, and Island Rocket
Television Stations		Sandusky Transit System
Register Cable News Ch 41 (T.W. Teleproductions)		
Showtime, HBO, and Movie Channels available		



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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 14, 2001**