



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, 2001**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF HOUSING AND DEVELOPMENT: <i>Passed Through Ohio Department of Development</i>			
Community Development Block Grant - Small Cities Program	A-F-99-172	14.228	\$42,681
	A-E-97-172		3,402
	A-E-99-172		43,856
	A-F-00-172		43,086
	A-C-00-172		<u>90,613</u>
Total Department of Housing and Urban Development			<u>223,638</u>
FEDERAL TRANSIT ADMINISTRATION:			
Mass Transportation Grant	RPT-4022-020-011	20.509	252,260
UNITED STATES DEPARTMENT OF JUSTICE:			
COPS More 97 Grant	97-CM-WX-1039	16.710	108,594
Universal Hiring Grant	98-UM-WX-1519		<u>37,945</u>
Total COPS Grants			146,539
Local Law Enforcement Block Grant	99-LB-VX-2619	16.592	24,582
	00-LB-VX-2619		<u>34,516</u>
Total Local Law Enforcement Block Grant			<u>59,098</u>
Total Department of Justice			<u>205,637</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$681,535</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF SANDUSKY
ERIE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2001**

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 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

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 City has also established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are 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, 2001, the total amount of loans outstanding, before allowances for uncollectible accounts of \$23,168, was \$1,772,428.

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
222 Meigs Street
Sandusky, Ohio 44870-2837

To the City Commission:

We have audited the financial statements of the City of Sandusky (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 28, 2002. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-20522-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 28, 2002.

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 management of the City in a separate letter dated June 28, 2002.

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

This report is intended for the information and use of the audit committee, management, 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 28, 2002



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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
222 Meigs Street
Sandusky, Ohio 44870-2837

To the City Commission:

Compliance

We have audited the compliance of the City of Sandusky (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, 2001. 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, 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 City as of and for the year ended December 31, 2001, and have issued our report thereon dated June 28, 2002. 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 28, 2002

**CITY OF SANDUSKY
ERIE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2001**

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 Grants 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 2001-20522-001

Noncompliance Matter

Ohio Revised Code § 5705.41(B) limits expenditures to amounts appropriated. During fiscal year 2001, the City received a loan through the Ohio Water Development Authority (OWDA). The OWDA sent payments totaling \$1,020,053 directly to vendors working on the project. The City does not receive direct notification from OWDA regarding these payments in the form of a remittance advice, but rather is required to monitor payments made to vendors through the OWDA's web site. This treatment represented a change in the treatment of prior projects funded through OWDA. Therefore, the City recorded these payments in their financial records in 2002 when they became aware of this treatment.

**FINDING NUMBER 2001-20522-001
(Continued)**

Fiscal year 2001 receipts and expenditures were adjusted to reflect the activity that occurred during the fiscal year, however, no modifications could be made to appropriations after the fiscal year end. This resulted in expenditures exceeding appropriations in the amount of \$480,639 in the Sewer Fund. The City should take necessary steps to amend appropriation measures to account for on-behalf payments. The City should consider the accounting and budgeting guidance included in Auditor of State Bulletin 2000-08 regarding this on-behalf payment.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

CITY OF SANDUSKY
 ERIE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
 OMB CIRCULAR A -133 §.315 (b)
 DECEMBER 31, 2001

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-20522-001	Ohio Revised Code § 2743.70, failure of Municipal Court to collect required costs.	Yes	
2000-20522-002	Ohio Revised Code § 2949.091, failure of the Municipal Court to collect required costs.	Yes	

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the year ended
December 31, 2001*





INTRODUCTORY



CITY OF SANDUSKY, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2001

Prepared By:

Department of Finance

Edward A. Widman
Finance Director

Patricia R. Smith
Office Manager

Carol A. Roth
Secretary

Cathy Bales
Senior Accounting Clerk II

Carolyn S. Meyer
Senior Accounting Clerk II



CITY OF SANDUSKY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001

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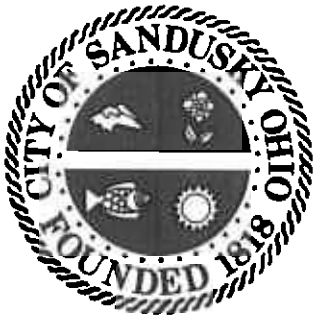
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DEPARTMENT OF FINANCE
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EDWARD A. WIDMAN, Finance Director

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June 28, 2002

To the City Commission and Citizens of Sandusky,

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2001, 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 2000 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 2001 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 2001.

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	2001 Amount	Percent of Total	2000 Amount	Percent of Total	1999 Amount	Percent of Total
Property Taxes	\$2,214,697	9.75%	\$1,998,241	8.66%	\$1,999,129	8.37%
Other Local Taxes	3,741,044	16.47	3,944,466	17.10	3,493,101	14.63
Municipal Income Taxes	7,404,105	32.60	7,037,346	30.51	7,018,275	29.40
Payment in Lieu of Taxes	20,679	0.09	103,116	0.45	0	0.00
Special Assessments	624,338	2.75	649,763	2.82	811,449	3.40
Intergovernmental	3,372,556	14.85	4,420,339	19.16	5,102,313	21.37
Charges for Services	1,578,119	6.95	1,517,275	6.58	1,402,865	5.88
Fees, Licenses, and Permits	900,427	3.96	380,545	1.65	622,330	2.60
Fines and Forfeitures	896,888	3.95	773,159	3.35	872,419	3.65
Interest	1,230,815	5.42	1,431,680	6.21	1,059,212	4.44
Other	729,014	3.21	810,114	3.51	1,494,063	6.26
Total Revenues	\$22,712,682	100.00%	\$23,066,044	100.00%	\$23,875,156	100.00%

In 2001, revenues experienced some decreases due to a slowing economy (other local taxes), loss or reduction in grants, entitlements, and shared revenues (intergovernmental), and lower interest rates and less funds to invest (interest). Intergovernmental sources included various grants that were over \$1.1 million in 2001. The City allocated \$1.7 million from the General fund to supplement capital projects in 2001, and issued over \$14 million in bonds for capital related activities. Again in 2001, overall expenditures exceeded revenues due to the number of capital projects. Increases in property taxes, income taxes, and fees helped stabilize the revenues that support the daily operation of the City.

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

Function	2001 Amount	Percent of Total	2000 Amount	Percent of Total	1999 Amount	Percent of Total
Security of Persons and Property	\$8,960,893	29.81%	\$8,341,499	28.95%	\$7,927,614	30.78%
Public Health	298,907	0.99	273,223	0.95	258,835	1.00
Leisure Time Activities	726,969	2.42	651,004	2.26	619,518	2.41
Community Environment	1,954,070	6.50	2,447,580	8.50	2,847,660	11.06
Transportation	2,454,674	8.17	2,496,429	8.66	2,175,015	8.45
General Government	4,495,323	14.96	4,132,239	14.34	3,462,839	13.45
Other	45,849	0.15	86,263	0.30	42,637	0.16
Capital Outlay	7,921,774	26.36	9,156,554	31.78	7,426,232	28.84
Debt Service:						
Principal Retirement	1,931,199	6.43	399,146	1.39	372,637	1.45
Interest and Fiscal Charges	1,264,466	4.21	826,736	2.87	618,101	2.40
Total Expenditures	\$30,054,124	100.00%	\$28,810,673	100.00%	\$25,751,088	100.00%

The major impact on expenditures continues to be capital projects. The City has had several projects that continued into 2001. Besides grant funding, the City issued bonds or notes to finance the City's share of the projects. Some of the City's major projects in 2001 were the Central Fire Station (\$3.4 million) and Sandusky Library Improvements (\$1.6 million). The City did experience an increase in wage costs in 2001 due to the settlement of the new three-year labor agreements and continued increases in health care costs.

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		
	2001	2000	1999	2001	2000	1999
Construction in Progress	\$1,265,112	\$1,267,747	\$779,032	\$6,765,229	\$6,466,746	\$3,079,938
Net Fixed Assets (excluding Construction in Progress)	4,886,725	4,716,343	4,819,155	7,801,463	6,268,703	6,388,671
Total Equity	7,364,193	6,658,932	6,238,228	6,500,316	5,715,418	5,432,050
Net Income (Loss)	700,899	405,005	606,899	784,898	202,354	(878,439)
Return on Net Fixed Assets	14.34%	8.59%	12.59%	10.06%	3.23%	(13.75%)
Return on Equity	9.52%	6.08%	9.73%	12.07%	3.54%	(16.17%)

In 2000, the City reviewed the water and sewer rates. Since the City is 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 2002, 25 percent. While the City will monitor the water and sewer rates over the next three years, it is not anticipated that 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	\$19,642,200	\$1,022,500
Enterprise	1,893,000	2,435,000
Special Assessments	2,991,758	372,000

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, 2001, the City's net debt of \$19,468,097 was well below the legal limit of \$46,161,879. A complete discussion of the City's outstanding debt is provided in Notes 19, 20, and 21 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 providing 4 percent base wage increases for three years. These agreements expire 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, 2001, the general fixed assets of the City were \$40,328,123. This amount represents either actual cost or estimated historical cost of the assets.

Cash Management

During the year ended December 31, 2001, the City's cash resources, temporarily idle during the year, were invested in certificates of deposit with local depositories, U.S. government securities, and Star Ohio. Long-term investments include bonds of the City of Sandusky and range from one year to sixteen years and carry interest rates from 5.5 percent to 9.5 percent.

As of December 31, 2001, 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	\$2,803	0.01%
Deposits	7,296,260	32.59
U.S. Government Securities	6,277,982	28.04
City of Sandusky Bonds	227,257	1.02
Star Ohio	8,582,086	38.34
Total	<u>\$22,386,388</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 14 to the combined 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 due to the City's location on Sandusky Bay, with over twenty-two miles of shoreline within the City limits, and the location of Cedar Point Amusement Park within the City. Several years ago, the City enhanced its shoreline by entering into a development agreement with a private developer in order to implement improvements to the City's Battery Park Marina and adjacent park. These improvements included not only the marina and park, but also a restaurant and a breakwall. Battery Park is now a successful commercial operation, which has further enhanced the use of the City's waterfront. Further improvements to the City's waterfront include Shoreline Park, which consists of shore protection, bridges, sidewalks, parking, a gazebo, playground equipment, landscaping, and lighting as well as the 1.7 mile Bayfront Corridor, a linear park linking major attractions located on the City's central waterfront with a continuous walkway. In 1998, the City received a very generous donation (over \$1 million), from a long time Sandusky benefactor, to develop a plaza at the foot of Columbus Avenue as part of the Bayfront Corridor development; that project was completed in 2000. All of these waterfront improvements are part of the Port Development Plan adopted by the City Commission in 1991 and updated in 1996.

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

The City is served by a number of boat lines that transport passengers and automobiles to certain islands in Lake Erie as well as offering daylong cruises to those islands for tourists. The City is served by a Canadian ferryboat line that 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 into Lake Erie from the City. Developed as a resort area in 1870, Cedar Point is open daily from early May to early October, attracting in excess of 3 million visitors each season to its numerous rides and attractions. Cedar Point also includes a recreational vehicle area, marina, restaurants, one of which is open year-round, and two hotels with a combined capacity of almost 1,100 beds which are open during Cedar Point's season. A water park attraction, with a separate entrance, is included at the park as well as "Challenge Park", with miniature golf, bungee jumping, and grand prix racing. Cedar Point employs 3,700 seasonal employees, primarily college students, and approximately 400 year-round employees.

Significant capital expenditures on new attractions are made every year at Cedar Point. These expenditures were over \$85,000,000 during the last few years. A new roller coaster known as "Wicked Twister" opened for operation in 2002. According to published reports, Wicked Twister will be Cedar Point's 15th roller coaster, reportedly more than anywhere in the world. Cedar Point opened "Breakers Express" hotel in 2001. The admission and the hotel/motel taxes generated from Cedar Point provide a significant amount of revenue for the City's General fund.

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. Firelands Vending received a revolving loan from the City to assist in relocating the business to a vacant industrial building on George Street. The total project cost was \$478,000. The City continues to see businesses locate at Bayside Business Park. Just recently Gatsby Transportation purchased land to relocate their business there. The City is working with other existing and new businesses interested in locating at this attractive business park and anticipate selling the remaining twenty-two acres during 2002.

Major manufacturers have expanded operations in the past several years. Whirley of Ohio, Sandusky Plastics Division, undertook a \$9 million expansion to create between 75 to 100 new jobs over a three-year period. R. B. Manufacturing Co. also undertook a \$2.5 million expansion to generate 25 new jobs. Sandusky International invested \$3.2 million in new machinery and equipment at their existing plant. In 2001, Mack Iron Works Company expanded and renovated their facility. The company received a tax abatement for this \$1 million dollar project.

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. The City has been awarded a Transportation Enhancement Grant to construct a Pedestrian/Bicycle Trail, at a cost of \$410,000, along Sandusky Bay which will connect public parks and facilities.

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 plans to seek proposals from developers for an adaptive reuse development of the property. The City is also working closely with local developers who are 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. 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. The GEM has provided support and assistance for historic renovation projects in the Downtown/Waterfront Revitalization Area and has also provided assistance to over one hundred businesses or individuals in the City regarding the City's economic development programs.

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.

Major Initiatives

In January 2002, the City of Sandusky dedicated a new Central Fire Station. The project encountered several challenges, including a failed ballot issue to raise tax dollars for the project. Fire Chief Ken Gilliam headed the project and should be commended for his efforts to see the project completed and within budget expectations.

Over the years, the City of Sandusky has tried several efforts to promote interest in downtown Sandusky and 2001 marked the latest effort by Sandusky leaders to stimulate the downtown. With assistance from the Dorn and Frost-Parker Foundations, the downtown has a development manager. Sandusky has been fortunate to have generous groups and individuals. This latest effort demonstrates the ongoing support that Sandusky generates. With this type of commitment, the City of Sandusky will once again become a center of community cultural and economic activity.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the tenth 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, 2000. 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.

With publication of this report, long-time City of Sandusky employee Patricia R. Smith will be on the verge of retirement. Tish will retire from the City of Sandusky Finance Department with 30 years of service to the department. Tish has provided a major influence on the excellent financial reporting and auditing reputation the department has achieved during her career. The Finance Department wishes Tish many enjoyable and healthful years of retirement.



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, 2000

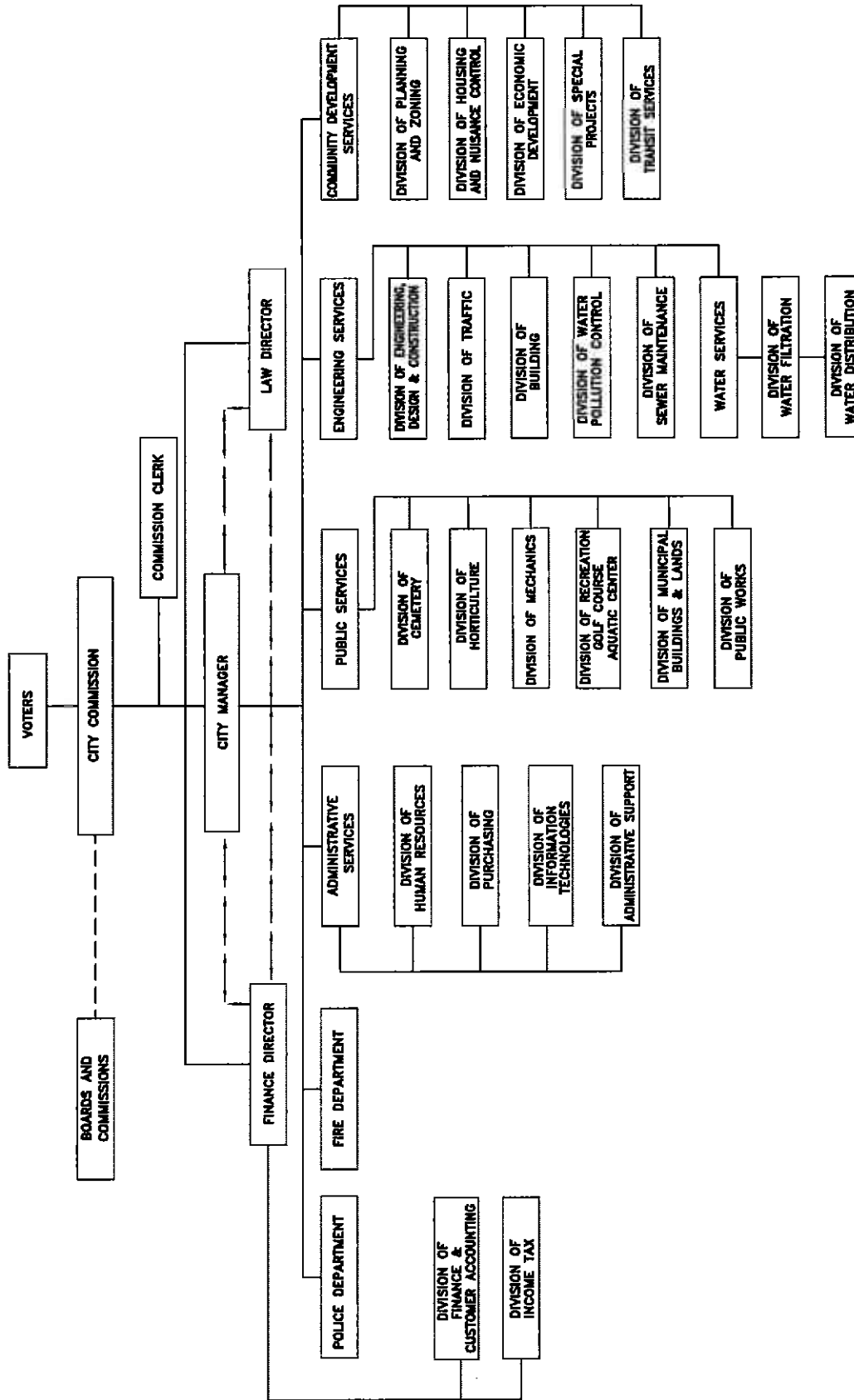
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Thomas A. Brewer
President

Jeffrey L. Esler
Executive Director

ORGANIZATIONAL CHART City of Sandusky



CITY OF SANDUSKY, OHIO

ELECTED OFFICIALS

December 31, 2001

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, 2001

CITY MANAGER

Gerald A. Lechner

FINANCE DIRECTOR

Edward A. Widman

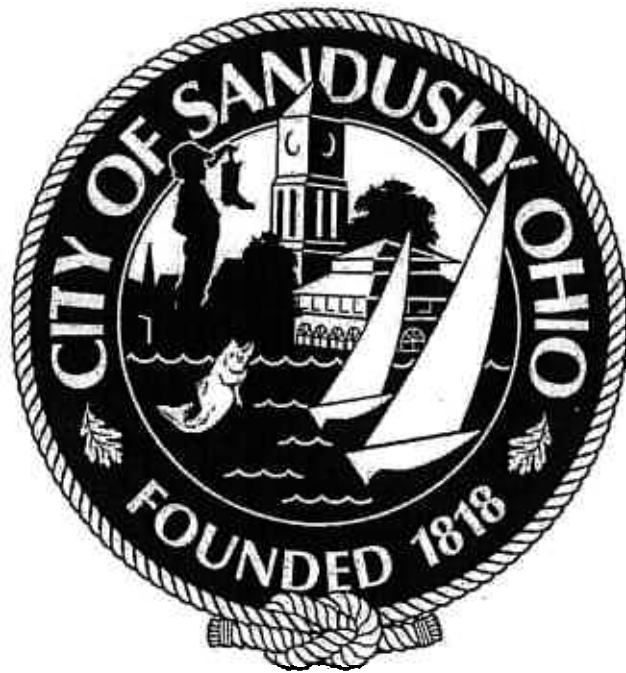
LAW DIRECTOR

Donald C. Icsman

CLERK OF COMMISSION

B. Joyce Brown

FINANCIAL





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Suite 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 (the City) as of and for the year ended December 31, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2002, 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.

We performed our audit to form 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 additional analysis and are not a required part of the general-purpose financial statements. We subjected this information 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

Jim Petro
Auditor of State

June 28, 2002

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, 2001

	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	\$3,113,400	\$5,258,391	\$1,451,389	\$7,299,725
Receivables:				
Property Taxes	1,574,845	258,804	543,491	0
Other Local Taxes	58,149	29,600	0	0
Municipal Income Taxes	2,698,854	0	190,060	152,048
Special Assessments	18,950	0	3,358,599	238,114
Accounts	188,445	0	0	0
Notes (net of allowance for uncollectibles)	0	1,749,260	0	0
Accrued Interest	120,675	66,464	0	21,656
Due from Other Funds	1,472	0	0	0
Due from Other Governments	803,862	692,275	28,458	14,319
Materials and Supplies Inventory	197,955	29,536	0	0
Prepaid Items	103,523	12,594	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 General Obligation Bonds	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>\$8,880,130</u>	<u>\$8,096,924</u>	<u>\$5,571,997</u>	<u>\$7,725,862</u>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long - Term Obligations	
Enterprise	Agency			
\$5,072,022	\$191,461	\$0	\$0	\$22,386,388
0	0	0	0	2,377,140
0	0	0	0	87,749
0	0	0	0	3,040,962
0	0	0	0	3,615,663
758,472	0	0	0	946,917
0	0	0	0	1,749,260
0	0	0	0	208,795
0	0	0	0	1,472
210,242	0	0	0	1,749,156
362,133	0	0	0	589,624
56,610	0	0	0	172,727
20,718,529	0	40,328,123	0	61,046,652
0	0	0	20,692,295	20,692,295
0	0	0	2,695,723	2,695,723
0	0	0	1,196,603	1,196,603
0	0	0	296,035	296,035
<u>\$27,178,008</u>	<u>\$191,461</u>	<u>\$40,328,123</u>	<u>\$24,880,656</u>	<u>\$122,853,161</u>

(continued)

City of Sandusky
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 31, 2001
 (continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity, and Other Credits</u>				
<u>Liabilities</u>				
Accounts Payable	\$110,684	\$99,293	\$0	\$51,148
Contracts Payable	0	105,168	0	519,814
Accrued Wages Payable	308,213	28,784	0	1,104
Retainage Payable	0	0	0	218,349
Due to Other Funds	0	1,472	0	0
Due to Other Governments	93,938	5,784	0	20,397
Deferred Revenue	4,553,255	919,372	4,079,359	378,819
Undistributed Assets	0	0	0	0
Notes Payable	0	3,400	0	1,391,100
Accrued Interest Payable	0	11	0	8,912
Compensated Absences Payable	29,501	2,779	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	5,095,591	1,166,063	4,079,359	2,589,643
<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	1,749,260	0	0
Reserved for Encumbrances	72,727	78,239	0	5,540,524
Unreserved (Deficit)	3,711,812	5,103,362	1,492,638	(404,305)
Total Fund Equity and Other Credits	3,784,539	6,930,861	1,492,638	5,136,219
Total Liabilities, Fund Equity, and Other Credits	\$8,880,130	\$8,096,924	\$5,571,997	\$7,725,862

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			
\$240,932	\$0	\$0	\$0	\$502,057
167,902	0	0	0	792,884
94,746	0	0	0	432,847
34,501	0	0	0	252,850
0	0	0	0	1,472
125,910	0	0	520,034	766,063
0	0	0	0	9,930,805
0	191,461	0	0	191,461
2,435,000	0	0	0	3,829,500
181,697	0	0	0	190,620
553,334	0	0	1,618,412	2,204,026
7,586,477	0	0	108,252	7,694,729
1,893,000	0	0	19,642,200	21,535,200
0	0	0	2,991,758	2,991,758
13,313,499	191,461	0	24,880,656	51,316,272
0	0	40,328,123	0	40,328,123
11,086,645	0	0	0	11,086,645
2,777,864	0	0	0	2,777,864
0	0	0	0	1,749,260
0	0	0	0	5,691,490
0	0	0	0	9,903,507
13,864,509	0	40,328,123	0	71,536,889
\$27,178,008	\$191,461	\$40,328,123	\$24,880,656	\$122,853,161

City of Sandusky
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types
 For the Year Ended December 31, 2001

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
<u>Revenues</u>					
Property Taxes	\$1,467,128	\$241,151	\$506,418	\$0	\$2,214,697
Other Local Taxes	3,252,964	488,080	0	0	3,741,044
Municipal Income Taxes	6,613,002	0	439,502	351,601	7,404,105
Payment in Lieu of Taxes	0	0	0	20,679	20,679
Special Assessments	0	0	428,510	195,828	624,338
Intergovernmental	1,552,319	1,480,517	61,302	278,418	3,372,556
Charges for Services	279,999	903,989	0	394,131	1,578,119
Fees, Licenses, and Permits	741,426	38,528	0	120,473	900,427
Fines and Forfeitures	838,316	58,572	0	0	896,888
Interest	537,152	359,123	17,275	317,265	1,230,815
Other	398,734	152,209	13,400	164,671	729,014
Total Revenues	15,681,040	3,722,169	1,466,407	1,843,066	22,712,682
<u>Expenditures</u>					
Current:					
Security of Persons and Property	7,760,615	1,200,278	0	0	8,960,893
Public Health	274,767	24,140	0	0	298,907
Leisure Time Activities	0	726,969	0	0	726,969
Community Environment	1,897,973	56,097	0	0	1,954,070
Transportation	0	2,454,674	0	0	2,454,674
General Government	4,495,323	0	0	0	4,495,323
Other	1,396	44,453	0	0	45,849
Capital Outlay	0	0	0	7,921,774	7,921,774
Debt Service:					
Principal Retirement	0	1,220,502	710,697	0	1,931,199
Interest and Fiscal Charges	0	82,213	935,949	246,304	1,264,466
Total Expenditures	14,430,074	5,809,326	1,646,646	8,168,078	30,054,124
Excess of Revenues Over (Under) Expenditures	1,250,966	(2,087,157)	(180,239)	(6,325,012)	(7,341,442)
<u>Other Financing Sources (Uses)</u>					
Sale of Fixed Assets	12,267	0	0	29,473	41,740
Proceeds of Bonds	0	1,295,000	0	12,765,000	14,060,000
Operating Transfers - In	0	1,910,876	2,175,905	4,262,441	8,349,222
Operating Transfers - Out	(2,078,876)	(759,157)	(2,146,891)	(3,343,275)	(8,328,199)
Total Other Financing Sources (Uses)	(2,066,609)	2,446,719	29,014	13,713,639	14,122,763
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(815,643)	359,562	(151,225)	7,388,627	6,781,321
Fund Balances (Deficit) at Beginning of Year - Restated (Note 4)	4,600,182	6,571,299	1,643,863	(2,252,408)	10,562,936
Fund Balances at End of Year	\$3,784,539	\$6,930,861	\$1,492,638	\$5,136,219	\$17,344,257

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, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Property Taxes	\$1,338,090	\$1,467,128	\$129,038	\$206,792	\$241,151	\$34,359
Other Local Taxes	3,710,931	3,228,949	(481,982)	544,690	489,060	(55,630)
Municipal Income Taxes	7,045,029	6,693,509	(351,520)	0	0	0
Payment in Lieu of Taxes	0	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Intergovernmental	1,500,279	1,715,131	214,852	1,534,374	1,565,255	30,881
Charges for Services	306,249	284,116	(22,133)	849,221	878,746	29,525
Fees, Licenses, and Permits	856,202	689,496	(166,706)	55,300	38,594	(16,706)
Fines and Forfeitures	738,842	818,398	79,556	50,413	56,304	5,891
Interest	1,000,000	706,639	(293,361)	243,762	297,437	53,675
Other	230,461	218,774	(11,687)	354,788	322,993	(31,795)
Total Revenues	16,726,083	15,822,140	(903,943)	3,839,340	3,889,540	50,200
<u>Expenditures</u>						
Current:						
Security of Persons and Property	7,919,875	7,783,909	135,966	1,178,857	1,175,735	3,122
Public Health	273,666	265,908	7,758	68,936	29,242	39,694
Leisure Time Activities	0	0	0	758,894	734,641	24,253
Community Environment	1,942,295	1,901,141	41,154	664,845	640,748	24,097
Transportation	0	0	0	2,736,224	2,592,306	143,918
General Government	4,692,018	4,488,907	203,111	0	0	0
Other	1,396	1,396	0	65,636	48,878	16,758
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	2,481,902	2,481,902	0
Interest and Fiscal Charges	0	0	0	82,231	82,231	0
Total Expenditures	14,829,250	14,441,261	387,989	8,037,525	7,785,683	251,842
Excess of Revenues Over (Under) Expenditures	1,896,833	1,380,879	(515,954)	(4,198,185)	(3,896,143)	302,042
<u>Other Financing Sources (Uses)</u>						
Other Financing Sources	234,960	180,350	(54,610)	36,807	59,524	22,717
Other Financing Uses	0	0	0	(25,472)	(25,472)	0
Sale of Fixed Assets	51,113	12,267	(38,846)	0	0	0
Proceeds of Notes	0	0	0	1,294,023	1,258,000	(36,023)
Proceeds of Bonds	0	0	0	1,295,000	1,295,000	0
Operating Transfers - In	0	0	0	2,011,031	1,910,876	(100,155)
Operating Transfers - Out	(2,249,174)	(2,078,876)	170,298	(759,157)	(759,157)	0
Total Other Financing Sources (Uses)	(1,963,101)	(1,886,259)	76,842	3,852,232	3,738,771	(113,461)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(66,268)	(505,380)	(439,112)	(345,953)	(157,372)	188,581
Fund Balances at Beginning of Year	3,222,659	3,222,659	0	4,870,391	4,870,391	0
Prior Years Encumbrances Appropriated	226,435	226,435	0	186,940	186,940	0
Fund Balances at End of Year	\$3,382,826	\$2,943,714	(\$439,112)	\$4,711,378	\$4,899,959	\$188,581

(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, 2001
 (continued)

	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Property Taxes	\$428,345	\$506,418	\$78,073	\$0	\$0	\$0
Other Local Taxes	0	0	0	0	0	0
Municipal Income Taxes	489,551	445,172	(44,379)	372,582	356,137	(16,445)
Payment in Lieu of Taxes	0	0	0	20,679	20,679	0
Special Assessments	442,391	428,510	(13,881)	186,768	195,828	9,060
Intergovernmental	82,409	61,302	(21,107)	297,979	278,418	(19,561)
Charges for Services	0	0	0	449,806	394,131	(55,675)
Fees, Licenses, and Permits	0	0	0	0	110,973	110,973
Fines and Forfeitures	0	0	0	0	0	0
Interest	0	17,275	17,275	300,275	323,315	23,040
Other	6,218	9,069	2,851	87,499	123,546	36,047
Total Revenues	1,448,914	1,467,746	18,832	1,715,588	1,803,027	87,439
<u>Expenditures</u>						
Current:						
Security of Persons and Property	0	0	0	42,400	41,480	920
Public Health	0	0	0	0	0	0
Leisure Time Activities	0	0	0	7,348	7,348	0
Community Environment	0	0	0	139,657	124,302	15,355
Transportation	0	0	0	72,236	66,023	6,213
General Government	0	0	0	46,837	8,099	38,738
Other	0	0	0	0	0	0
Capital Outlay	0	0	0	13,489,965	13,207,151	282,814
Debt Service:						
Principal Retirement	2,695,235	2,695,231	4	5,721,113	5,718,902	2,211
Interest and Fiscal Charges	1,028,661	1,021,436	7,225	158,387	158,387	0
Total Expenditures	3,723,896	3,716,667	7,229	19,677,943	19,331,692	346,251
Excess of Revenues Over (Under) Expenditures	(2,274,982)	(2,248,921)	26,061	(17,962,355)	(17,528,665)	433,690
<u>Other Financing Sources (Uses)</u>						
Other Financing Sources	0	4,331	4,331	58,869	41,125	(17,744)
Other Financing Uses	(35,209)	(35,209)	0	(85,678)	(85,678)	0
Sale of Fixed Assets	0	0	0	35,431	29,473	(5,958)
Proceeds of Notes	165,000	165,000	0	1,056,182	1,032,000	(24,182)
Proceeds of Bonds	1,790,000	1,790,000	0	11,156,735	10,975,000	(181,735)
Operating Transfers - In	177,448	177,448	0	2,231,565	2,115,550	(116,015)
Operating Transfers - Out	0	0	0	(1,404,392)	(1,356,777)	47,615
Total Other Financing Sources (Uses)	2,097,239	2,101,570	4,331	13,048,712	12,750,693	(298,019)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(177,743)	(147,351)	30,392	(4,913,643)	(4,777,972)	135,671
Fund Balances at Beginning of Year	1,598,740	1,598,740	0	5,238,715	5,238,715	0
Prior Years Encumbrances Appropriated	0	0	0	732,778	732,778	0
Fund Balances at End of Year	\$1,420,997	\$1,451,389	\$30,392	\$1,057,850	\$1,193,521	\$135,671

See Accompanying Notes to the General Purpose Financial Statements

Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$1,973,227	\$2,214,697	\$241,470
4,255,621	3,718,009	(537,612)
7,907,162	7,494,818	(412,344)
20,679	20,679	0
629,159	624,338	(4,821)
3,415,041	3,620,106	205,065
1,605,276	1,556,993	(48,283)
911,502	839,063	(72,439)
789,255	874,702	85,447
1,544,037	1,344,666	(199,371)
678,966	674,382	(4,584)
<u>23,729,925</u>	<u>22,982,453</u>	<u>(747,472)</u>
9,141,132	9,001,124	140,008
342,602	295,150	47,452
766,242	741,989	24,253
2,746,797	2,666,191	80,606
2,808,460	2,658,329	150,131
4,738,855	4,497,006	241,849
67,032	50,274	16,758
13,489,965	13,207,151	282,814
10,898,250	10,896,035	2,215
1,269,279	1,262,054	7,225
<u>46,268,614</u>	<u>45,275,303</u>	<u>993,311</u>
<u>(22,538,689)</u>	<u>(22,292,850)</u>	<u>245,839</u>
330,636	285,330	(45,306)
(146,359)	(146,359)	0
86,544	41,740	(44,804)
2,515,205	2,455,000	(60,205)
14,241,735	14,060,000	(181,735)
4,420,044	4,203,874	(216,170)
(4,412,723)	(4,194,810)	217,913
<u>17,035,082</u>	<u>16,704,775</u>	<u>(330,307)</u>
(5,503,607)	(5,588,075)	(84,468)
14,930,505	14,930,505	0
<u>1,146,153</u>	<u>1,146,153</u>	<u>0</u>
<u>\$10,573,051</u>	<u>\$10,488,583</u>	<u>(\$84,468)</u>

City of Sandusky
 Combined Statement of Revenues, Expenses,
 and Changes in Fund Equity
 All Enterprise Funds
 For the Year Ended December 31, 2001

<u>Operating Revenues</u>	
Charges for Services	\$9,461,212
Other Operating Revenues	91,618
	9,552,830
Total Operating Revenues	9,552,830
<u>Operating Expenses</u>	
Personal Services	4,118,870
Travel and Transportation	65,082
Contractual Services	1,612,705
Materials and Supplies	1,044,882
Depreciation	685,071
Other Operating Expenses	6,344
	7,532,954
Total Operating Expenses	7,532,954
Operating Income	2,019,876
<u>Non-Operating Revenues (Expenses)</u>	
Gain on Sale of Fixed Assets	4,096
Interest Revenue	1,740
Interest Expense	(518,892)
	(513,056)
Total Non-Operating Revenues (Expenses)	(513,056)
Income Before Operating Transfers	1,506,820
Operating Transfers - In	31,498
Operating Transfers - Out	(52,521)
	1,485,797
Net Income	1,485,797
Depreciation on Fixed Assets Acquired by Contributed Capital	198,520
Retained Earnings at Beginning of Year	9,402,328
	11,086,645
Retained Earnings at End of Year	11,086,645
Contributed Capital at Beginning of Year	2,976,384
Depreciation on Fixed Assets Acquired by Contributed Capital	(198,520)
	2,777,864
Contributed Capital at End of Year	2,777,864
Total Fund Equity at End of Year	\$13,864,509

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$8,914,797	\$9,147,280	\$232,483
Proceeds of Notes	2,627,000	2,435,000	(192,000)
Proceeds of OWDA Loans	7,746,566	1,992,441	(5,754,125)
Sale of Fixed Assets	13,710	4,487	(9,223)
Interest Revenue	459	1,740	1,281
Other	8,520	91,618	83,098
Total Revenues	19,311,052	13,672,566	(5,638,486)
<u>Expenses</u>			
Personal Services	4,081,952	3,928,673	153,279
Travel and Transportation	80,675	72,117	8,558
Contractual Services	1,834,127	1,700,590	133,537
Materials and Supplies	999,721	816,641	183,080
Other	6,824	6,344	480
Capital Outlay	7,410,412	8,350,618	(940,206)
Debt Service:			
Principal Retirement	2,877,730	2,827,312	50,418
Interest Expense	529,547	426,084	103,463
Total Expenses	17,820,988	18,128,379	(307,391)
Excess of Revenues Over (Under) Expenses	1,490,064	(4,455,813)	(5,945,877)
Operating Transfers - Out	(9,064)	(9,064)	0
Excess of Revenues Over (Under) Expenses and Transfers	1,481,000	(4,464,877)	(5,945,877)
Fund Balances at Beginning of Year	2,076,649	2,076,649	0
Prior Year Encumbrances Appropriated	1,533,074	1,533,074	0
Fund Balances (Deficit) at End of Year	\$5,090,723	(\$855,154)	(\$5,945,877)

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, 2001

Increases (Decreases) in Cash and Cash Equivalents

<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$9,147,280
Cash Payments for Personal Services	(3,927,517)
Cash Payments for Contractual Services	(1,487,272)
Cash Payments to Suppliers	(841,961)
Cash Received from Other Revenues	91,618
Cash Payments for Other Expenses	(6,344)
Net Cash Provided by Operating Activities	<u>2,975,804</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Operating Transfers - In	31,498
Operating Transfers - Out	(52,521)
Net Cash Used for Noncapital Financing Activities	<u>(21,023)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Bond Anticipation Notes	(2,478,000)
Principal Paid on OWDA Loans	(63,648)
Principal Paid on General Obligation Bonds	(289,000)
Interest Paid on Bond Anticipation Notes	(125,497)
Interest Paid on OWDA Loans	(141,557)
Interest Paid on General Obligation Bonds	(143,735)
Proceeds of Notes	2,435,000
Proceeds of OWDA Loans	1,992,441
Sale of Fixed Assets	4,487
Acquisition of Fixed Assets	(2,684,452)
Net Cash Used for Capital and Related Financing Activities	<u>(1,493,961)</u>
<u>Cash Flows from Investing Activities</u>	
Interest Revenue	1,740
Net Increase in Cash and Cash Equivalents	1,462,560
Cash and Cash Equivalents at Beginning of Year	<u>3,609,462</u>
Cash and Cash Equivalents at End of Year	<u><u>\$5,072,022</u></u>

Reconciliation of Operating Income to
Net Cash Provided by Operating Activities

Operating Income	\$2,019,876
<u>Adjustments to Reconcile Operating Income to</u> <u>Net Cash Provided by Operating Activities</u>	
Depreciation	685,071
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(275,378)
Increase in Due from Other Governments	(38,554)
Decrease in Materials and Supplies Inventory	158,044
Increase in Prepaid Items	(6,439)
Increase in Accounts Payable	159,999
Increase in Contracts Payable	85,989
Increase in Accrued Wages Payable	21,399
Increase in Retainage Payable	5,157
Increase in Due to Other Governments	23,152
Increase in Compensated Absences Payable	137,488
Net Cash Provided by Operating Activities	<u><u>\$2,975,804</u></u>

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, 2001

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 2001.

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 24 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, 2001
(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, 2001
(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.

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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The full accrual basis of accounting is followed for the enterprise funds.

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

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

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

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there was an enforceable legal claim as of December 31, 2001, but which were levied to finance 2002 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, revenues that are not collected within the available period are recorded as deferred revenue.

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

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

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(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 2001.

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, 2001
(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, 2001.

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 2001 was \$537,152, which included \$146,238 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. Investments with an initial maturity of more than three months, and not purchased from the pool, are reported as investments.

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.

F. Materials and Supplies Inventory

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

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, 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, 2001
(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 2001, 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, 2001
(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. 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 prior to 2001 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.

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 and encumbrances.

N. 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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. 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 - CHANGE IN ACCOUNTING PRINCIPLES

For 2001, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues".

GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or the modified accrual basis of accounting is required. However, for revenue recognition to occur on the modified accrual basis, the criteria established for accrual basis revenue recognition must be met and the revenues must be available. The provisions of GASB Statement No. 33 also require that capital contributions to the enterprise funds be recognized as revenue beginning in 2001. For the City, the implementation of these statements had no effect on fund balances/retained earnings as previously reported for the year ended December 31, 2000.

NOTE 4 - CORRECTION OF AN ERROR

In 2000, the City recorded \$1,911,000 in notes payable in the General Bond Retirement debt service fund. The notes should have been recorded in the Capital Projects capital projects fund.

The restatement had the following effect on fund balance as previously reported as of December 31, 2000.

	Debt Service	Capital Projects
Fund Balance as Previously Reported	(\$294,143)	(\$314,402)
Notes Payable	1,911,000	(1,911,000)
Accrued Interest Payable	27,006	(27,006)
Restated Fund Balance at December 31, 2000	<u>\$1,643,863</u>	<u>(\$2,252,408)</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 4 - CORRECTION OF AN ERROR (continued)

The restatement had the following effect on the excess of revenues and other financing sources over (under) expenditures and other financing uses as previously reported for the fiscal year ended December 31, 2000.

	Debt Service	Capital Projects
Excess as Previously Reported	(\$1,523,358)	\$3,263,092
Notes Payable	1,911,000	(1,911,000)
Accrued Interest Payable	27,006	(27,006)
Restated Amount for the Year Ended December 31, 2000	\$414,648	\$1,325,086

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The deficits in the Capital Improvement and Special Assessment Improvement capital projects funds, in the amounts of \$425,021 and \$165,332, 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.

B. Compliance

The Sewer enterprise fund capital outlay/other account had expenditures in excess of appropriations for the year ended December 31, 2001, in the amount of \$1,020,053.

NOTE 6 - 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).

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 6 - BUDGETARY BASIS OF ACCOUNTING (continued)

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).

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	(\$815,643)	\$359,562	(\$151,225)	\$7,388,627
<u>Increases (Decreases) Due To</u>				
Revenue Accruals:				
Accrued 2000, Received in Cash 2001	1,241,652	147,151	46,919	42,354
Accrued 2001, Not Yet Received in Cash	(910,954)	(127,771)	(41,249)	(47,318)
Expenditure Accruals:				
Accrued 2000, Paid in Cash 2001	(433,242)	(145,279)	(1,796)	(338,103)
Accrued 2001, Not Yet Paid in Cash	541,293	243,291	0	779,722
Cash Adjustments:				
Unrecorded Activity 2000	62,997	63,593	0	6,050
Unrecorded Activity 2001	(72,245)	(86,386)	0	0
Notes Receivable				
New Loans	0	(564,866)	0	0
Repayments	0	230,308	0	0
Materials and Supplies Inventory	(24,952)	(2583)		
Changes in Prepaid Items	3,155	1,054	0	0

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 6 - BUDGETARY BASIS OF ACCOUNTING (continued)

Excess of Revenues and Other Financing Sources Over
(Under) Expenditures and Other Financing Uses
All Governmental Fund Types
(continued)

	General	Special Revenue	Debt Service	Capital Projects
Proceeds of Notes	\$0	\$1,258,000	\$165,000	\$1,032,000
Note Principal Retirement	0	(1,261,400)	(1,998,227)	(5,718,902)
Note Interest	0	0	(148,664)	134,195
Reallocation of Debt Activity	0	0	1,981,891	(1,950,393)
Encumbrances Outstanding at Year End (Budget Basis)	(97,441)	(272,046)	0	(6,106,204)
Budget Basis	<u>(\$505,380)</u>	<u>(\$157,372)</u>	<u>(\$147,351)</u>	<u>(\$4,777,972)</u>

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

GAAP Basis	\$1,485,797
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2000, Received in Cash 2001	654,782
Accrued 2001, Not Yet Received in Cash	(968,714)
Expense Accruals:	
Accrued 2000, Paid in Cash 2001	(828,391)
Accrued 2001, Not Yet Paid in Cash	1,369,678
Cash Adjustments:	
Unrecorded Activity 2000	(261)
Materials and Supplies Inventory	158,044
Changes in Prepaid Items	(6,439)
Depreciation Expense	685,071
Sale of Fixed Assets	4,487
Gain on Sale of Fixed Assets	(4,096)
Acquisition of Fixed Assets	(2,684,452)
Proceeds of Notes	2,435,000
Proceeds of OWDA Loans	1,992,441
Debt Principal Retirement	(2,813,619)
Note Interest	14,469
Reallocation of Debt Activity	(31,498)
Encumbrances Outstanding at Year End (Budget Basis)	(5,927,176)
Budget Basis	<u>(\$4,464,877)</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 7 - 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.

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, 2001
(continued)

NOTE 7 - 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 \$2,803 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 \$7,296,260 and the bank balance was \$8,069,004. Of the bank balance, \$569,553 was covered by the federal depository insurance, \$5,580,665 was secured by collateral in the City's name held by the Citizens Banking Company, \$1,900,000 was insured by surety company bonds, and \$18,786 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, 2001
(continued)

NOTE 7 - 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.

	Category 1	Fair Value
Federal National Mortgage Association Notes	\$1,126,528	\$1,126,528
Federal Home Loan Bank Notes	3,200,368	3,200,368
Federal Home Loan Mortgage Corporation Notes	1,951,086	1,951,086
City of Sandusky Bonds	227,257	227,257
	\$6,505,239	6,505,239
STAR Ohio		8,582,086
Total Investments		\$15,087,325

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:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$22,386,388	\$0
Cash on Hand	(2,803)	0
Investments:		
Federal National Mortgage Association Notes	(1,126,528)	1,126,528
Federal Home Loan Bank Notes	(3,200,368)	3,200,368
Federal Home Loan Mortgage Corporation Notes	(1,951,086)	1,951,086
City of Sandusky Bonds	(227,257)	227,257
STAR Ohio	(8,582,086)	8,582,086
GASB Statement No. 3	\$7,296,260	\$15,087,325

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the City. Real property tax revenues received in 2001 represent the collection of 2000 taxes. Real property taxes for 2001 were levied after October 1, 2001, on the assessed values as of January 1, 2001, the lien date. These taxes will be collected in and are intended to finance 2002 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 alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2001 were levied after October 1, 2001, on the assessed values as of December 31, 2000, the lien date. These taxes will be collected in and are intended to finance 2002 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 2001 (other than public utility property) represent the collection of 2001 taxes. Tangible personal property taxes received in 2001 were levied after October 1, 2000, on the true value as of December 31, 2000. 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 property, public utility property, and tangible personal property taxes which were measurable as of December 31, 2001, and for which there was an enforceable legal claim. 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 2001 operations.

The full tax rate for all City operations for the year ended December 31, 2001, was \$5.51 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2001 property tax receipts were based are as follows:

	Amount
Real Property	\$350,460,030
Public Utility Property	23,655,510
Tangible Personal Property	65,521,406
Total Assessed Value	\$439,636,946

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 9 - 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 10 - RECEIVABLES

Receivables at December 31, 2001, consisted of taxes; special assessments (including delinquent special assessments, in the amount of \$421,296); 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:

	Amount
General Fund	
Estate Tax	\$29,544
Fines and Forfeitures	60,461
Local Government	460,974
Local Government Revenue Assistance	70,455
Liquor Permits	46,559
Homestead and Rollback	82,437
Bureau of Motor Vehicles	300
DARE Grant	22,354
Erie County	30,778
Total General Fund	803,862
Special Revenue Funds	
Street Maintenance	
Gasoline Tax	233,606
Motor Vehicle License Tax	137,950
Permissive Motor Vehicle License Tax	115,441
Total Street Maintenance	486,997

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 10 - RECEIVABLES (continued)

	Amount
State Highway	
Gasoline Tax	\$18,941
Motor Vehicle License Tax	11,185
Total State Highway	30,126
Public Transit	
Ohio Department of Transportation	9,000
Erie County	105,451
Total Public Transit	114,451
Fire Pension	
Homestead and Rollback	6,776
Police Pension	
Homestead and Rollback	6,776
State Grants	
Housing Grant	10,339
Federal Grants	
COPS Grant	31,739
Indigent Drivers Alcohol	
Fees, Licenses, and Permits	913
Enforcement and Education	
Fines and Forfeitures	718
Court Computerization	
Fees, Licenses, and Permits	2,313
Indigent Telephone	
Fees, Licenses, and Permits	62
Municipal Probation	
Fees, Licenses, and Permits	1,065
Total Special Revenue Funds	692,275
Debt Service Fund	
General Bond Retirement	
Homestead and Rollback	28,458
	(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 10 - RECEIVABLES (continued)

	Amount
Capital Projects Fund	
Capital Projects	
Fees, Licenses, and Permits	\$14,319
Enterprise Funds	
Water	
Erie County	152,755
Sewer	
Erie County	57,487
Total Enterprise Funds	210,242
Total All Funds	\$1,749,156

NOTE 11 - NOTES RECEIVABLE

A summary of the changes in notes receivable during 2001 follows:

	Balance December 31, 2000	New Loans	Repayments	Balance December 31, 2001
Special Revenue Fund				
State Grants				
CDBG	\$277,716	\$421,223	\$61,464	\$637,475
Revolving Loans	189,527	143,643	118,975	214,195
MICRO - Enterprise Loans	12,691	0	330	12,361
Rehabilitation Revolving Loans	957,936	0	49,539	908,397
	\$1,437,870	\$564,866	\$230,308	1,772,428
Less Allowance for Uncollectible Accounts				23,168
				\$1,749,260

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 12 - FIXED ASSETS

A. General Fixed Assets

A summary of the changes in general fixed assets during 2001 is as follows:

	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
Land	\$3,294,451	\$158,833	\$0	\$3,453,284
Buildings	8,277,961	5,971,344	0	14,249,305
Improvements Other Than Buildings	6,867,786	1,566,465	0	8,434,251
Furniture, Fixtures, and Equipment	8,058,366	425,032	115,873	8,367,525
Construction in Progress	7,690,872	5,150,906	7,018,020	5,823,758
Total General Fixed Assets	\$34,189,436	\$13,272,580	\$7,133,893	\$40,328,123

B. Enterprise Fund Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 2001, follows:

	Water	Sewer	Total Enterprise Funds
Land	\$24,888	\$353,329	\$378,217
Buildings	4,229,891	10,215,488	14,445,379
Improvements Other Than Buildings	3,230,664	120,031	3,350,695
Utility Plant in Service	748,245	2,670,801	3,419,046
Utility Lines in Service	6,061,068	6,605,516	12,666,584
Equipment	1,052,826	1,234,629	2,287,455
Construction in Progress	1,265,112	6,765,229	8,030,341
Total	16,612,694	27,965,023	44,577,717
Less Accumulated Depreciation	10,460,857	13,398,331	23,859,188
Total Fixed Assets Net of Accumulated Depreciation	\$6,151,837	\$14,566,692	\$20,718,529

NOTE 13 - INTERFUND ASSETS/LIABILITIES

At December 31, 2001, the General fund and the State Grants special revenue fund had receivables and payables that resulted from various interfund transactions, in the amount of \$1,472.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 2001, the City contracted with BORMA for the following coverage and deductibles:

Type of Coverage	Coverage	Deductible
Property (building and contents)	\$258,650,705	\$1,000
Extra Expense	1,500,000 occurrence	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	500,000	1,000
Money and Securities	500,000	1,000
Depositors Forgery	500,000	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 2000, and no insurance settlement has exceeded insurance coverage during the last three years.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 14 - RISK MANAGEMENT (continued)

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.

NOTE 15 - 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, 2001:

Fund Type	Remaining Commitment
General Fund	\$28,087
Special Revenue Funds	229,147
Capital Projects Funds	6,081,809
Enterprise Funds	5,781,157
Total	\$12,120,200

NOTE 16 - 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 13.55 percent; 9.25 percent was the portion used to fund pension obligations for 2001, an increase from 6.54 percent in 2000. For 2000, the System instituted a temporary employer rate rollback. 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, 2001, 2000, and 1999, were \$734,333, \$442,422, and \$604,393, respectively; 72 percent has been contributed for 2001 and 100 percent has been contributed for 2000 and 1999. The unpaid contribution for 2001, in the amount of \$203,555, 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, 2001
(continued)

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

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 percent was the portion used to fund pension obligations for 2001, a decrease from 12.25 for 2000); and 24 percent for firefighters (16.5 percent was the portion used to fund pension obligations for 2001, a decrease from 16.75 for 2000). Contributions are authorized by state statute. The City's contributions to the Fund for the years ended December 31, 2001, 2000, and 1999, were \$778,971, \$770,809, and \$759,438, respectively; 72 percent has been contributed for 2001 and 100 percent has been contributed for 2000 and 1999. The unpaid contribution for 2001, in the amount of \$219,440, is recorded as a liability within the respective funds and the general long-term obligations account group.

NOTE 17 - 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 13.55 percent of covered payroll; 4.3 percent was the portion used to fund health care for 2001. In 2000, the employer contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion used to fund health care.

Benefits are advance funded using the entry age normal cost method. 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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 17 - POSTEMPLOYMENT BENEFITS (continued)

At December 31, 2001, the total number of benefit recipients eligible for OPB through the System was 411,076. As of December 31, 2001, the actuarial value of net assets available for future OPB payments were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial liability were \$14,364.6 million and \$2,628.7 million, respectively. The City's actual contributions for 2001 which were used to fund OPB were \$341,366.

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.

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; 7.5 percent was the portion used to fund health care for 2001. The portion used to fund health care was 7.25 percent in 2000. 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, 2000, was 12,853 for police and 10,037 for firefighters. The City's actual contributions for 2001 that were used to fund postemployment benefits were \$202,180 for police and \$207,037 for firefighters. The Fund's total health care expenses for the year ended December 31, 2000, (the latest information available), were \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 18 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits 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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 18 - COMPENSATED ABSENCES (continued)

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

	<u>AFCSME</u>	<u>IFA</u>	<u>FOP</u>	<u>Administration</u>
40 hours/week				
Sick hours less than 999	25 %	25 %	25 %	25 %
Sick hours 1,000 - 1,499	30 %	30 %	30 %	30 %
Sick hours 1,500 - 2,199	35 %	35 %	35 %	35 %
Sick hours over 2,200	40 %	40 %	40 %	40 %
52 hours/week				
Sick hours less than 1,299	n/a	25 %	n/a	n/a
Sick hours 1,300 - 1,949	n/a	30 %	n/a	n/a
Sick hours 1,950 - 2,859	n/a	35 %	n/a	n/a
Sick hours over 2,860	n/a	40 %	n/a	n/a

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

NOTE 19 - NOTES PAYABLE

The City's note transactions for the year ended December 31, 2001, were as follows:

	<u>Interest Rate</u>	<u>Balance December 31, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2001</u>
<u>Bond Anticipation Notes</u>					
Special Revenue Funds					
1997 Various Improvement	4.60%	\$6,800	\$0	\$3,400	\$3,400
Police and Fire Pension Liability	3.87	0	1,258,000	1,258,000	0
Total Special Revenue Funds		<u>6,800</u>	<u>1,258,000</u>	<u>1,261,400</u>	<u>3,400</u>

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 19 - NOTES PAYABLE (continued)

	Interest Rate	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
<u>Bond Anticipation Notes</u> (continued)					
Capital Projects Funds					
2000 Various Improvement	4.63%	\$1,911,000	\$0	\$1,911,000	\$0
2001 Various Improvement	3.00	0	165,000	0	165,000
Fire Apparatus	4.55	180,000	0	60,000	120,000
1997 Various Improvement	4.60	148,200	0	74,100	74,100
2000 Various Improvement	4.63	436,000	0	436,000	0
Fire Station	4.75	3,600,000	0	3,600,000	0
2001 Various Improvement	2.04	0	459,131	0	459,131
2001 Various Improvement	2.04	0	200,869	0	200,869
Total Capital Projects Funds		6,275,000	825,000	6,081,100	1,019,100
Enterprise Funds					
2000 Various Improvement	4.63	243,000	0	243,000	0
2000 Various Improvement	4.63	2,235,000	0	2,235,000	0
2001 Various Improvement	3.00	0	2,435,000	0	2,435,000
Total Enterprise Funds		2,478,000	2,435,000	2,478,000	2,435,000
Total Bond Anticipation Notes		8,760,000	4,518,000	9,820,500	3,457,500
<u>Special Assessment Notes</u>					
Capital Projects Fund					
2000 Various Improvement	4.90	454,000	0	454,000	0
2000 Various Improvement	4.63	665,000	0	665,000	0
2001 Various Improvement	3.15	0	372,000	0	372,000
Total Special Assessment Notes		1,119,000	372,000	1,119,000	372,000
Total Notes Payable		\$9,879,000	\$4,890,000	\$10,939,500	\$3,829,500

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.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 20 - LOANS 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 interest free loan was fully retired in 2001.

NOTE 21 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2001, was as follows:

	Interest Rate	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
<u>General Long-Term Obligations</u>					
General Obligation Bonds					
1992 Judgement	5.39%	\$360,000	\$0	\$30,000	\$330,000
2000 City Complex	4.35-6.25	6,000,000	0	5,000	5,995,000
2001 Library Bonds	3.00	0	6,340,000	355,000	5,985,000
2001 Various Purpose Bonds	3.00	0	7,332,200	0	7,332,200
Total General Obligation Bonds		6,360,000	13,672,200	390,000	19,642,200
Other General Long-Term Obligations					
Due to Other Governments		405,417	520,034	405,417	520,034
Compensated Absences Payable		1,234,807	383,605	0	1,618,412
Police and Fire Pension Liability		1,679,666	0	1,679,666	0
OWDA Loans Payable	12.00	131,049	0	22,797	108,252
Special Assessment Debt with Governmental Commitment	5.23-9.5	2,901,858	387,800	297,900	2,991,758
Total Other General Long-Term Obligations		6,352,797	1,291,439	2,405,780	5,238,456
Total General Long-Term Obligations		12,712,797	14,963,639	2,795,780	24,880,656

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 21 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
<u>Enterprise Fund Long-Term Obligations</u>					
OWDA Loans					
Water	12.00	\$792,884	\$0	\$22,797	\$770,087
Sewer	3.20	4,864,800	1,992,441	40,851	6,816,390
Total OWDA Loans		5,657,684	1,992,441	63,648	7,586,477
General Obligation Bonds					
1986 Waterworks Improvement	7.38	720,000	0	120,000	600,000
1991 Water Meter Improvement	6.38	45,000	0	45,000	0
1991 Waterworks Improvement	6.57	880,000	0	80,000	800,000
1992 Water Pollution Control	5.39	537,000	0	44,000	493,000
Total General Obligation Bonds		2,182,000	0	289,000	1,893,000
Other Long-Term Obligations					
Compensated Absences Payable		415,846	130,747	0	546,593
Total Enterprise Fund Long-Term Obligations		8,255,530	2,123,188	352,648	10,026,070
Total Long-Term Obligations		\$20,968,327	\$17,086,827	\$3,148,428	\$34,906,726

General Obligation Bonds

General obligation bonds consist of bonds issued in 1992 related to a judgement against the City, bonds issued in 2000 for the construction of a new City Complex, and bonds issued in 2001 to renovate the Sandusky Library and for various other purposes. The bonds are being repaid through the General Bond Retirement debt service fund.

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

The compensated absences liability will be paid from the fund from which the employees' salaries are paid.

Police and Fire Pension Liability

On May 14, 2001, the City paid, in full, the balance of the police and fire pension liability that occurred when the State of Ohio established the statewide pension system for police and fire in 1967. As a result of the early retirement of the liability, the City's payment was reduced by \$459,164.

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 21 - LONG-TERM OBLIGATIONS (continued)

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, 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 \$26,693,782 at December 31, 2001.

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.

Principal and interest requirements to retire general long-term obligations outstanding at December 31, 2001, were as follows:

Year	General Obligation Bonds		OWDA Loans		Special Assessment Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$432,175	\$960,453	\$51,066	\$12,990	\$309,966	\$172,106
2003	457,030	946,329	57,186	6,870	275,111	149,037
2004	471,885	930,462	0	0	261,670	133,154
2005	496,740	913,422	0	0	261,815	117,953
2006	511,595	894,623	0	0	256,842	102,684
2007-2011	2,721,606	4,625,900	0	0	938,327	314,106
2012-2016	5,412,374	3,348,113	0	0	544,105	105,304
2017-2021	6,726,608	1,684,653	0	0	121,100	20,550
2022-2026	2,412,187	312,411	0	0	22,822	3,620
	<u>\$19,642,200</u>	<u>\$14,616,366</u>	<u>\$108,252</u>	<u>\$19,860</u>	<u>\$2,991,758</u>	<u>\$1,118,514</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 21 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2001, from the enterprise funds were as follows:

Year	1986 Waterworks Improvement		1991 Waterworks Improvement		1992 Water Pollution Control	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$120,000	\$44,250	\$80,000	\$53,280	\$46,000	\$27,188
2003	120,000	35,400	80,000	48,180	47,000	24,887
2004	120,000	26,550	80,000	43,080	47,000	22,444
2005	120,000	17,700	80,000	37,800	47,000	19,952
2006	120,000	8,850	80,000	32,440	47,000	17,415
2007-2011	0	0	400,000	81,200	210,000	50,249
2012-2035	0	0	0	0	49,000	2,817
	<u>\$600,000</u>	<u>\$132,750</u>	<u>\$800,000</u>	<u>\$295,980</u>	<u>\$493,000</u>	<u>\$164,952</u>

Bonds payable at December 31, 2001, consisted of the following issues:

Bonds	Term	Percent	Original Issue	Outstanding 12/31/01
<u>General Long-Term Obligations Account Group</u>				
General Obligation Bonds				
1992 Judgement	1993-2012	5.39%	\$600,000	\$330,000
2000 City Complex	2000-2020	4.35 to 6.25	6,000,000	5,995,000
2001 Library Bonds	2001-2021	3.00	6,340,000	5,985,000
2001 Various Purpose Bonds	2001-2026	3.00	7,332,200	7,332,200
			<u>20,272,200</u>	<u>19,642,200</u>
Special Assessment Bonds				
1982 PP Sidewalk Improvement	1983-2002	13.00	141,260	8,000
1983 PP Water Improvement	1984-2003	9.50	11,710	1,170
1985 PP Water Improvement	1986-2005	9.50	10,645	2,130
1985 PP Water Improvement	1986-2005	9.00	11,720	2,344
1986 PP Street Improvement	1987-2006	7.38	135,688	37,000
1987 Anderson Street	1988-2007	7.00	10,835	3,249
1988 PP Street	1989-2008	7.00	18,500	6,475
1989 PP Street	1989-2009	7.75	136,640	56,000
1990 Street	1990-2010	7.40	87,675	43,000
1991 PP Water	1991-2011	6.75	13,800	6,900

(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 21 - LONG-TERM OBLIGATIONS (continued)

Bonds	Term	Percent	Original Issue	Outstanding 12/31/01
Special Assessment Bonds (continued)				
1992 PP St. Clair Street	1993-2012	5.39%	\$197,400	\$110,400
1992 PP First Street	1993-2011	5.39	81,650	43,600
1992 PP Water	1993-2011	5.39	69,250	37,200
1992 PP Sidewalk 1991	1993-2002	5.39	253,700	25,800
1995 PP McDonough Street	1995-2015	5.23	2,963	2,027
1995 PP Sidewalk 1992	1995-2003	5.23	120,962	30,242
1995 PP Sidewalk 1993	1995-2005	5.23	122,750	49,100
1995 PP Sidewalk 1994	1995-2005	5.23	149,514	59,808
1995 PP Street	1995-2014	5.23	120,974	82,772
1995 PP Dutch Street	1995-2013	5.23	35,512	23,674
1995 Streetscape	1995-2005	5.23	4,648	1,860
1995 Filmore	1995-2014	5.23	247,677	225,516
1996 Perry Street	1996-2016	5.72	40,000	30,000
1996 Sidewalk 1995	1996-2006	5.72	166,400	83,200
1996 Shoreline Walkway	1996-2006	5.72	13,600	6,801
1996 Perry Street - City Port	1996-2016	5.72	350,000	300,000
1997 Polk Street Improvement	1997-2016	6.00	53,980	43,200
1997 Sidewalk	1997-2007	5.50	175,770	105,490
1998 Sidewalk	1998-2008	4.87	201,000	141,000
1998 PP Street	1998-2008	4.87	48,894	41,675
1998 PP Street	1998-2008	4.87	31,000	26,424
1998 PP Street	1998-2008	4.87	69,106	58,901
1999 Sidewalk	1999-2009	5.50	227,000	181,000
1999 Winnebago	1999-2019	5.50	81,000	73,000
1999 Wilbert	1999-2019	5.50	143,000	129,000
1999 Streetscape	1999-2019	5.50	329,000	297,000
2000 Curb, Sidewalk, and Gutter	2000-2010	6.10	254,000	229,000
2001 Remington	2001-2026	5.86	107,800	107,800
2001 PP Sidewalk	2001-2026	5.86	280,000	280,000
			4,557,023	2,991,758
				(continued)

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 21 - LONG-TERM OBLIGATIONS (continued)

Bonds	Term	Percent	Original Issue	Outstanding 12/31/01
Enterprise Funds				
General Obligation Bonds				
Water				
1986 Waterworks Improvement	1987-2006	7.38%	\$2,400,000	\$600,000
1991 Waterworks Improvement	1992-2011	6.57	1,570,000	800,000
			<u>3,970,000</u>	<u>1,400,000</u>
Sewer				
1992 Water Pollution Control	1993-2012	5.39	885,000	493,000
Total Bonds Payable			<u>\$29,684,223</u>	<u>\$24,526,958</u>

NOTE 22 - 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.

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 2001, 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
2002-2004	\$20,000	\$60,000
2005-2009	25,000	125,000
2010-2014	25,000	125,000
2015-2024	30,000	300,000
Total minimum future rentals		<u>\$610,000</u>

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 22 - OPERATING LEASE (continued)

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 2001.

NOTE 23 - 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, 2001, was as follows:

	Water	Sewer	Total Enterprise Funds
Operating Revenues	\$4,226,826	\$5,326,004	\$9,552,830
Depreciation Expense	253,804	431,267	685,071
Operating Income	835,103	1,184,773	2,019,876
Operating Transfers - In	0	31,498	31,498
Operating Transfers - Out	3,344	49,177	52,521
Net Income	700,899	784,898	1,485,797
Fixed Assets			
Additions	470,246	4,086,992	4,557,238
Reductions	94,598	1,838,346	1,932,944
Net Working Capital	3,388,977	(555,604)	2,833,373
Bonds and Other Long-Term Obligations			
Compensated Absences Payable	257,600	288,993	546,593
OWDA Loans Payable	719,021	6,774,779	7,493,800
General Obligation Bonds Payable	1,200,000	447,000	1,647,000
Total Assets	10,179,770	16,998,238	27,178,008
Total Equity	7,364,193	6,500,316	13,864,509
Encumbrances Outstanding at Year End (Budget Basis)	199,345	5,727,831	5,927,176

City of Sandusky
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2001
(continued)

NOTE 24 - 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.

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, 2001. 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 25 - CONTINGENT LIABILITIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2001, to December 31, 2001, 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.



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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$1,338,090	\$1,467,128	\$129,038
Other Local Taxes	3,710,931	3,228,949	(481,982)
Municipal Income Taxes	7,045,029	6,693,509	(351,520)
Intergovernmental	1,500,279	1,715,131	214,852
Charges for Services	306,249	284,116	(22,133)
Fees, Licenses, and Permits	856,202	689,496	(166,706)
Fines and Forfeitures	738,842	818,398	79,556
Interest	1,000,000	706,639	(293,361)
Other	230,461	218,774	(11,687)
Total Revenues	16,726,083	15,822,140	(903,943)
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Patrol	3,353,173	3,327,430	25,743
Police Records	616,258	598,629	17,629
Police Reserve	105,921	103,144	2,777
Police Marine Patrol	56,347	46,616	9,731
Police DARE	1,860	1,860	0
Fire Suppression	3,681,076	3,607,250	73,826
Street Lighting	105,240	98,980	6,260
Total Security of Persons and Property	7,919,875	7,783,909	135,966
Public Health			
Oakland Cemetery	273,666	265,908	7,758
Community Environment			
Community Development Planning	727,097	720,029	7,068
Community Development Housing	17,769	17,769	0
City Wide Economic Development	7,644	4,200	3,444
Community Development Building Division	266,664	246,873	19,791
Horticulture Services	923,121	912,270	10,851
Total Community Environment	1,942,295	1,901,141	41,154
General Government			
City Manager	116,103	108,212	7,891
Personnel Labor Relations	198,890	194,497	4,393
Information Services	46,481	42,157	4,324
Purchasing	67,862	67,453	409
Finance	192,983	192,975	8
Income Tax	241,176	233,619	7,557
Data Processing	144,491	130,875	13,616
Law Director	183,893	177,763	6,130
Law Prosecution	164,076	158,376	5,700
City Commission	54,325	54,313	12
City Commission Clerk	62,695	59,220	3,475
Municipal Court	327,638	325,389	2,249
Court - Criminal	495,303	476,216	19,087
Civil Service Commission	83,636	71,069	12,567
Municipal Buildings and Lands	565,921	560,341	5,580

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
General Government (continued)			
Engineering	\$405,779	\$400,268	\$5,511
Traffic and Electrical Maintenance	140,950	110,681	30,269
Mechanic	377,062	330,403	46,659
Administrative Support	822,754	795,080	27,674
Total General Government	<u>4,692,018</u>	<u>4,488,907</u>	<u>203,111</u>
Other	<u>1,396</u>	<u>1,396</u>	<u>0</u>
Total Expenditures	<u>14,829,250</u>	<u>14,441,261</u>	<u>387,989</u>
Excess of Revenues Over Expenditures	<u>1,896,833</u>	<u>1,380,879</u>	<u>(515,954)</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	234,960	180,350	(54,610)
Sale of Fixed Assets	51,113	12,267	(38,846)
Operating Transfers - Out	<u>(2,249,174)</u>	<u>(2,078,876)</u>	<u>170,298</u>
Total Other Financing Sources (Uses)	<u>(1,963,101)</u>	<u>(1,886,259)</u>	<u>76,842</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(66,268)	(505,380)	(439,112)
Fund Balance at Beginning of Year	3,222,659	3,222,659	0
Prior Year Encumbrances Appropriated	<u>226,435</u>	<u>226,435</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,382,826</u></u>	<u><u>\$2,943,714</u></u>	<u><u>(\$439,112)</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, 2001

	Street Maintenance	State Highway	Public Transit	Parks and Recreational	Fire Pension
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$460,044	\$1,829	\$121,233	\$8,621	\$988
Receivables:					
Property Taxes	0	0	0	0	129,402
Other Local Taxes	29,600	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	486,997	30,126	114,451	0	6,776
Materials and Supplies Inventory	24,930	0	0	4,606	0
Prepaid Items	12,359	120	0	89	0
Total Assets	\$1,013,930	\$32,075	\$235,684	\$13,316	\$137,166
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$5,703	\$1,665	\$82,452	\$6,028	\$0
Contracts Payable	0	0	0	0	0
Accrued Wages Payable	18,482	3,544	0	5,128	0
Due to Other Funds	0	0	0	0	0
Due to Other Governments	3,210	561	0	1,635	0
Deferred Revenue	436,360	26,040	88,719	0	136,178
Notes Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
Compensated Absences Payable	2,541	21	0	217	0
Total Liabilities	466,296	31,831	171,171	13,008	136,178
<u>Fund Equity</u>					
Fund Balance:					
Reserved:					
Reserved for Notes Receivable	0	0	0	0	0
Reserved for Encumbrances	5,254	164	38,366	6,756	0
Unreserved (Deficit)	542,380	80	26,147	(6,448)	988
Total Fund Equity	547,634	244	64,513	308	988
Total Liabilities and Fund Equity	\$1,013,930	\$32,075	\$235,684	\$13,316	\$137,166

<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>
\$987	\$952,240	\$2,480,099	\$76,816	\$77,823	\$67,683	\$25,860
129,402	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,749,260	0	0	0	0	0
0	0	58,803	0	0	0	0
6,776	10,339	31,739	913	718	2,313	62
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$137,165</u>	<u>\$2,711,839</u>	<u>\$2,570,641</u>	<u>\$77,729</u>	<u>\$78,541</u>	<u>\$69,996</u>	<u>\$25,922</u>
\$0	\$3,122	\$0	\$0	\$0	\$0	\$0
0	105,168	0	0	0	0	0
0	0	0	0	0	0	0
0	1,472	0	0	0	0	0
0	204	0	0	0	0	0
136,178	694	90,542	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>136,178</u>	<u>110,660</u>	<u>90,542</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	1,749,260	0	0	0	0	0
0	17,283	0	900	0	0	0
<u>987</u>	<u>834,636</u>	<u>2,480,099</u>	<u>76,829</u>	<u>78,541</u>	<u>69,996</u>	<u>25,922</u>
<u>987</u>	<u>2,601,179</u>	<u>2,480,099</u>	<u>77,729</u>	<u>78,541</u>	<u>69,996</u>	<u>25,922</u>
<u>\$137,165</u>	<u>\$2,711,839</u>	<u>\$2,570,641</u>	<u>\$77,729</u>	<u>\$78,541</u>	<u>\$69,996</u>	<u>\$25,922</u>

(continued)

City of Sandusky
Special Revenue Funds

Combining Balance Sheet
December 31, 2001
(continued)

	Municipal Probation	General Trust	Park Donations	Cemetery Donations	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$67,766	\$127,494	\$103,383	\$685,525	\$5,258,391
Receivables:					
Property Taxes	0	0	0	0	258,804
Other Local Taxes	0	0	0	0	29,600
Notes (net of allowance for uncollectibles)	0	0	0	0	1,749,260
Accrued Interest	0	0	0	7,661	66,464
Due from Other Governments	1,065	0	0	0	692,275
Materials and Supplies Inventory	0	0	0	0	29,536
Prepaid Items	0	26	0	0	12,594
Total Assets	\$68,831	\$127,520	\$103,383	\$693,186	\$8,096,924
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$0	\$18	\$0	\$305	\$99,293
Contracts Payable	0	0	0	0	105,168
Accrued Wages Payable	0	1,630	0	0	28,784
Due to Other Funds	0	0	0	0	1,472
Due to Other Governments	0	174	0	0	5,784
Deferred Revenue	0	0	0	4,661	919,372
Notes Payable	0	0	0	3,400	3,400
Accrued Interest Payable	0	0	0	11	11
Compensated Absences Payable	0	0	0	0	2,779
Total Liabilities	0	1,822	0	8,377	1,166,063
<u>Fund Equity</u>					
Fund Balance:					
Reserved:					
Reserved for Notes Receivable	0	0	0	0	1,749,260
Reserved for Encumbrances	0	4,274	151	5,091	78,239
Unreserved (Deficit)	68,831	121,424	103,232	679,718	5,103,362
Total Fund Equity	68,831	125,698	103,383	684,809	6,930,861
Total Liabilities and Fund Equity	\$68,831	\$127,520	\$103,383	\$693,186	\$8,096,924

City of Sandusky
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

	Street Maintenance	State Highway	Public Transit	Parks and Recreational	Fire Pension
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$0	\$120,576
Other Local Taxes	488,080	0	0	0	0
Intergovernmental	688,556	55,464	341,795	0	14,596
Charges for Services	0	0	504,854	381,626	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Interest	6,162	5	0	0	2,552
Other	11,999	1,442	8,456	18,979	92
Total Revenues	1,194,797	56,911	855,105	400,605	137,816
<u>Expenditures</u>					
Current:					
Security of Persons and Property	0	0	0	0	640,418
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	720,119	0
Community Environment	0	0	0	0	0
Transportation	1,181,194	196,952	1,076,528	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	700,165
Interest and Fiscal Charges	0	0	0	0	46,994
Total Expenditures	1,181,194	196,952	1,076,528	720,119	1,387,577
Excess of Revenues Over (Under) Expenditures	13,603	(140,041)	(221,423)	(319,514)	(1,249,761)
<u>Other Financing Sources (Uses)</u>					
Proceeds of Bonds	0	0	0	0	742,902
Operating Transfers - In	300,000	135,679	269,749	305,666	507,847
Operating Transfers - Out	(316,740)	0	0	0	0
Total Other Financing Sources (Uses)	(16,740)	135,679	269,749	305,666	1,250,749
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,137)	(4,362)	48,326	(13,848)	988
Fund Balances at Beginning of Year	550,771	4,606	16,187	14,156	0
Fund Balances at End of Year	\$547,634	\$244	\$64,513	\$308	\$988

(continued)

City of Sandusky
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001
(continued)

	Police Pension	State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education
<u>Revenues</u>					
Property Taxes	\$120,575	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0	0
Intergovernmental	14,596	335,316	22,394	7,800	0
Charges for Services	0	0	0	0	0
Fees, Licenses, and Permits	0	0	0	16,934	0
Fines and Forfeitures	0	0	0	0	13,923
Interest	1,897	64,814	259,051	0	0
Other	633	0	0	1,620	0
Total Revenues	137,701	400,130	281,445	26,354	13,923
<u>Expenditures</u>					
Current:					
Security of Persons and Property	525,486	0	7,450	0	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	8,913	0	0	0
Transportation	0	0	0	0	0
Other	0	0	0	23,836	0
Debt Service:					
Principal Retirement	520,337	0	0	0	0
Interest and Fiscal Charges	34,924	0	0	0	0
Total Expenditures	1,080,747	8,913	7,450	23,836	0
Excess of Revenues Over (Under) Expenditures	(943,046)	391,217	273,995	2,518	13,923
<u>Other Financing Sources (Uses)</u>					
Proceeds of Bonds	552,098	0	0	0	0
Operating Transfers - In	391,935	0	0	0	0
Operating Transfers - Out	0	0	(442,417)	0	0
Total Other Financing Sources (Uses)	944,033	0	(442,417)	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	987	391,217	(168,422)	2,518	13,923
Fund Balances at Beginning of Year	0	2,209,962	2,648,521	75,211	64,618
Fund Balances at End of Year	\$987	\$2,601,179	\$2,480,099	\$77,729	\$78,541

<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	\$241,151
0	0	0	0	0	0	488,080
0	0	0	0	0	0	1,480,517
0	0	0	0	0	17,509	903,989
0	3,171	18,423	0	0	0	38,528
26,887	0	0	17,762	0	0	58,572
0	0	0	0	0	24,642	359,123
0	0	0	99,105	1,000	8,883	152,209
<u>26,887</u>	<u>3,171</u>	<u>18,423</u>	<u>116,867</u>	<u>1,000</u>	<u>51,034</u>	<u>3,722,169</u>
0	0	0	26,924	0	0	1,200,278
0	0	0	0	0	24,140	24,140
0	0	0	6,801	49	0	726,969
0	0	0	47,184	0	0	56,097
0	0	0	0	0	0	2,454,674
14,686	0	5,931	0	0	0	44,453
0	0	0	0	0	0	1,220,502
0	0	0	0	0	295	82,213
<u>14,686</u>	<u>0</u>	<u>5,931</u>	<u>80,909</u>	<u>49</u>	<u>24,435</u>	<u>5,809,326</u>
<u>12,201</u>	<u>3,171</u>	<u>12,492</u>	<u>35,958</u>	<u>951</u>	<u>26,599</u>	<u>(2,087,157)</u>
0	0	0	0	0	0	1,295,000
0	0	0	0	0	0	1,910,876
0	0	0	0	0	0	(759,157)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,446,719</u>
12,201	3,171	12,492	35,958	951	26,599	359,562
<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>
<u>\$69,996</u>	<u>\$25,922</u>	<u>\$68,831</u>	<u>\$125,698</u>	<u>\$103,383</u>	<u>\$684,809</u>	<u>\$6,930,861</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other Local Taxes	\$544,690	\$489,060	(\$55,630)
Intergovernmental	715,223	689,121	(26,102)
Interest	6,757	6,651	(106)
Total Revenues	1,266,670	1,184,832	(81,838)
<u>Expenditures</u>			
Current:			
Transportation			
Street Resurfacing	48,000	48,000	0
Public Works	947,970	879,645	68,325
Traffic and Electrical Maintenance	208,609	196,143	12,466
Street Cleaning, Snow, and Ice Removal	83,137	36,291	46,846
Administrative Support	59,903	48,519	11,384
Total Expenditures	1,347,619	1,208,598	139,021
Excess of Revenues Under Expenditures	(80,949)	(23,766)	57,183
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	12,815	11,999	(816)
Operating Transfers - In	328,786	300,000	(28,786)
Operating Transfers - Out	(316,740)	(316,740)	0
Total Other Financing Sources (Uses)	24,861	(4,741)	(29,602)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(56,088)	(28,507)	27,581
Fund Balance at Beginning of Year	450,520	450,520	0
Prior Year Encumbrances Appropriated	31,897	31,897	0
Fund Balance at End of Year	\$426,329	\$453,910	\$27,581

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$56,372	\$55,510	(\$862)
Interest	47	10	(37)
Total Revenues	<u>56,419</u>	<u>55,520</u>	<u>(899)</u>
<u>Expenditures</u>			
Current:			
Transportation			
Traffic and Electrical Maintenance	129,552	125,686	3,866
State Highway Maintenance and Repair	73,926	73,910	16
Total Expenditures	<u>203,478</u>	<u>199,596</u>	<u>3,882</u>
Excess of Revenues Under Expenditures	<u>(147,059)</u>	<u>(144,076)</u>	<u>2,983</u>
<u>Other Financing Sources</u>			
Other Financing Sources	17	1,442	1,425
Operating Transfers - In	142,000	135,679	(6,321)
Total Other Financing Sources	<u>142,017</u>	<u>137,121</u>	<u>(4,896)</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(5,042)	(6,955)	(1,913)
Fund Balance at Beginning of Year	2,731	2,731	0
Prior Year Encumbrances Appropriated	<u>4,224</u>	<u>4,224</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,913</u></u>	<u><u>\$0</u></u>	<u><u>(\$1,913)</u></u>

City of Sandusky
Public Transit Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Intergovernmental	\$341,795	\$341,795	\$0
Charges for Services	448,069	479,611	31,542
Total Revenues	789,864	821,406	31,542
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System	1,185,127	1,184,112	1,015
Excess of Revenues Under Expenditures	(395,263)	(362,706)	32,557
<u>Other Financing Sources</u>			
Other Financing Sources	0	8,456	8,456
Operating Transfers - In	310,762	269,749	(41,013)
Total Other Financing Sources	310,762	278,205	(32,557)
Excess of Revenues and Other Financing Sources Under Expenditures	(84,501)	(84,501)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	84,501	84,501	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$386,022	\$381,626	(\$4,396)
Other	8,464	9,597	1,133
Total Revenues	<u>394,486</u>	<u>391,223</u>	<u>(3,263)</u>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Aquatic Center	148,501	147,724	777
Mills Creek Golf Course	279,021	272,854	6,167
Recreation	258,315	246,370	11,945
Boat Launch Ramp	53,520	49,316	4,204
Administrative Support	11,504	11,145	359
Total Expenditures	<u>750,861</u>	<u>727,409</u>	<u>23,452</u>
Excess of Revenues Under Expenditures	<u>(356,375)</u>	<u>(336,186)</u>	<u>20,189</u>
<u>Other Financing Sources</u>			
Other Financing Sources	6,233	9,382	3,149
Operating Transfers - In	329,004	305,666	(23,338)
Total Other Financing Sources	<u>335,237</u>	<u>315,048</u>	<u>(20,189)</u>
Excess of Revenues and Other Financing Sources Under Expenditures	<u>(21,138)</u>	<u>(21,138)</u>	<u>0</u>
Fund Balance at Beginning of Year	1,598	1,598	0
Prior Year Encumbrances Appropriated	<u>19,540</u>	<u>19,540</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
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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$101,293	\$120,576	\$19,283
Intergovernmental	13,937	14,596	659
Interest	2,552	2,552	0
Total Revenues	117,782	137,724	19,942
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Pension	627,949	625,806	2,143
Debt Service:			
Principal Retirement	1,422,165	1,422,165	0
Interest and Fiscal Charges	46,994	46,994	0
Total Debt Service	1,469,159	1,469,159	0
Total Expenditures	2,097,108	2,094,965	2,143
Excess of Revenues Under Expenditures	(1,979,326)	(1,957,241)	22,085
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	92	92	0
Other Financing Uses	(14,612)	(14,612)	0
Proceeds of Notes	742,665	722,000	(20,665)
Proceeds of Bonds	742,902	742,902	0
Operating Transfers - In	508,279	507,847	(432)
Total Other Financing Sources (Uses)	1,979,326	1,958,229	(21,097)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	0	988	988
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$988	\$988

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$105,499	\$120,575	\$15,076
Intergovernmental	13,937	14,596	659
Interest	1,897	1,897	0
Total Revenues	<u>121,333</u>	<u>137,068</u>	<u>15,735</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Pension	515,501	514,626	875
Debt Service:			
Principal Retirement	1,056,337	1,056,337	0
Interest and Fiscal Charges	34,924	34,924	0
Total Debt Service	<u>1,091,261</u>	<u>1,091,261</u>	<u>0</u>
Total Expenditures	<u>1,606,762</u>	<u>1,605,887</u>	<u>875</u>
Excess of Revenues Under Expenditures	<u>(1,485,429)</u>	<u>(1,468,819)</u>	<u>16,610</u>
<u>Other Financing Sources Uses</u>			
Other Financing Sources	633	633	0
Other Financing Uses	(10,860)	(10,860)	0
Proceeds of Notes	551,358	536,000	(15,358)
Proceeds of Bonds	552,098	552,098	0
Operating Transfers - In	392,200	391,935	(265)
Total Other Financing Sources (Uses)	<u>1,485,429</u>	<u>1,469,806</u>	<u>(15,623)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	0	987	987
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$987</u>	<u>\$987</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$317,828	\$333,243	\$15,415
Interest	16,300	66,455	50,155
Other	266,872	230,308	(36,564)
Total Revenues	601,000	630,006	29,006
<u>Expenditures</u>			
Current:			
Community Environment			
Universal Hiring	27,908	27,908	0
A-F-97-172 CDBG 97-98	3,547	3,547	0
A-C-00-172 CHIP 00-01	93,350	90,610	2,740
Local Law Enforcement Block 99	2,649	2,649	0
Local Law Enforcement Block 01	5,842	5,842	0
A-F-99-172 CDBP 99-00	42,682	42,682	0
A-F-00-172 CDBP 00-01	148,545	148,542	3
A-E-99-172 LEWCO	43,856	43,856	0
Revolving Loan Rehabilitation	36,150	36,150	0
Revolving Loan Economic Development	129,170	129,170	0
DRC Probation	60,843	60,841	2
Total Expenditures	594,542	591,797	2,745
Excess of Revenues Over Expenditures	6,458	38,209	31,751
Fund Balance at Beginning of Year	771,227	771,227	0
Prior Year Encumbrances Appropriated	18,881	18,881	0
Fund Balance at End of Year	\$796,566	\$828,317	\$31,751

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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Intergovernmental	\$71,782	\$108,594	\$36,812
Interest	168,218	181,239	13,021
Total Revenues	240,000	289,833	49,833
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Cops More 97	7,583	7,583	0
Excess of Revenues Over Expenditures	232,417	282,250	49,833
<u>Other Financing Uses</u>			
Operating Transfers - Out	(442,417)	(442,417)	0
Excess of Revenues Under Expenditures and Other Financing Uses	(210,000)	(160,167)	49,833
Fund Balance at Beginning of Year	2,562,454	2,562,454	0
Fund Balance at End of Year	<u>\$2,352,454</u>	<u>\$2,402,287</u>	<u>\$49,833</u>

City of Sandusky
Indigent Drivers Alcohol Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$3,500	\$7,800	\$4,300
Fees, Licenses, and Permits	20,600	16,601	(3,999)
Total Revenues	24,100	24,401	301
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol	28,620	27,726	894
Excess of Revenues Under Expenditures	(4,520)	(3,325)	1,195
<u>Other Financing Sources</u>			
Other Financing Sources	0	1,620	1,620
Excess of Revenues and Other Financing Sources Under Expenditures	(4,520)	(1,705)	2,815
Fund Balance at Beginning of Year	73,879	73,879	0
Prior Year Encumbrances Appropriated	3,742	3,742	0
Fund Balance at End of Year	<u>\$73,101</u>	<u>\$75,916</u>	<u>\$2,815</u>

City of Sandusky
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$13,200	\$13,968	\$768
<u>Expenditures</u>			
Current:			
Other			
Enforcement and Education	5,000	0	5,000
Excess of Revenues Over Expenditures	8,200	13,968	5,768
Fund Balance at Beginning of Year	63,855	63,855	0
Fund Balance at End of Year	\$72,055	\$77,823	\$5,768

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$21,200	\$24,574	\$3,374
<u>Expenditures</u>			
Current:			
Other			
Court Computerization	15,000	14,945	55
Excess of Revenues Over Expenditures	6,200	9,629	3,429
Fund Balance at Beginning of Year	58,054	58,054	0
Fund Balance at End of Year	\$64,254	\$67,683	\$3,429

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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$10,200	\$3,292	(\$6,908)
<u>Expenditures</u>			
Current:			
Other			
Indigent Telephone	10,000	0	10,000
Excess of Revenues Over Expenditures	200	3,292	3,092
Fund Balance at Beginning of Year	17,976	17,976	0
Prior Year Encumbrances Appropriated	4,592	4,592	0
Fund Balance at End of Year	<u>\$22,768</u>	<u>\$25,860</u>	<u>\$3,092</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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$24,500	\$18,701	(\$5,799)
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation	<u>7,016</u>	<u>6,207</u>	<u>809</u>
Excess of Revenues Over Expenditures	17,484	12,494	(4,990)
Fund Balance at Beginning of Year	54,868	54,868	0
Prior Year Encumbrances Appropriated	<u>404</u>	<u>404</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$72,756</u></u>	<u><u>\$67,766</u></u>	<u><u>(\$4,990)</u></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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$16,013	\$17,762	\$1,749
Other	78,452	82,088	3,636
Total Revenues	<u>94,465</u>	<u>99,850</u>	<u>5,385</u>
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Police Patrol	1,010	1,010	0
Contraband Trust	7,502	7,499	3
Drug Law Enforcement	94	94	0
Police DARE	849	824	25
Police SRT	400	324	76
Fire Suppression	17,969	17,969	0
Total Security of Persons and Property	<u>27,824</u>	<u>27,720</u>	<u>104</u>
Leisure Time Activities			
Green Trust	7,033	7,032	1
Community Environment			
Downtown Economic Development	<u>70,303</u>	<u>48,951</u>	<u>21,352</u>
Total Expenditures	<u>105,160</u>	<u>83,703</u>	<u>21,457</u>
Excess of Revenues Over (Under) Expenditures	(10,695)	16,147	26,842
<u>Other Financing Sources</u>			
Other Financing Sources	<u>17,017</u>	<u>17,017</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	6,322	33,164	26,842
Fund Balance at Beginning of Year	70,897	70,897	0
Prior Year Encumbrances Appropriated	<u>19,159</u>	<u>19,159</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$96,378</u></u>	<u><u>\$123,220</u></u>	<u><u>\$26,842</u></u>

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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Interest	\$2,530	\$0	(\$2,530)
Other	1,000	1,000	0
Total Revenues	3,530	1,000	(2,530)
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Shoreline Park Improvement	1,000	200	800
Excess of Revenues Over Expenditures	2,530	800	(1,730)
Fund Balance at Beginning of Year	102,432	102,432	0
Fund Balance at End of Year	<u>\$104,962</u>	<u>\$103,232</u>	<u>(\$1,730)</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$15,130	\$17,509	\$2,379
Interest	45,461	38,633	(6,828)
Total Revenues	<u>60,591</u>	<u>56,142</u>	<u>(4,449)</u>
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery	13,397	13,397	0
Chapel Restoration	6,529	6,529	0
Garden Mausoleum	3,622	305	3,317
Perpetual Care	7,763	4,271	3,492
Special Care	16,207	4,340	11,867
Memorial Paintings	2,070	0	2,070
Mausoleum	18,314	400	17,914
Dorn Endowment	1,034	0	1,034
Total Public Health	<u>68,936</u>	<u>29,242</u>	<u>39,694</u>
Debt Service:			
Principal Retirement	3,400	3,400	0
Interest and Fiscal Charges	313	313	0
Total Debt Service	<u>3,713</u>	<u>3,713</u>	<u>0</u>
Total Expenditures	<u>72,649</u>	<u>32,955</u>	<u>39,694</u>
Excess of Revenues Over (Under) Expenditures	(12,058)	23,187	35,245
<u>Other Financing Sources</u>			
Other Financing Sources	<u>0</u>	<u>8,883</u>	<u>8,883</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(12,058)	32,070	44,128
Fund Balance at Beginning of Year	<u>639,900</u>	<u>639,900</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$627,842</u></u>	<u><u>\$671,970</u></u>	<u><u>\$44,128</u></u>

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$206,792	\$241,151	\$34,359
Other Local Taxes	544,690	489,060	(55,630)
Intergovernmental	1,534,374	1,565,255	30,881
Charges for Services	849,221	878,746	29,525
Fees, Licenses, and Permits	55,300	38,594	(16,706)
Fines and Forfeitures	50,413	56,304	5,891
Interest	243,762	297,437	53,675
Other	354,788	322,993	(31,795)
Total Revenues	3,839,340	3,889,540	50,200
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire Pension	627,949	625,806	2,143
Police Pension	515,501	514,626	875
Police Cops More 97	7,583	7,583	0
Police Patrol	1,010	1,010	0
Contraband Trust	7,502	7,499	3
Drug Law Enforcement	94	94	0
Police DARE	849	824	25
Police SRT	400	324	76
Fire Suppression	17,969	17,969	0
Total Security of Persons and Property	1,178,857	1,175,735	3,122
Public Health			
Oakland Cemetery	13,397	13,397	0
Chapel Restoration	6,529	6,529	0
Garden Mausoleum	3,622	305	3,317
Perpetual Care	7,763	4,271	3,492
Special Care	16,207	4,340	11,867
Memorial Paintings	2,070	0	2,070
Mausoleum	18,314	400	17,914
Dorn Endowment	1,034	0	1,034
Total Public Health	68,936	29,242	39,694
Leisure Time Activities			
Aquatic Center	148,501	147,724	777
Mills Creek Golf Course	279,021	272,854	6,167
Recreation	258,315	246,370	11,945
Boat Launch Ramp	53,520	49,316	4,204
Green Trust	7,033	7,032	1
Shoreline Park Improvement	1,000	200	800
Administrative Support	11,504	11,145	359
Total Leisure Time Activities	758,894	734,641	24,253

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Universal Hiring	\$27,908	\$27,908	\$0
A-F-97-172 CDBG 97-98	3,547	3,547	0
A-C-00-172 CHIP 00-01	93,350	90,610	2,740
Local Law Enforcement Block 99	2,649	2,649	0
Local Law Enforcement Block 01	5,842	5,842	0
A-F-99-172 CDBP 99-00	42,682	42,682	0
A-F-00-172 CDBP 00-01	148,545	148,542	3
A-E-99-172 LEWCO	43,856	43,856	0
Revolving Loan Rehabilitation	36,150	36,150	0
Revolving Loan Economic Development	129,170	129,170	0
DRC Probation	60,843	60,841	2
Downtown Economic Development	70,303	48,951	21,352
Total Community Environment	664,845	640,748	24,097
Transportation			
Street Resurfacing	48,000	48,000	0
Public Works	947,970	879,645	68,325
Traffic and Electrical Maintenance	338,161	321,829	16,332
Street Cleaning, Snow, and Ice Removal	83,137	36,291	46,846
State Highway Maintenance and Repair	73,926	73,910	16
Public Transit System	1,185,127	1,184,112	1,015
Administrative Support	59,903	48,519	11,384
Total Transportation	2,736,224	2,592,306	143,918
Other			
Indigent Drivers Alcohol Enforcement and Education	28,620	27,726	894
Court Computerization	5,000	0	5,000
Indigent Telephone	15,000	14,945	55
Municipal Probation	10,000	0	10,000
Municipal Probation	7,016	6,207	809
Total Other	65,636	48,878	16,758
Debt Service:			
Principal Retirement	2,481,902	2,481,902	0
Interest and Fiscal Charges	82,231	82,231	0
Total Debt Service	2,564,133	2,564,133	0
Total Expenditures	8,037,525	7,785,683	251,842
Excess of Revenues Under Expenditures	(4,198,185)	(3,896,143)	302,042

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	\$36,807	\$59,524	\$22,717
Other Financing Uses	(25,472)	(25,472)	0
Proceed of Notes	1,294,023	1,258,000	(36,023)
Proceed of Bonds	1,295,000	1,295,000	0
Operating Transfers - In	2,011,031	1,910,876	(100,155)
Operating Transfers - Out	(759,157)	(759,157)	0
Total Other Financing Sources (Uses)	<u>3,852,232</u>	<u>3,738,771</u>	<u>(113,461)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(345,953)	(157,372)	188,581
Fund Balance at Beginning of Year	4,870,391	4,870,391	0
Prior Year Encumbrances Appropriated	<u>186,940</u>	<u>186,940</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,711,378</u></u>	<u><u>\$4,899,959</u></u>	<u><u>\$188,581</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, 2001

	General Bond Retirement	Special Assessment Bond Retirement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,155,354	\$296,035	\$1,451,389
Receivables:			
Property Taxes	543,491	0	543,491
Municipal Income Taxes	190,060	0	190,060
Special Assessments	0	3,358,599	3,358,599
Due from Other Governments	28,458	0	28,458
	<u>\$1,917,363</u>	<u>\$3,654,634</u>	<u>\$5,571,997</u>
<u>Liabilities and Fund Equity</u>			
<u>Liabilities</u>			
Deferred Revenue	\$720,760	\$3,358,599	\$4,079,359
<u>Fund Equity</u>			
Fund Balance:			
Unreserved	1,196,603	296,035	1,492,638
	<u>\$1,917,363</u>	<u>\$3,654,634</u>	<u>\$5,571,997</u>
Total Liabilities and Fund Equity	<u>\$1,917,363</u>	<u>\$3,654,634</u>	<u>\$5,571,997</u>

City of Sandusky
Debt Service Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

	General Bond Retirement	Special Assessment Bond Retirement	Total
<u>Revenues</u>			
Property Taxes	\$506,418	\$0	\$506,418
Municipal Income Taxes	439,502	0	439,502
Special Assessments	0	428,510	428,510
Intergovernmental	61,302	0	61,302
Interest	17,275	0	17,275
Other	13,400	0	13,400
Total Revenues	<u>1,037,897</u>	<u>428,510</u>	<u>1,466,407</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	390,000	320,697	710,697
Interest and Fiscal Charges	753,442	182,507	935,949
Total Expenditures	<u>1,143,442</u>	<u>503,204</u>	<u>1,646,646</u>
Excess of Revenues Under Expenditures	<u>(105,545)</u>	<u>(74,694)</u>	<u>(180,239)</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	2,132,448	43,457	2,175,905
Operating Transfers - Out	<u>(2,146,891)</u>	<u>0</u>	<u>(2,146,891)</u>
Total Other Financing Sources (Uses)	<u>(14,443)</u>	<u>43,457</u>	<u>29,014</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(119,988)</u>	<u>(31,237)</u>	<u>(151,225)</u>
Fund Balance at Beginning of Year	<u>1,316,591</u>	<u>327,272</u>	<u>1,643,863</u>
Fund Balance at End of Year	<u><u>\$1,196,603</u></u>	<u><u>\$296,035</u></u>	<u><u>\$1,492,638</u></u>

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$428,345	\$506,418	\$78,073
Municipal Income Taxes	489,551	445,172	(44,379)
Intergovernmental	82,409	61,302	(21,107)
Interest	0	17,275	17,275
Other	6,218	9,069	2,851
Total Revenues	<u>1,006,523</u>	<u>1,039,236</u>	<u>32,713</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	2,388,227	2,388,227	0
Interest and Fiscal Charges	871,669	866,897	4,772
Total Expenditures	<u>3,259,896</u>	<u>3,255,124</u>	<u>4,772</u>
Excess of Revenues Under Expenditures	<u>(2,253,373)</u>	<u>(2,215,888)</u>	<u>37,485</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	0	4,331	4,331
Other Financing Uses	(35,209)	(35,209)	0
Proceeds of Notes	165,000	165,000	0
Proceeds of Bonds	1,790,000	1,790,000	0
Operating Transfers - In	177,448	177,448	0
Total Other Financing Sources (Uses)	<u>2,097,239</u>	<u>2,101,570</u>	<u>4,331</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(156,134)</u>	<u>(114,318)</u>	<u>41,816</u>
Fund Balance at Beginning of Year	<u>1,269,672</u>	<u>1,269,672</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,113,538</u></u>	<u><u>\$1,155,354</u></u>	<u><u>\$41,816</u></u>

City of Sandusky
Special Assessment Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Special Assessments	\$442,391	\$428,510	(\$13,881)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	307,008	307,004	4
Interest and Fiscal Charges	156,992	154,539	2,453
Total Expenditures	464,000	461,543	2,457
Excess of Revenues Under Expenditures	(21,609)	(33,033)	(11,424)
Fund Balance at Beginning of Year	329,068	329,068	0
Fund Balance at End of Year	<u>\$307,459</u>	<u>\$296,035</u>	<u>(\$11,424)</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$428,345	\$506,418	\$78,073
Municipal Income Taxes	489,551	445,172	(44,379)
Special Assessments	442,391	428,510	(13,881)
Intergovernmental	82,409	61,302	(21,107)
Interest	0	17,275	17,275
Other	6,218	9,069	2,851
Total Revenues	1,448,914	1,467,746	18,832
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	2,695,235	2,695,231	4
Interest and Fiscal Charges	1,028,661	1,021,436	7,225
Total Expenditures	3,723,896	3,716,667	7,229
Excess of Revenues Under Expenditures	(2,274,982)	(2,248,921)	26,061
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	0	4,331	4,331
Other Financing Uses	(35,209)	(35,209)	0
Proceeds of Notes	165,000	165,000	0
Proceeds of Bonds	1,790,000	1,790,000	0
Operating Transfers - In	177,448	177,448	0
Total Other Financing Sources (Uses)	2,097,239	2,101,570	4,331
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(177,743)	(147,351)	30,392
Fund Balance at Beginning of Year	1,598,740	1,598,740	0
Fund Balance at End of Year	\$1,420,997	\$1,451,389	\$30,392

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, 2001

	Capital Improvement	Capital Projects	Redevelopment Tax Increment	Special Assessment Improvement	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,605	\$7,010,933	\$313	\$286,874	\$7,299,725
Receivables:					
Municipal Income Taxes	152,048	0	0	0	152,048
Special Assessments	0	0	0	238,114	238,114
Accrued Interest	0	21,656	0	0	21,656
Due from Other Governments	0	14,319	0	0	14,319
Total Assets	\$153,653	\$7,046,908	\$313	\$524,988	\$7,725,862
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$0	\$50,928	\$0	\$220	\$51,148
Contracts Payable	0	444,227	0	75,587	519,814
Accrued Wages Payable	0	0	0	1,104	1,104
Retainage Payable	0	218,349	0	0	218,349
Due to Other Governments	0	20,227	0	170	20,397
Deferred Revenue	119,049	21,656	0	238,114	378,819
Notes Payable	459,131	559,969	0	372,000	1,391,100
Accrued Interest Payable	494	5,293	0	3,125	8,912
Total Liabilities	578,674	1,320,649	0	690,320	2,589,643
<u>Fund Equity</u>					
Fund Balance:					
Reserved:					
Reserved for Encumbrances	0	5,448,010	0	92,514	5,540,524
Unreserved (Deficit)	(425,021)	278,249	313	(257,846)	(404,305)
Total Fund Equity (Deficit)	(425,021)	5,726,259	313	(165,332)	5,136,219
Total Liabilities and Fund Equity	\$153,653	\$7,046,908	\$313	\$524,988	\$7,725,862

City of Sandusky
Capital Projects Funds

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 2001

	<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	\$351,601	\$0	\$0	\$0	\$351,601
Payment in Lieu of Taxes	0	0	20,679	0	20,679
Special Assessments	0	76,840	0	118,988	195,828
Intergovernmental	0	277,282	0	1,136	278,418
Charges for Services	0	345,094	0	49,037	394,131
Fees, Licenses, and Permits	0	120,473	0	0	120,473
Interest	19,400	294,225	0	3,640	317,265
Other	0	164,671	0	0	164,671
Total Revenues	371,001	1,278,585	20,679	172,801	1,843,066
<u>Expenditures</u>					
Capital Outlay	0	7,516,579	0	405,195	7,921,774
Debt Service:					
Interest and Fiscal Charges	494	227,174	0	18,636	246,304
Total Expenditures	494	7,743,753	0	423,831	8,168,078
Excess of Revenues Over (Under) Expenditures	370,507	(6,465,168)	20,679	(251,030)	(6,325,012)
<u>Other Financing Sources (Uses)</u>					
Sale of Fixed Assets	0	29,473	0	0	29,473
Proceeds of Bonds	0	12,483,864	0	281,136	12,765,000
Operating Transfers - In	264,995	3,882,651	0	114,795	4,262,441
Operating Transfers - Out	(1,135,782)	(2,151,995)	(24,000)	(31,498)	(3,343,275)
Total Other Financing Sources (Uses)	(870,787)	14,243,993	(24,000)	364,433	13,713,639
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(500,280)	7,778,825	(3,321)	113,403	7,388,627
Fund Balances (Deficit) at Beginning of Year	75,259	(2,052,566)	3,634	(278,735)	(2,252,408)
Fund Balances (Deficit) at End of Year	(\$425,021)	\$5,726,259	\$313	(\$165,332)	\$5,136,219

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Taxes	\$372,582	\$356,137	(\$16,445)
Interest	0	19,400	19,400
Total Revenues	372,582	375,537	2,955
<u>Expenditures</u>			
	0	0	0
Excess of Revenues Over Expenditures	372,582	375,537	2,955
<u>Other Financing Sources (Uses)</u>			
Proceed of Notes	438,259	459,131	20,872
Operating Transfers - In	335,138	264,995	(70,143)
Operating Transfers - Out	(1,183,397)	(1,135,782)	47,615
Total Other Financing Sources (Uses)	(410,000)	(411,656)	(1,656)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(37,418)	(36,119)	1,299
Fund Balance at Beginning of Year	37,724	37,724	0
Fund Balance at End of Year	\$306	\$1,605	\$1,299

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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$76,840	\$76,840	\$0
Intergovernmental	296,843	277,282	(19,561)
Charges for Services	363,013	345,094	(17,919)
Fees, Licenses, and Permits	0	110,973	110,973
Interest	300,275	300,275	0
Other	87,499	123,546	36,047
Total Revenues	1,124,470	1,234,010	109,540
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire	42,400	41,480	920
Leisure Time Activities			
Recreation	5,656	5,656	0
Boat Launch Ramp	1,692	1,692	0
Total Leisure Time Activities	7,348	7,348	0
Community Environment			
City Wide Economic Development	15,323	9,024	6,299
Library	1,811	1,811	0
Schade/Mylander Plaza	34	34	0
Demolition of Berhm Building	1,635	1,635	0
Downtown Revitalization	92,183	92,183	0
Total Community Environment	110,986	104,687	6,299
Transportation			
Remington	792	792	0
Columbus Resurfacing	307	307	0
West End Grade Separation	13,670	9,835	3,835
Issue II 2001 Resurfacing	193	193	0
Shoreline Walkway	100	0	100
Total Transportation	15,062	11,127	3,935
General Government			
City Hall	1,760	1,760	0
Amtrak Station	11,338	3,011	8,327
Court/Law Renovation	5,000	1,204	3,796
City Complex Relocation	1,634	1,634	0
Traffic and Electrical Maintenance	490	490	0
Administrative Support	26,615	0	26,615
Total General Government	46,837	8,099	38,738
Capital Outlay	13,025,461	12,784,186	241,275

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Debt Service:			
Principal Retirement	\$5,337,311	\$5,335,100	\$2,211
Interest and Fiscal Charges	125,503	125,503	0
Total Debt Service	<u>5,462,814</u>	<u>5,460,603</u>	<u>2,211</u>
Total Expenditures	<u>18,710,908</u>	<u>18,417,530</u>	<u>293,378</u>
Excess of Revenues Under Expenditures	<u>(17,586,438)</u>	<u>(17,183,520)</u>	<u>402,918</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	58,869	41,125	(17,744)
Other Financing Uses	(85,660)	(85,660)	0
Sale of Fixed Assets	35,431	29,473	(5,958)
Proceeds of Notes	245,923	200,869	(45,054)
Proceeds of Bonds	10,876,717	10,693,864	(182,853)
Operating Transfers - In	1,866,580	1,822,987	(43,593)
Operating Transfers - Out	(196,995)	(196,995)	0
Total Other Financing Sources (Uses)	<u>12,800,865</u>	<u>12,505,663</u>	<u>(295,202)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(4,785,573)	(4,677,857)	107,716
Fund Balance at Beginning of Year	5,032,687	5,032,687	0
Prior Year Encumbrances Appropriated	<u>718,000</u>	<u>718,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$965,114</u>	<u>\$1,072,830</u>	<u>\$107,716</u>

City of Sandusky
 Redevelopment Tax Increment Capital Projects Fund

Schedule of Revenues, Expenditures,
 and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$20,679	\$20,679	\$0
<u>Expenditures</u>			
	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	20,679	20,679	0
<u>Other Financing Uses</u>			
Operating Transfers - Out	<u>(24,000)</u>	<u>(24,000)</u>	<u>0</u>
Excess of Revenues Under Expenditures and Other Financing Uses	(3,321)	(3,321)	0
Fund Balance at Beginning of Year	<u>3,634</u>	<u>3,634</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$313</u></u>	<u><u>\$313</u></u>	<u><u>\$0</u></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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Special Assessments	\$109,928	\$118,988	\$9,060
Intergovernmental	1,136	1,136	0
Charges for Services	86,793	49,037	(37,756)
Interest	0	3,640	3,640
Total Revenues	<u>197,857</u>	<u>172,801</u>	<u>(25,056)</u>
<u>Expenditures</u>			
Current:			
Community Environment			
Remove Unsafe Buildings	13,671	13,671	0
Nuisance Removal	15,000	5,944	9,056
Total Community Environment	<u>28,671</u>	<u>19,615</u>	<u>9,056</u>
Transportation			
Sidewalk-Curb-Gutter-2001	33,417	33,417	0
Sidewalk-Curb-Gutter-2000	23,749	21,471	2,278
Sidewalk-Curb-Gutter-1999	8	8	0
Total Transportation	<u>57,174</u>	<u>54,896</u>	<u>2,278</u>
Capital Outlay	<u>464,504</u>	<u>422,965</u>	<u>41,539</u>
Debt Service:			
Principal Retirement	383,802	383,802	0
Interest and Fiscal Charges	32,884	32,884	0
Total Debt Service	<u>416,686</u>	<u>416,686</u>	<u>0</u>
Total Expenditures	<u>967,035</u>	<u>914,162</u>	<u>52,873</u>
Excess of Revenues Under Expenditures	<u>(769,178)</u>	<u>(741,361)</u>	<u>27,817</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Uses	(18)	(18)	0
Proceeds of Notes	372,000	372,000	0
Proceeds of Bonds	280,018	281,136	1,118
Operating Transfers - In	29,847	27,568	(2,279)
Total Other Financing Sources (Uses)	<u>681,847</u>	<u>680,686</u>	<u>(1,161)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(87,331)</u>	<u>(60,675)</u>	<u>26,656</u>
Fund Balance at Beginning of Year	164,670	164,670	0
Prior Year Encumbrances Appropriated	<u>14,778</u>	<u>14,778</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$92,117</u></u>	<u><u>\$118,773</u></u>	<u><u>\$26,656</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Municipal Income Taxes	\$372,582	\$356,137	(\$16,445)
Payment in Lieu of Taxes	20,679	20,679	0
Special Assessments	186,768	195,828	9,060
Intergovernmental	297,979	278,418	(19,561)
Charges for Services	449,806	394,131	(55,675)
Fees, Licenses, and Permits	0	110,973	110,973
Interest	300,275	323,315	23,040
Other	87,499	123,546	36,047
Total Revenues	1,715,588	1,803,027	87,439
<u>Expenditures</u>			
Current:			
Security of Persons and Property			
Fire	42,400	41,480	920
Leisure Time Activities			
Recreation	5,656	5,656	0
Boat Launch Ramp	1,692	1,692	0
Total Leisure Time Activities	7,348	7,348	0
Community Environment			
City Wide Economic Development	15,323	9,024	6,299
Library	1,811	1,811	0
Schade/Mylander Plaza	34	34	0
Demolition of Brehm Building	1,635	1,635	0
Downtown Revitalization	92,183	92,183	0
Remove Unsafe Buildings	13,671	13,671	0
Nuisance Removal	15,000	5,944	9,056
Total Community Environment	139,657	124,302	15,355
Transportation			
Remington	792	792	0
Columbus Resurfacing	307	307	0
West End Grade Separation	13,670	9,835	3,835
Issue II 2001 Resurfacing	193	193	0
Shoreline Walkway	100	0	100
Sidewalk-Curb-Gutter-2001	33,417	33,417	0
Sidewalk-Curb-Gutter-2000	23,749	21,471	2,278
Sidewalk-Curb-Gutter-1999	8	8	0
Total Transportation	72,236	66,023	6,213
General Government			
City Hall	1,760	1,760	0
Amtrak Station	11,338	3,011	8,327
Court/Law Renovation	5,000	1,204	3,796
City Complex Relocation	1,634	1,634	0
Traffic and Electrical Maintenance	490	490	0
Administrative Support	26,615	0	26,615
Total General Government	46,837	8,099	38,738

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay	\$13,489,965	\$13,207,151	\$282,814
Debt Service:			
Principal Retirement	5,721,113	5,718,902	2,211
Interest and Fiscal Charges	158,387	158,387	0
Total Debt Service	5,879,500	5,877,289	2,211
Total Expenditures	19,677,943	19,331,692	346,251
Excess of Revenues Under Expenditures	(17,962,355)	(17,528,665)	433,690
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	58,869	41,125	(17,744)
Other Financing Uses	(85,678)	(85,678)	0
Sale of Fixed Assets	35,431	29,473	(5,958)
Proceeds of Notes	1,056,182	1,032,000	(24,182)
Proceeds of Bonds	11,156,735	10,975,000	(181,735)
Operating Transfers - In	2,231,565	2,115,550	(116,015)
Operating Transfers - Out	(1,404,392)	(1,356,777)	47,615
Total Other Financing Sources (Uses)	13,048,712	12,750,693	(298,019)
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(4,913,643)	(4,777,972)	135,671
Fund Balance at Beginning of Year	5,238,715	5,238,715	0
Prior Year Encumbrances Appropriated	732,778	732,778	0
Fund Balance at End of Year	<u>\$1,057,850</u>	<u>\$1,193,521</u>	<u>\$135,671</u>

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, 2001

	Water	Sewer	Total
<u>Assets</u>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$3,287,515	\$1,784,507	\$5,072,022
Receivables:			
Accounts	261,816	496,656	758,472
Due from Other Governments	152,755	57,487	210,242
Materials and Supplies Inventory	294,870	67,263	362,133
Prepaid Items	30,977	25,633	56,610
Total Current Assets	4,027,933	2,431,546	6,459,479
Non-Current Assets:			
Fixed Assets (net of accumulated depreciation)	6,151,837	14,566,692	20,718,529
Total Assets	<u>\$10,179,770</u>	<u>\$16,998,238</u>	<u>\$27,178,008</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$33,011	\$207,921	\$240,932
Contracts Payable	762	167,140	167,902
Accrued Wages Payable	45,457	49,289	94,746
Retainage Payable	0	34,501	34,501
Due to Other Governments	61,349	64,561	125,910
Notes Payable	227,000	2,208,000	2,435,000
Accrued Interest Payable	17,568	164,129	181,697
Compensated Absences Payable	2,743	3,998	6,741
OWDA Loans Payable	51,066	41,611	92,677
General Obligation Bonds Payable	200,000	46,000	246,000
Total Current Liabilities	638,956	2,987,150	3,626,106
Non-Current Liabilities:			
Compensated Absences Payable	257,600	288,993	546,593
OWDA Loans Payable	719,021	6,774,779	7,493,800
General Obligation Bonds Payable	1,200,000	447,000	1,647,000
Total Non-Current Liabilities	2,176,621	7,510,772	9,687,393
Total Liabilities	2,815,577	10,497,922	13,313,499
<u>Fund Equity</u>			
Retained Earnings:			
Unreserved	6,833,478	4,253,167	11,086,645
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	166,198	532,211	698,409
Contributed from Other Funds	16,636	977,964	994,600
Contributed from Developers	20,965	47,094	68,059
Total Fund Equity	7,364,193	6,500,316	13,864,509
Total Liabilities and Fund Equity	<u>\$10,179,770</u>	<u>\$16,998,238</u>	<u>\$27,178,008</u>

City of Sandusky
Enterprise Funds

Combining Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended December 31, 2001

	Water	Sewer	Total
<u>Operating Revenues</u>			
Charges for Services	\$4,207,532	\$5,253,680	\$9,461,212
Other Operating Revenues	19,294	72,324	91,618
Total Operating Revenues	<u>4,226,826</u>	<u>5,326,004</u>	<u>9,552,830</u>
<u>Operating Expenses</u>			
Personal Services	2,007,677	2,111,193	4,118,870
Travel and Transportation	35,646	29,436	65,082
Contractual Services	512,117	1,100,588	1,612,705
Materials and Supplies	580,095	464,787	1,044,882
Depreciation	253,804	431,267	685,071
Other Operating Expenses	2,384	3,960	6,344
Total Operating Expenses	<u>3,391,723</u>	<u>4,141,231</u>	<u>7,532,954</u>
Operating Income	<u>835,103</u>	<u>1,184,773</u>	<u>2,019,876</u>
<u>Non-Operating Revenues (Expenses)</u>			
Gain on Sale of Fixed Assets	2,142	1,954	4,096
Interest Revenue	242	1,498	1,740
Interest Expense	(133,244)	(385,648)	(518,892)
Total Non-Operating Revenues (Expenses)	<u>(130,860)</u>	<u>(382,196)</u>	<u>(513,056)</u>
Income Before Operating Transfers	704,243	802,577	1,506,820
Operating Transfers - In	0	31,498	31,498
Operating Transfers - Out	(3,344)	(49,177)	(52,521)
Net Income	700,899	784,898	1,485,797
Depreciation on Fixed Assets Acquired by Contributed Capital	19,110	179,410	198,520
Retained Earnings at Beginning of Year	<u>6,113,469</u>	<u>3,288,859</u>	<u>9,402,328</u>
Retained Earnings at End of Year	<u>6,833,478</u>	<u>4,253,167</u>	<u>11,086,645</u>
Contributed Capital at Beginning of Year	549,825	2,426,559	2,976,384
Depreciation on Fixed Assets Acquired by Contributed Capital	(19,110)	(179,410)	(198,520)
Contributed Capital at End of Year	<u>530,715</u>	<u>2,247,149</u>	<u>2,777,864</u>
Total Fund Equity at End of Year	<u><u>\$7,364,193</u></u>	<u><u>\$6,500,316</u></u>	<u><u>\$13,864,509</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$4,131,078	\$4,076,086	(\$54,992)
Proceeds of Notes	227,000	227,000	0
Proceeds of OWDA Loans	59,577	0	(59,577)
Sale of Fixed Assets	0	2,487	2,487
Interest Revenue	133	242	109
Other	4,608	19,294	14,686
Total Revenues	4,422,396	4,325,109	(97,287)
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	84,614	84,132	482
Waterworks Filtration	816,445	798,027	18,418
Waterworks Distribution	662,459	635,610	26,849
Administrative Support	394,344	392,153	2,191
Total Personal Services	1,957,862	1,909,922	47,940
<u>Travel and Transportation</u>			
Water Office	2,633	2,633	0
Waterworks Filtration	27,026	25,266	1,760
Waterworks Distribution	10,442	7,941	2,501
Administrative Support	4,928	4,928	0
Total Travel and Transportation	45,029	40,768	4,261
<u>Contractual Services</u>			
Water Office	29,414	28,009	1,405
Waterworks Filtration	459,266	457,393	1,873
Waterworks Distribution	36,413	28,858	7,555
Administrative Support	118,711	100,803	17,908
Total Contractual Services	643,804	615,063	28,741
<u>Materials and Supplies</u>			
Water Office	3,102	2,933	169
Waterworks Filtration	331,574	300,815	30,759
Waterworks Distribution	127,853	78,252	49,601
Administrative Support	62,407	52,867	9,540
Total Materials and Supplies	524,936	434,867	90,069
<u>Other</u>			
Administrative Support	2,449	2,384	65
<u>Capital Outlay</u>			
Water Office	153,009	153,009	0
Waterworks Filtration	60,362	60,362	0
Waterworks Distribution	282,228	280,146	2,082
Administrative Support	13,366	13,366	0
Total Capital Outlay	508,965	506,883	2,082

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Debt Service:			
Principal Retirement	\$479,297	\$479,297	\$0
Interest Expense	132,899	132,809	90
Total Debt Service	<u>612,196</u>	<u>612,106</u>	<u>90</u>
Total Expenses	<u>4,295,241</u>	<u>4,121,993</u>	<u>173,248</u>
Excess of Revenues Over Expenses	127,155	203,116	75,961
Operating Transfers - Out	<u>(3,344)</u>	<u>(3,344)</u>	<u>0</u>
Excess of Revenues Over Expenses and Transfers	123,811	199,772	75,961
Fund Balance at Beginning of Year	2,442,695	2,442,695	0
Prior Year Encumbrances Appropriated	<u>445,703</u>	<u>445,703</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,012,209</u></u>	<u><u>\$3,088,170</u></u>	<u><u>\$75,961</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$4,783,719	\$5,071,194	\$287,475
Proceeds of Notes	2,400,000	2,208,000	(192,000)
Proceeds of OWDA Loans	7,686,989	1,992,441	(5,694,548)
Sale of Fixed Assets	13,710	2,000	(11,710)
Interest Revenue	326	1,498	1,172
Other	3,912	72,324	68,412
Total Revenues	14,888,656	9,347,457	(5,541,199)
<u>Expenses</u>			
Personal Services			
Sewer Office	84,520	84,242	278
Water Pollution Control	1,033,603	1,006,923	26,680
Sewer Maintenance	602,306	535,560	66,746
Administrative Support	403,661	392,026	11,635
Total Personal Services	2,124,090	2,018,751	105,339
Travel and Transportation			
Sewer Office	2,828	2,828	0
Water Pollution Control	17,255	14,910	2,345
Sewer Maintenance	10,704	8,777	1,927
Administrative Support	4,859	4,834	25
Total Travel and Transportation	35,646	31,349	4,297
Contractual Services			
Sewer Office	29,324	27,920	1,404
Water Pollution Control	682,829	668,227	14,602
Sewer Maintenance	133,230	133,230	0
Administrative Support	344,940	256,150	88,790
Total Contractual Services	1,190,323	1,085,527	104,796
Materials and Supplies			
Sewer Office	3,001	2,832	169
Water Pollution Control	281,944	228,628	53,316
Sewer Maintenance	119,477	100,490	18,987
Administrative Support	70,363	49,824	20,539
Total Materials and Supplies	474,785	381,774	93,011
Other			
Administrative Support	4,375	3,960	415

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay			
Sewer Office	\$14,765	\$14,765	\$0
Water Pollution Control	6,074,539	6,014,519	60,020
Sewer Maintenance	798,777	781,032	17,745
Administrative Support	13,366	13,366	0
Other	0	1,020,053	(1,020,053)
Total Capital Outlay	<u>6,901,447</u>	<u>7,843,735</u>	<u>(942,288)</u>
Debt Service:			
Principal Retirement	2,398,433	2,348,015	50,418
Interest Expense	396,648	293,275	103,373
Total Debt Service	<u>2,795,081</u>	<u>2,641,290</u>	<u>153,791</u>
Total Expenses	<u>13,525,747</u>	<u>14,006,386</u>	<u>(480,639)</u>
Excess of Revenues Over (Under) Expenses	1,362,909	(4,658,929)	(6,021,838)
Operating Transfers - Out	<u>(5,720)</u>	<u>(5,720)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses and Transfers	1,357,189	(4,664,649)	(6,021,838)
Fund Balance (Deficit) at Beginning of Year	(366,046)	(366,046)	0
Prior Year Encumbrances Appropriated	<u>1,087,371</u>	<u>1,087,371</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$2,078,514</u></u>	<u><u>(\$3,943,324)</u></u>	<u><u>(\$6,021,838)</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$8,914,797	\$9,147,280	\$232,483
Proceeds of Notes	2,627,000	2,435,000	(192,000)
Proceeds of OWDA Loans	7,746,566	1,992,441	(5,754,125)
Sale of Fixed Assets	13,710	4,487	(9,223)
Interest Revenue	459	1,740	1,281
Other	8,520	91,618	83,098
Total Revenues	19,311,052	13,672,566	(5,638,486)
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	84,614	84,132	482
Waterworks Filtration	816,445	798,027	18,418
Waterworks Distribution	662,459	635,610	26,849
Sewer Office	84,520	84,242	278
Water Pollution Control	1,033,603	1,006,923	26,680
Sewer Maintenance	602,306	535,560	66,746
Administrative Support	798,005	784,179	13,826
Total Personal Services	4,081,952	3,928,673	153,279
<u>Travel and Transportation</u>			
Water Office	2,633	2,633	0
Waterworks Filtration	27,026	25,266	1,760
Waterworks Distribution	10,442	7,941	2,501
Sewer Office	2,828	2,828	0
Water Pollution Control	17,255	14,910	2,345
Sewer Maintenance	10,704	8,777	1,927
Administrative Support	9,787	9,762	25
Total Travel and Transportation	80,675	72,117	8,558
<u>Contractual Services</u>			
Water Office	29,414	28,009	1,405
Waterworks Filtration	459,266	457,393	1,873
Waterworks Distribution	36,413	28,858	7,555
Sewer Office	29,324	27,920	1,404
Water Pollution Control	682,829	668,227	14,602
Sewer Maintenance	133,230	133,230	0
Administrative Support	463,651	356,953	106,698
Total Contractual Services	1,834,127	1,700,590	133,537
<u>Materials and Supplies</u>			
Water Office	3,102	2,933	169
Waterworks Filtration	331,574	300,815	30,759
Waterworks Distribution	127,853	78,252	49,601
Sewer Office	3,001	2,832	169
Water Pollution Control	281,944	228,628	53,316
Sewer Maintenance	119,477	100,490	18,987
Administrative Support	132,770	102,691	30,079
Total Materials and Supplies	999,721	816,641	183,080

(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, 2001
(continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Other			
Administrative Support	\$6,824	\$6,344	\$480
Capital Outlay			
Water Office	153,009	153,009	0
Waterworks Filtration	60,362	60,362	0
Waterworks Distribution	282,228	280,146	2,082
Sewer Office	14,765	14,765	0
Water Pollution Control	6,074,539	6,014,519	60,020
Sewer Maintenance	798,777	781,032	17,745
Administrative Support	26,732	26,732	0
Other	0	1,020,053	(1,020,053)
Total Capital Outlay	7,410,412	8,350,618	(940,206)
Debt Service:			
Principal Retirement	2,877,730	2,827,312	50,418
Interest Expense	529,547	426,084	103,463
Total Debt Service	3,407,277	3,253,396	153,881
Total Expenses	17,820,988	18,128,379	(307,391)
Excess of Revenues Over (Under) Expenses	1,490,064	(4,455,813)	(5,945,877)
Operating Transfers - Out	(9,064)	(9,064)	0
Excess of Revenues Over (Under) Expenses and Transfers	1,481,000	(4,464,877)	(5,945,877)
Fund Balance at Beginning of Year	2,076,649	2,076,649	0
Prior Year Encumbrances Appropriated	1,533,074	1,533,074	0
Fund Balance (Deficit) at End of Year	\$5,090,723	(\$855,154)	(\$5,945,877)

City of Sandusky
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2001

	Water	Sewer	Total
Increases (Decreases) in Cash and Cash Equivalents			
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$4,076,086	\$5,071,194	\$9,147,280
Cash Payments for Personal Services	(1,908,911)	(2,018,606)	(3,927,517)
Cash Payments for Contractual Services	(519,211)	(968,061)	(1,487,272)
Cash Payments to Suppliers	(458,010)	(383,951)	(841,961)
Cash Received from Other Revenues	19,294	72,324	91,618
Cash Payments for Other Expenses	(2,384)	(3,960)	(6,344)
Net Cash Provided by Operating Activities	<u>1,206,864</u>	<u>1,768,940</u>	<u>2,975,804</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Transfers - In	0	31,498	31,498
Operating Transfers - Out	(3,344)	(49,177)	(52,521)
Net Cash Used for Noncapital Financing Activities	<u>(3,344)</u>	<u>(17,679)</u>	<u>(21,023)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Principal Paid on Bond Anticipation Notes	(243,000)	(2,235,000)	(2,478,000)
Principal Paid on OWDA Loans	(22,797)	(40,851)	(63,648)
Principal Paid on General Obligation Bonds	(213,500)	(75,500)	(289,000)
Interest Paid on Bond Anticipation Notes	(11,239)	(114,258)	(125,497)
Interest Paid on OWDA Loans	(9,230)	(132,327)	(141,557)
Interest Paid on General Obligation Bonds	(112,340)	(31,395)	(143,735)
Proceeds of Notes	227,000	2,208,000	2,435,000
Proceeds of OWDA Loans	0	1,992,441	1,992,441
Sale of Fixed Assets	2,487	2,000	4,487
Acquisition of Fixed Assets	(421,896)	(2,262,556)	(2,684,452)
Net Cash Used for Capital and Related Financing Activities	<u>(804,515)</u>	<u>(689,446)</u>	<u>(1,493,961)</u>
<u>Cash Flows from Investing Activities</u>			
Interest Revenue	242	1,498	1,740
Net Increase in Cash and Cash Equivalents	399,247	1,063,313	1,462,560
Cash and Cash Equivalents at Beginning of Year	<u>2,888,268</u>	<u>721,194</u>	<u>3,609,462</u>
Cash and Cash Equivalents at End of Year	<u><u>\$3,287,515</u></u>	<u><u>\$1,784,507</u></u>	<u><u>\$5,072,022</u></u>

(continued)

City of Sandusky
Enterprise Funds

Combining Statement of Cash Flows
For the Year Ended December 31, 2001
(continued)

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Reconciliation of Operating Income to</u>			
<u>Net Cash Provided by Operating Activities</u>			
Operating Income	\$835,103	\$1,184,773	\$2,019,876
<u>Adjustments to Reconcile Operating Income to</u>			
<u>Net Cash Provided by Operating Activities</u>			
Depreciation	253,804	431,267	685,071
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(90,400)	(184,978)	(275,378)
(Increase) Decrease in Due from Other Governments	(41,046)	2,492	(38,554)
Decrease in Materials and Supplies Inventory	151,029	7,015	158,044
(Increase) Decrease in Prepaid Items	(7,495)	1,056	(6,439)
Increase in Accounts Payable	5,925	154,074	159,999
Increase in Contracts Payable	762	85,227	85,989
Increase in Accrued Wages Payable	8,608	12,791	21,399
Increase in Retainage Payable	0	5,157	5,157
Increase in Due to Other Governments	16,546	6,606	23,152
Increase in Compensated Absences Payable	74,028	63,460	137,488
Net Cash Provided by Operating Activities	<u>\$1,206,864</u>	<u>\$1,768,940</u>	<u>\$2,975,804</u>



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.

Section 125 Plan Fund

To account for monies deposited from payroll deductions for medical bills and childcare for individuals.

City of Sandusky
Agency Funds

Combing Balance Sheet
December 31, 2001

	<u>State Patrol Transfer</u>	<u>Guaranteed Deposits</u>	<u>Sandusky Municipal Court</u>	<u>BSF Assessment</u>	<u>Income Tax Garnishment</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	<u>\$2,332</u>	<u>\$55,913</u>	<u>\$121,036</u>	<u>\$126</u>	<u>\$53</u>
<u>Liabilities</u>					
Undistributed Assets	<u>\$2,332</u>	<u>\$55,913</u>	<u>\$121,036</u>	<u>\$126</u>	<u>\$53</u>

<u>Employee Series E Bonds</u>	<u>Police Temporary Deposit</u>	<u>Section 125 Plan</u>	<u>Total</u>
<u>\$390</u>	<u>\$11,019</u>	<u>\$592</u>	<u>\$191,461</u>
<u>\$390</u>	<u>\$11,019</u>	<u>\$592</u>	<u>\$191,461</u>

City of Sandusky
Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2001

	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
<u>State Patrol Transfer</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,332	\$35,738	\$35,738	\$2,332
<u>Liabilities</u>				
Undistributed Assets	\$2,332	\$35,738	\$35,738	\$2,332
<u>Guaranteed Deposits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$44,824	\$11,237	\$148	\$55,913
<u>Liabilities</u>				
Undistributed Assets	\$44,824	\$11,237	\$148	\$55,913
<u>Sandusky Municipal Court</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$86,795	\$3,614,402	\$3,580,161	\$121,036
<u>Liabilities</u>				
Undistributed Assets	\$86,795	\$3,614,402	\$3,580,161	\$121,036
<u>BSF Assessment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$189	\$1,729	\$1,792	\$126
<u>Liabilities</u>				
Undistributed Assets	\$189	\$1,729	\$1,792	\$126
<u>Income Tax Garnishment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$262	\$153	\$362	\$53
<u>Liabilities</u>				
Undistributed Assets	\$262	\$153	\$362	\$53
<u>Employee Series E Bonds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$330	\$17,373	\$17,313	\$390
<u>Liabilities</u>				
Undistributed Assets	\$330	\$17,373	\$17,313	\$390
<u>Police Temporary Deposit</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$20,172	\$17,257	\$26,410	\$11,019
<u>Liabilities</u>				
Undistributed Assets	\$20,172	\$17,257	\$26,410	\$11,019

(continued)

City of Sandusky
Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2001
(continued)

	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
<u>Section 125 Plan</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$6,193	\$5,601	\$592
<u>Liabilities</u>				
Undistributed Assets	\$0	\$6,193	\$5,601	\$592
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$154,904	\$3,704,082	\$3,667,525	\$191,461
<u>Liabilities</u>				
Undistributed Assets	\$154,904	\$3,704,082	\$3,667,525	\$191,461



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, 2001

Program/Department	Total	Land	Buildings	Improvement Other Than Buildings	Furniture, Fixtures, and Equipment	Construction in Progress
Security of Persons and Property						
Administrative	\$4,542,555	\$14,268	\$477,444	\$18,670	\$585,173	\$3,447,000
Police	1,068,398	0	0	8,478	1,059,920	0
Fire	2,052,902	0	15,595	4,920	1,850,323	182,064
Traffic Control	334,054	0	0	132,756	201,298	0
Total Security of Persons and Property	7,997,909	14,268	493,039	164,824	3,696,714	3,629,064
Public Health						
Administrative	731,613	32,189	299,883	385,195	14,346	0
Oakland Cemetery	459,704	0	47,200	47,300	365,204	0
Total Public Health	1,191,317	32,189	347,083	432,495	379,550	0
Leisure Time Activities						
Administrative	5,776,398	1,144,030	1,953,529	2,660,840	17,999	0
Parks and Greenhouse	63,933	0	12,358	18,798	32,777	0
Dorn Community Complex	165,956	0	0	165,956	0	0
Aquatic Center	62,315	0	3,817	8,658	49,840	0
Mills Creek Golf Course	440,599	0	28,580	165,498	246,521	0
Recreation	617,620	0	0	255,270	326,931	35,419
Boat Launch Ramp	435,811	0	0	432,019	3,792	0
Total Leisure Time Activities	7,562,632	1,144,030	1,998,284	3,707,039	677,860	35,419
Community Environment						
Administrative	1,084,762	759,874	1,822	191,152	131,914	0
Planning	140,097	19,500	0	15,034	105,563	0
Schade/Mylander Plaza	1,345,482	0	0	1,250,019	0	95,463
Library	1,620,300	0	0	0	0	1,620,300
Forestry	263,687	0	0	0	263,687	0
Horticulture Services	371,411	0	0	35,900	335,511	0
Total Community Environment	4,825,739	779,374	1,822	1,492,105	836,675	1,715,763
Transportation						
Administrative	2,374,303	892,444	167,953	1,313,906	0	0
Street Maintenance	1,057,503	0	0	0	1,057,503	0
Street Cleaning	19,967	0	0	0	19,967	0
Public Transit System	87,422	0	0	9,006	78,416	0
Butler Street Ramp	57,085	57,085	0	0	0	0
Total Transportation	3,596,280	949,529	167,953	1,322,912	1,155,886	0
General Government						
Administrative	11,639,710	511,443	10,598,881	374,068	155,318	0
City Manager	105,733	0	0	32,376	73,357	0
Personnel Labor Relations	2,949	0	0	0	2,949	0
Purchasing	3,273	0	0	0	3,273	0
Finance	492,258	0	0	0	48,746	443,512
Income Tax	44,370	0	0	0	44,370	0
Data Processing	299,540	0	0	0	299,540	0
Law Director	18,396	0	0	0	18,396	0
City Commission	12,339	0	0	0	12,339	0
Municipal Court	59,383	0	0	0	59,383	0
Municipal Buildings and Lands	161,487	0	0	137,688	23,799	0
Grounds Maintenance	329,834	22,451	21,157	25,180	261,046	0
Engineering	1,486,384	0	371,567	745,564	369,253	0
Traffic and Electrical Maintenance	148,620	0	0	0	148,620	0
Mechanic	100,451	0	0	0	100,451	0
Amtrack Vehicle Storage	249,519	0	249,519	0	0	0
Total General Government	15,154,246	533,894	11,241,124	1,314,876	1,620,840	443,512
Total General Fixed Assets	\$40,328,123	\$3,453,284	\$14,249,305	\$8,434,251	\$8,367,525	\$5,823,758

City of Sandusky
Schedule of Changes in General Fixed Assets
by Program and Department
For the Year Ended December 31, 2001

Program/Department	Balance December 31, 2000	Additions	Reductions	Balance December 31, 2001
Security of Persons and Property				
Administrative	\$1,100,142	\$3,442,413	\$0	\$4,542,555
Police	1,006,444	89,706	27,752	1,068,398
Fire	2,022,153	62,531	31,782	2,052,902
Traffic Control	334,054	0	0	334,054
Total Security of Persons and Property	4,462,793	3,594,650	59,534	7,997,909
Public Health				
Administrative	733,386	62,540	64,313	731,613
Oakland Cemetery	420,853	61,633	22,782	459,704
Total Public Health	1,154,239	124,173	87,095	1,191,317
Leisure Time Activities				
Administrative	5,769,503	6,895	0	5,776,398
Parks and Greenhouse	63,933	0	0	63,933
Dorn Community Complex	135,800	30,156	0	165,956
Aquatic Center	46,995	15,320	0	62,315
Mills Creek Golf Course	412,845	27,754	0	440,599
Recreation	613,301	4,319	0	617,620
Boat Launch Ramp	256,609	186,832	7,630	435,811
Total Leisure Time Activities	7,298,986	271,276	7,630	7,562,632
Community Environment				
Administrative	1,078,920	5,842	0	1,084,762
Planning	141,970	294	2,167	140,097
Schade/Mylander Plaza	95,463	1,345,482	95,463	1,345,482
Sandusky Library	0	1,620,300	0	1,620,300
Forestry	1,483,713	0	1,220,026	263,687
Horticulture Services	342,469	28,942	0	371,411
Total Community Environment	3,142,535	3,000,860	1,317,656	4,825,739
Transportation				
Administrative	2,374,303	0	0	2,374,303
Street Maintenance	1,060,175	6,770	9,442	1,057,503
Street Cleaning	19,967	0	0	19,967
Public Transit System	78,416	9,006	0	87,422
Butler Street Ramp	57,085	0	0	57,085
Winnebago	19,169	0	19,169	0
Total Transportation	3,609,115	15,776	28,611	3,596,280
General Government				
Administrative	11,101,033	6,133,907	5,595,230	11,639,710
City Manager	89,639	16,094	0	105,733
Personnel Labor Relations	2,949	0	0	2,949
Purchasing	3,273	0	0	3,273
Finance	501,305	1,263	10,310	492,258
Income Tax	46,173	0	1,803	44,370
Data Processing	265,448	35,369	1,277	299,540
Law Director	18,396	0	0	18,396
City Commission	12,339	0	0	12,339
Municipal Court	62,529	0	3,146	59,383
Municipal Buildings and Lands	154,587	6,900	0	161,487
Grounds Maintenance	331,416	0	1,582	329,834
Engineering	1,453,235	36,979	3,830	1,486,384
Traffic and Electrical Maintenance	120,371	28,249	0	148,620
Mechanic	93,367	7,084	0	100,451
Court/Law Renovation	16,189	0	16,189	0
Amtrack Vehicle Storage	249,519	0	0	249,519
Total General Government	14,521,768	6,265,845	5,633,367	15,154,246
Total General Fixed Assets	\$34,189,436	\$13,272,580	\$7,133,893	\$40,328,123

City of Sandusky
Schedule of General Fixed Assets by Source
December 31, 2001

	Amounts
<u>General Fixed Assets</u>	
Land	\$3,453,284
Buildings	14,249,305
Improvements Other Than Buildings	8,434,251
Furniture, Fixtures, and Equipment	8,367,525
Construction in Progress	5,823,758
Total General Fixed Assets	\$40,328,123
<u>Investment in General Fixed Assets From</u>	
General Fund Revenues	\$6,056,128
Special Revenue Fund Revenues	8,486,671
State and Federal Grants	2,278,447
Donated Assets	38,138
Bond or Note Debt	23,468,739
Total Investment in General Fixed Assets	\$40,328,123

STATISTICAL





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

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Transportation	General Government
1992	\$5,696,874	\$482,649	\$573,422	\$640,437	\$1,048,700	\$3,326,014
1993	6,002,453	310,374	577,063	800,603	1,157,094	2,841,671
1994	6,294,997	338,042	584,691	935,575	1,435,737	3,223,556
1995	6,724,044	355,436	712,284	1,177,649	1,546,568	2,882,161
1996	6,962,467	363,946	796,013	1,062,791	1,599,905	3,168,214
1997	7,059,645	391,894	808,060	2,008,903	1,566,152	3,351,429
1998	7,361,784	280,211	606,572	1,888,166	1,929,043	3,267,417
1999	7,927,614	258,835	619,518	2,847,660	2,175,015	3,462,839
2000	8,341,499	273,223	651,004	2,447,580	2,496,429	4,132,239
2001	8,960,893	298,907	726,969	1,954,070	2,454,674	4,495,323

Source: City Records

<u>Other</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$0	\$1,402,109	\$411,907	\$13,582,112
238	2,115,834	514,298	14,319,628
1,442	2,019,450	498,829	15,332,319
14,876	3,379,297	574,556	17,366,871
21,746	3,081,333	712,297	17,768,712
59,532	3,700,153	807,630	19,753,398
61,232	9,561,279	1,537,319	26,493,023
42,637	7,426,232	990,738	25,751,088
86,263	9,156,554	1,225,882	28,810,673
45,849	7,921,774	3,195,665	30,054,124

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
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
2001	2,214,697	3,741,044	7,404,105	20,679	624,338

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>
\$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
3,372,556	1,578,119	900,427	896,888	1,230,815	729,014	22,712,682

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

Collection Year	Net Tax Levy	Current Collections	Percentage of Current Collections to Net Tax Levy	Delinquent Charges	Delinquent Collections	Total Collections	Percentage of Total Collections to Net Tax Levy
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
2001	2,233,538	2,041,609	91.41	191,929	76,646	2,118,255	94.84

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	
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	286,249,798	24,581,399	61,320,122	372,151,319	1,118,233,066
1998	311,447,790	28,747,840	61,487,103	401,682,733	1,172,681,618
1999	317,091,140	24,844,230	64,355,718	406,291,088	1,191,629,636
2000	318,326,290	22,875,100	64,159,264	405,360,654	1,166,166,661
2001	350,460,030	23,655,510	65,521,406	439,636,946	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	
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	372,151,319	35	3.65	0.30	0.30	0.00	4.25
1998	401,682,733	35	3.65	0.30	0.30	0.00	4.25
1999	406,291,088	35	3.65	0.30	0.30	0.00	4.25
2000	405,360,654	35	3.65	0.30	0.30	1.26	5.51
2001	439,636,946	35	3.65	0.30	0.30	1.26	5.51

Source: Erie County Auditor

<u>School</u>	<u>County</u>	<u>Total</u>
\$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
63.10	7.80	75.15
67.20	8.30	79.75
66.84	8.30	79.39
66.84	8.30	80.65
65.20	8.30	79.01

City of Sandusky
Principal Taxpayers
December 31, 2001

Taxpayer	Type of Business	Total Assessed Valuation	Percent of Total City Assessed Valuation
Cedar Point, Inc.	Theme Park	\$52,741,820	12.00%
Ohio Edison Company	Electric Utility	9,104,480	2.07
Sandusky International	Central Fugal Castings	7,181,630	1.64
Fort James Operating Company	Thermaformed Container	6,911,380	1.57
Sandusky Limited	Port Facilities	5,325,621	1.21
S & S Realty	Realty	3,574,180	0.81
Norfolk & Southern Railroad	Railroad	3,470,390	0.79
Firelands Regional Health System	Hospital	3,355,590	0.76
US Tsubaki	Chain	3,276,910	0.75
FMC Corporation	Food Equipment	2,734,970	0.62
Total Top Ten Taxpayers		<u>\$97,676,971</u>	<u>22.22%</u>
Total City		<u>\$439,636,946</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)
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
2001	494,657	401,765	81.22	412,286

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, 2001

Total Assessed Valuation		\$439,636,946
Overall Debt Limitation - 10.5% of Assessed Valuation		46,161,879
Gross Indebtedness	36,051,187	
Less Debt Outside Limitation:		
Bond Anticipation Notes	2,435,000	
Special Assessment Notes	372,000	
OWDA Loans	7,694,729	
Special Assessment Bonds	2,991,758	
General Obligation Bonds	1,893,000	
Net Indebtedness	20,664,700	
Less: General Bond Retirement Fund Balance	1,196,603	
Net Debt Margin Within 10.5% Limitation		19,468,097
Legal Debt Margin Within 10.5% Limitation		\$26,693,782

Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$24,180,032
Gross Indebtedness	36,051,187	
Less Debt Outside Limitation:		
Bond Anticipation Notes	2,435,000	
Special Assessment Notes	372,000	
OWDA Loans	7,694,729	
Special Assessment Bonds	2,991,758	
General Obligation Bonds	1,893,000	
Net Indebtedness	20,664,700	
Less: General Bond Retirement Fund Balance	1,196,603	
Net Debt Margin Within 5.5% Limitation		19,468,097
Legal Debt Margin Within 5.5% Limitation		\$4,711,935

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
1992	29,764	\$320,504,973	\$600,000	\$0	\$600,000	18.72%	\$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	372,151,319	1,154,000	1,293,346	0	0.00	0.00
1998	29,764	401,682,733	420,000	873,482	0	0.00	0.00
1999	29,764	406,291,088	390,000	834,036	0	0.00	0.00
2000	27,844	405,360,654	6,360,000	0	6,360,000	1.57	228.42
2001	27,844	439,636,946	19,642,200	1,196,603	18,445,597	4.20	662.46

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		
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
2001	390,000	692,370	1,082,370	30,054,124	3.60

Source: City Records

City of Sandusky
 Computation of Direct and Overlapping Debt
 December 31, 2001

	Assessed Valuation	General Obligation Debt (1)	Percent Applicable to City of Sandusky (2)	Amount Applicable to City of Sandusky
City of Sandusky	\$439,636,946	\$36,051,187	100.00%	\$36,051,187
Erie County	1,683,615,055	40,019,500	6.17	2,469,203
Sandusky City School District	439,636,946	1,550,000	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 2000 collection 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	
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
2001	4,226,826	3,391,723	835,103	213,500	112,340	325,840	2.56

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

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

Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2001	5,326,004	4,141,231	1,184,773	75,500	31,395	106,895	11.08

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

City of Sandusky
Demographic Statistics
1960 - 2000

Year	Population	Dwelling Units	Occupied Dwelling Units Households	Persons Per Household	Owner Occupied Units	Median Family Income
1960	31,989	7,291	7,016	4.56	3,783	\$6,526
1970 (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
2000	27,844	13,323	11,851	2.31	6,692	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	
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	286,249,798	135	10,170,285	574	4,874,666	268,944,000
1998	311,447,790	102	26,848,146	425	5,124,026	288,494,000
1999	317,091,140	109	34,400,988	491	7,184,258	283,288,000
2000	318,326,290	121	17,186,521	587	7,336,081	279,070,000
2001	350,460,030	206	28,269,740	1,063	8,121,450	298,753,000

(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
1968-2001

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
2001	88.75	0.00	6.25	5.00	7,404,105

Source: City Records

(1) 1968 - 1984 cash basis; 1985 - 2001 GAAP basis.



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

	1992	1993	1994	1995
General Property Tax	\$1,055,892	\$1,038,658	\$1,072,846	\$1,176,085
Hotel-Motel Tax	429,743	488,451	483,944	582,213
Inheritance Tax	271,608	407,280	384,738	274,399
Beer and Liquor	57,874	54,248	54,490	53,062
LGF: County	373,038	467,298	450,605	529,720
LGF: State	84,807	87,328	940,178	102,117
Municipal Income Tax	4,498,123	4,606,315	4,933,504	5,556,142
Admissions Tax	1,494,448	1,667,568	1,932,767	1,985,876
Cigarette Tax	0	0	0	1,824
State Homestead/Rollback	120,316	119,556	119,437	132,996
Total General Fund	8,385,849	8,936,702	10,372,509	10,394,434
MVR: Local	118,533	119,588	120,178	120,954
MVR: State	197,310	203,327	202,387	199,772
Gas Tax	437,953	445,048	473,119	469,576
MVR: Local-2nd	237,890	343,510	360,522	362,861
Total Street Maintenance Special Revenue Fund	991,686	1,111,473	1,156,206	1,153,163
Property Tax	85,912	85,369	87,997	96,655
State Homestead/Rollback	9,889	9,827	9,817	10,931
Total Fire Pension Special Revenue Fund	95,801	95,196	97,814	107,586
Property Tax	85,912	85,369	87,997	96,655
State Homestead/Rollback	9,889	9,827	9,817	10,931
Total Police Pension Special Revenue Fund	95,801	95,196	97,814	107,586
General Bond Retirement Debt Service Fund	300,673	304,784	329,235	372,138
Capital Improvement Capital Projects Fund	240,538	245,371	263,388	297,709
Total	\$10,110,348	\$10,788,722	\$12,316,966	\$12,432,616

Source: City Records

1996	1997	1998	1999	2000	2001
\$1,194,868	\$1,202,492	\$1,308,325	\$1,324,289	\$1,323,698	\$1,467,128
636,354	625,442	705,265	777,578	865,913	913,060
446,171	438,411	389,928	452,572	793,292	436,582
48,168	60,388	55,841	58,185	51,749	52,413
573,739	609,444	629,303	708,860	715,563	852,490
88,671	122,665	130,085	133,162	139,302	116,892
5,685,585	5,828,389	6,130,550	6,151,719	6,832,853	6,693,509
2,102,163	1,973,704	2,221,205	2,181,680	2,488,309	2,315,724
0	1,486	4,572	1,556	9,098	4,695
137,647	138,056	150,742	172,538	127,791	163,695
10,913,366	11,000,477	11,725,816	11,962,139	13,347,568	13,016,188
122,767	128,926	160,223	124,010	152,189	122,265
205,790	203,055	207,747	218,360	220,638	213,808
489,010	484,145	486,957	498,739	490,084	475,313
368,300	355,127	331,427	372,030	346,640	366,795
1,185,867	1,171,253	1,186,354	1,213,139	1,209,551	1,178,181
98,074	98,835	107,522	108,844	108,797	120,576
11,313	11,347	13,579	15,278	11,611	14,596
109,387	110,182	121,101	124,122	120,408	135,172
98,074	98,835	107,522	108,844	108,798	120,575
11,313	11,347	13,578	15,278	10,525	14,596
109,387	110,182	121,100	124,122	119,323	135,171
377,673	378,887	404,559	912,347	993,263	1,012,892
302,138	310,154	323,146	339,666	363,198	356,137
\$12,997,818	\$13,081,135	\$13,882,076	\$14,675,535	\$16,153,311	\$15,833,741

City of Sandusky
Miscellaneous Statistics
December 31, 2001

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 unimproved	Private Marinas
Homes:	11,851	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	56	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	1, 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	2,305	Griffing Sandusky Airport
Middle Schools	577	Freight - Conrail
Secondary Schools	1,408	Norfolk & Southern Railroad
Total Enrollment	4,290	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

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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 29, 2002**