



**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2005**



**Auditor of State
Betty Montgomery**

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number
UNITED STATES DEPARTMENT OF AGRICULTURE		
<i>Passed through the Ohio Department of Education</i>		
<u>Nutrition Cluster:</u>		
Food Distribution	n/a	10.550
School Breakfast Program	044743-05PU-2004 044743-05PU-2005	10.553
Total - School Breakfast Program		
National School Lunch Program	044743-LLP4-2004 044743-LLP4-2005	10.555
Total - National School Lunch Program		
Total Department of Agriculture- Nutrition Cluster		
UNITED STATES DEPARTMENT OF EDUCATION		
<i>Direct Program</i>		
Adult Education Pell Grant	n/a	84.063
Safe and Drug Free Schools and Communities - National Programs	Q184L040033	84.184L
<i>Passed through the Ohio Department of Education</i>		
<u>Special Education Cluster:</u>		
Special Education - Grants to States	044743-6BSF-2004 044743-6BSF-2005	84.027
Total - Special Education Grants to States		
Special Education - Preschool Grant	044743-PGS1-2004 044743-PGS1-2005	84.173
Total - Preschool Grant		
Total - Special Education Cluster		
Adult Education State Grant Program	044743-ABS1-2004 044743-ABS1-2004C 044743-ABS1-2005	84.002
Total - Adult Basic Education		
Title I Grants to Local Educational Agencies	044743-C1S1-2004 044743-C1S1-2005 044743-C1SK-2005	84.010
Total - Title I Grants to Local Educational Agencies		

Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
	\$ 100,720		\$ 100,720
\$ 49,207		\$ 49,207	
136,721		136,721	
<u>185,928</u>		<u>185,928</u>	
201,555		201,555	
568,394		568,394	
<u>769,949</u>		<u>769,949</u>	
955,877	100,720	955,877	100,720
39,346		39,346	
92,000		87,516	
52,120		93,360	
828,365		810,122	
<u>880,485</u>		<u>903,482</u>	
1,276		5,159	
43,291		38,875	
44,567		44,034	
<u>925,052</u>		<u>947,516</u>	
(6,776)		9,911	
18,456		18,456	
54,967		111,419	
<u>66,647</u>		<u>139,786</u>	
84,488		206,264	
1,453,775		1,374,231	
7,630		-	
<u>1,545,893</u>		<u>1,580,495</u>	

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number
Vocational Education - Basic Grants to States	044743-20C1-2004 044743-20C1-2005 044743-20C2-2004 044743-20C2-2005	84.048
Total - Vocational Education Basic Grants to States		
Safe and Drug Free Schools and Communities - State Grants	044743-DRS1-2004 044743-DRS1-2005	84.186
Total - Safe and Drug Free Schools and Communities - State Grants		
Innovative Education Program Strategies	044743-C2S1-2004 044743-C2S1-2005	84.298
Total - Innovative Education Program Strategies		
Technology Literacy Challenge Fund Grants	044743-TJS1-2004 044743-TJS1-2005	84.318
Total - Technology Literacy Challenge Fund Grants		
Comprehensive School Reform Demonstration	044743-RFCC-2005	84.332
Total - Comprehensive School Reform Demonstration		
Improving Teacher Quality State Grants	044743-TRS1-2004 044743-TRS1-2005	84.367
Total - Improving Teacher Quality State Grants		
Total Department of Education		
 UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES <i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i>		
Title XIX (Medicaid)		93.778
State Children's Health Insurance Program		93.767
Total Department of Health and Human Services		

TOTALS

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

(Continued)

<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
(180)		5,342	
97,485		70,512	
950			
73,964		70,026	
<u>172,219</u>		<u>145,880</u>	
(189)		20,591	
28,828		23,647	
<u>28,639</u>		<u>44,238</u>	
(107)		2,880	
27,670		26,902	
<u>27,563</u>		<u>29,782</u>	
(5,292)		1,100	
49,760		45,959	
<u>44,468</u>		<u>47,059</u>	
17,916		1,842	
<u>17,916</u>		<u>1,842</u>	
19,247		46,801	
354,595		299,725	
<u>373,842</u>		<u>346,526</u>	
3,333,585		3,409,986	
306,316		306,316	
12,396		12,396	
318,712		318,712	
\$ 4,608,174	\$ 100,720	\$ 4,684,575	\$ 100,720

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

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

NOTE D - ENVIRONMENTAL PROTECTION AGENCY GRANT

The District received an interest free loan in 1988 from the U.S. Environmental Protection Agency under the Asbestos Removal Grant Program (CFDA 66.702). As of June 30, 2005, the District owed \$153,669 on this loan. This loan is subject to certain compliance requirements imposed by the U.S. Environmental Protection Agency. The initial expenditure of these loan proceeds were reported on the Schedule of Federal Awards expenditures in the year funds were disbursed. No additional financial activity has been incurred other than the District's repayment of the loan. Such activity is not required to be reported in this Schedule.

NOTE E - CARRYOVER FUNDS

Negative receipts are shown in the Adult Education State Grant Program, CFDA #84.002; Vocational Education – Basic Grants to States, CFDA #84.048; Safe and Drug Free Schools and Communities – State Grants, CFDA #84.186; Innovative Education Program Strategies, CFDA #84.298; Technology Literacy Challenge Fund Grants, CFDA #84.318. These negative receipts represent monies on the final expenditure report that were unspent after the initial period of availability had ended. In accordance with carryover provisions permitted by the Ohio Department of Education these monies were carried over to the subsequent years' award amounts.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2005, in which we noted the District implemented Governmental Accounting Standards Board Technical Bulletin 2004-02, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 30, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 30, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 30, 2005



**Auditor of State
Betty Montgomery**

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

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

Compliance

We have audited the compliance of the Sandusky City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Sandusky City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005. In a separate letter to the District's management dated December 30, 2005, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The District's management 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 District's internal control over compliance with requirements that could directly and materially affect a major federal program 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Sandusky City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 30, 2005, in which we noted the District implemented Governmental Accounting Standards Board Technical Bulletin 2004-02, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 30, 2005

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No.
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No.
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No.
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No.
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No.
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified.
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No.
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster (CFDA #10.550, 10.553, and 10.555). Title XIX (CFDA #93.778)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes.

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

SANDUSKY CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY
TREASURER'S DEPARTMENT
A. TROY BOUTS, TREASURER

407 DECATUR STREET

SANDUSKY, OHIO 44870

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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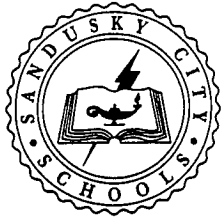
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INTRODUCTORY SECTION

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SANDUSKY CITY SCHOOLS

407 DECATUR STREET
SANDUSKY, OHIO 44870
(419) 626-6940

December 30, 2005

Members of the Board of Education and Residents of the
Sandusky City School District

The Comprehensive Annual Financial Report (CAFR) of the Sandusky City School District (the "District") for the fiscal year ended June 30, 2005 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in three sections as follows:

1. **Introductory Section** - This section contains a Letter of Transmittal, List of Principal Officers, Organizational Chart of the District, Certificate of Achievement for Excellence in Financial Reporting and Certificate of Excellence in Financial Reporting.
2. **Financial Section** - This section begins with the Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.
3. **Statistical Section** - This section presents selected financial and demographic information, generally presented on a multi-year basis.

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Accountant's Report is included in this CAFR.

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2005 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

PROFILE OF SANDUSKY CITY SCHOOL DISTRICT

The District ranks as 98th largest by total enrollment among the 614 public school districts in the state and is the largest in Erie County. As of the current school year (2004-05), the average daily membership (ADM) was 4,058 students. Most of these students attend one of the District's twelve schools, while a number of handicapped students are served by Erie County special education units outside the District. District enrollment is expected to gradually decline over the next several years.

The District has 563 full and part time employees. The District employs 348 certified staff members and 30 administrators. Additionally, the District employs 8 full-time adult education instructors and 177 full-time and part-time non-teaching staff members.

The District offers a wide variety of educational programs for all segments of the community. Sandusky High School is one of the few comprehensive high schools in Ohio, containing twelve (12) career technical education programs as well as a wide range of college preparatory offerings. Additionally, the adult continuing education program serves more than 2,000 adults each year. The District provides extensive special education services and offers a kindergarten through twelfth grade accelerated and gifted program. All District kindergarten students attend all-day, everyday kindergarten classes and benefit from a full day of instruction.

A full range of extracurricular programs and activities is available to students beginning with the elementary grades. All District schools have libraries, special purpose rooms, including computer labs and unique curricular offerings designed by the individual building staff and administration.

An active Council of local neighborhood Parent Councils provides for articulation, cooperation, and communication and partnership between parents, community members, and school officials.

The District cooperates with the City of Sandusky Recreation and Parks Department, churches and a number of community and civic organizations in making school facilities available for athletic, recreational and enrichment activities.

Classroom teachers at all levels are supported by specialists in media, guidance, art, instrumental and vocal music, physical education and curriculum development. A comprehensive interscholastic and intramural sports program is offered to students at select grade levels of the District. All elementary schools have full-time media aides and secondary schools are staffed by certified media specialists. Three school nurses, four psychologists, one media coordinator, eight counselors, specific coordinators for Title I (a federally funded reading and mathematics program), and gifted programs offer direction, support and coordination of services for all students.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap the territory of the District are listed below. The stated percentage is that percentage of the tax valuation of the overlapping entity that is located within the District.

1. A portion (25.65%) of Erie County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial).
2. The City of Sandusky (100%) (municipal corporation responsibilities).

Each of these entities operates independently, with its own separate budget, taxing power, and sources of revenue. Both Erie County and the City of Sandusky levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills). The District also acts as fiscal agent for local tax revenues distributed to the Sandusky Library, located within the District's boundaries, with this revenue reported in the agency funds. The District is not considered a component unit of another government.

The District is an active member of the Enterprise Zone Negotiating Committee, along with the City of Sandusky and Erie County. The Enterprise Zone offers tax abatements for real and personal property improvements and additions to businesses located within the city. A number of local companies have been granted partial tax abatements on additions made during the last several years. The City of Sandusky and the District have also benefited from these expansions through additional tax revenues from the unabated portion of valuation increases on the property and from improved economic conditions resulting from growth in employment of city residents.

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2004-05 school year) for a teacher with a bachelor's degree is \$29,580, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$62,118.

The District's certificated staff, excluding administration, is members of the Sandusky Education Association (S.E.A.), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the S.E.A. expires August 31, 2007.

All of the District's support staff employees, including secretarial, custodial, maintenance, transportation, and teacher aides, are represented for bargaining purposes by the Sandusky Non-Teaching Employees Association (S.N.T.E.A.), a labor organization affiliated with the Ohio Education Association. The current S.N.T.E.A. contract expires June 30, 2006.

The District has never experienced any work stoppage or job actions. In the judgment of the Board and administration, labor relations between the District and its employees remain excellent.

Facilities

The District's classroom and other facilities are as follows:

<u>Facility</u>	<u>Dates of Construction and Addition and/or Major Improvement</u>	<u>Number of Classrooms</u>	<u>Capacity (a)</u>	<u>ADM as of June 2005 (b)</u>	<u>Sound Insurable Value (c)</u>
<u>Elementary Schools</u>					
Campbell	1884/1991	10	250	0	\$ 1,582,973
Hancock	1923/'28/'31/'49/'66	21	525	342	1,721,981
Madison	1939/1991	10	250	242	1,365,489
Mills	1954/1991	19	475	295	1,967,564
Monroe	1894/1903/1991	13	325	243	2,155,391
Ontario	1952/1968	20	500	356	2,138,935
Osborne	1890/1991	15	375	311	2,327,655
Venice Hts.	1970	22	550	357	2,684,698
<u>Junior High Schools</u>					
Adams	1867/1914/1977	20	500	285	5,082,934
Jackson	1898/1927/1937	20	500	294	4,183,019
<u>High School</u>					
Sandusky High	1957/'67/'70/'73	90	2,250	1,220	16,760,330

Alternative Schools

Barker	1874	7	175	35	881,553
Barker Annex	1924	4	100	N/A	381,942

Non-Classroom Facilities

Administration	1926	N/A	N/A	N/A	1,565,371
Bus Garage	Unknown	N/A	N/A	N/A	556,136
Stadium	1935	N/A	N/A	N/A	2,395,935
Bonn Bldg.	Unknown	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>85,122</u>

Total		<u>271</u>	<u>6,775</u>	<u>3,980</u>	<u>\$47,837,028</u>
-------	--	------------	--------------	--------------	---------------------

N/A - "Not applicable"

- (a) Capacity of these buildings is based on an average pupil/teacher ratio of 25 to 1.
- (b) Figures shown do not include students with special needs placed outside the District.
- (c) District property is exempt from ad valorem taxation. Source of the estimated value is the "sound insurance value" of each building or structure and the contents.

Parochial Schools

The District acts as fiscal agent for state funds distributed to parochial schools, with revenue reported in special revenue funds. The following four (4) parochial schools, located within the District, serve students who reside both inside and outside the District. As of June, 2005, approximately 58.5% of the students reside within the District.

<u>Parochial School</u>	2004-05 Enrollment		
	<u>District</u>	<u>Outside</u>	<u>Total</u>
St. Mary's Elementary (Grades 4 - 8)	199	121	320
Sts. Peter & Paul Elementary (Grades K - 3)	140	91	231
Holy Angels Elementary (Pre-School)	6	9	15
St. Mary's Central Catholic High School	<u>114</u>	<u>91</u>	<u>205</u>
	<u>459</u>	<u>312</u>	<u>771</u>

Budgetary Controls

In addition to the internal control structure mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure within an individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in Note 2.E. to the basic financial statements.

ECONOMIC CONDITION

Local Economy

The District is located in Erie County, in Northwest Ohio, approximately sixty miles west of Cleveland and sixty miles east of Toledo. All of the District is located within Erie County and falls entirely within the corporate boundaries of the City of Sandusky, which lies on the shores of Sandusky Bay and Lake Erie.

The District is served by diversified transportation facilities including immediate access to four State highways and Interstate 80 (Ohio Turnpike). The District is served by Conrail, Norfolk and Southern, and Amtrak Rail Services. Griffing Airport (Commuter Services) is located within the District's boundaries.

Major commercial banks with offices within the District include National City Bank, US Bank, Key Bank, Fifth Third Bank and The Citizens Banking Company.

Two daily newspapers serve the District. The District falls within the broadcast area of seven television stations and numerous AM/FM radio stations. One television station is located within the city limits as are two AM/FM radio stations. The District has a cable television license and broadcasts school information on cable Channel 81.

Within commuting distance of the District are numerous public and private two and four-year colleges and universities including Firelands College, Ashland University, Cleveland State University, Toledo University, Bowling Green State University, and Lorain Community College. Ashland University and Bowling Green State University utilize District facilities and staff for course offerings to District staff members and other interested residents and students.

The District is served with a wide range of recreational offerings through school and City recreation and park programs. One of the things that make the District an attractive place to live is its unique location. It is located on both Sandusky Bay and Lake Erie with over twenty-two (22) miles of shoreline within the city limits. The close association with the water and the inherent access to boating, sailing, fishing, and swimming, etc. gives this District an atmosphere of a coastal city. Lake freighters, ferry boats, commercial fishing boats and pleasure boats are commonplace. The lake and bay along with Cedar Point Amusement Park, many fine golf courses, restaurants, motels, shops, and business enterprises have resulted in a booming tourist trade and have given the District's area the reputation of being one of the premier places in the country to live. The District offers the advantages of a small town, a reasonable cost of living, and excellent medical facilities (including Firelands Regional Medical Center in Sandusky).

Long-Term Financial Planning

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

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in improvements in the District's financial condition include the approval of a 5.9 mill operating levy in 2003, the elimination of 50 staff positions over a three-year period, and the closing of an elementary building in 2004.

Major Initiatives for the Year

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

The District made a significant investment in technology in the 2004-05 school year. Completed upgrades in technology include the purchase of new hardware and software to replace many outdated computers. The District employs a director of network technology, two computer technicians, and an instructional technology facilitator to provide support to District staff.

The District also continued a thorough revision of its curriculum in 2005. Staff members conducted curriculum mapping projects for all major subject areas in grades kindergarten through twelve, thereby improving coordination between grade levels and aligning the District's curriculum with state standards.

Major Initiatives for the Future

The District will continue to upgrade all areas of technology in the 2005-06 school year and beyond. Plans include the replacement of outdated computer software and hardware annually, as well as providing all staff with regularly scheduled in-service training in technology. More than 700 new computers have been purchased for the elementary schools and will be in place at the beginning of the 2005-06 school year.

The District will continue to refine its master plan for future facility needs in concert with the Ohio School Facilities Commission. Public meetings will be scheduled for community discussion and direction as the District prepares to implement its master plan, which provides for the construction of a number of new schools and the renovation of other existing school buildings that will remain in service.

The District has received a Reading First Ohio grant in the amount of \$2,167,175 for the 2005-06 school year, to be used for improving reading scores in grades K-3 in the seven elementary buildings. In the first year of the grant, funds are to be used to purchase a scientifically research-based reading program, equipment to assess student data, and personnel to assist in reading improvement (7 literacy specialists, 4 data manager/resource coordinators, and 1 coordinator.) In the second and third years of the grant, funds are estimated to be \$1,538,519 and \$1,384,667, respectively, and are to be used to fund the above salaried positions and to purchase materials for the reading program. The goal is to improve reading scores and to ensure that all students will be able to read successfully by the end of the third grade, in compliance with the U.S. Department of Education's No Child Left Behind Act.

AWARDS AND ACKNOWLEDGEMENTS

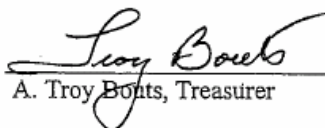
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sandusky City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 2004. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's office staff. In addition, we acknowledge the outstanding services of our data processing department in meeting the vast informational requirements. Our consultant, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Erie County Auditor's office in providing information is also appreciated. Finally, we wish to acknowledge the cooperation of the team from the Ohio Auditor of State's office, who conducted a thorough audit of our finances.

In closing, without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible.

Sincerely,


A. Troy Bouts, Treasurer


William F. Pahl, Superintendent

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 LIST OF PRINCIPAL OFFICERS
 JUNE 30, 2005**

Board of Education

<u>Name</u>	Began Service as a Board Member <u>January 1</u>	Present Term Expires <u>December 31</u>	Vocation in Private <u>Life</u>
Mr. Thomas C. Patterson**	2002	2005	Businessman
Mr. Clinton Bennett, Jr. *	1994	2005	Retired School Fireman
Mr. King Baer	2000	2007	Retired Fireman
Mrs. Faith Denslow	2004+	2007	Homemaker
Mrs. Julie Farrar	2004	2007	Ohio Veterans Home Administrator

- ** President
 * Vice President
 + Appointed 7/30/04 to fill unexpired term due to a resignation.

Superintendent

Mr. William F. Pahl

Treasurer

Mr. A. Troy Bouts

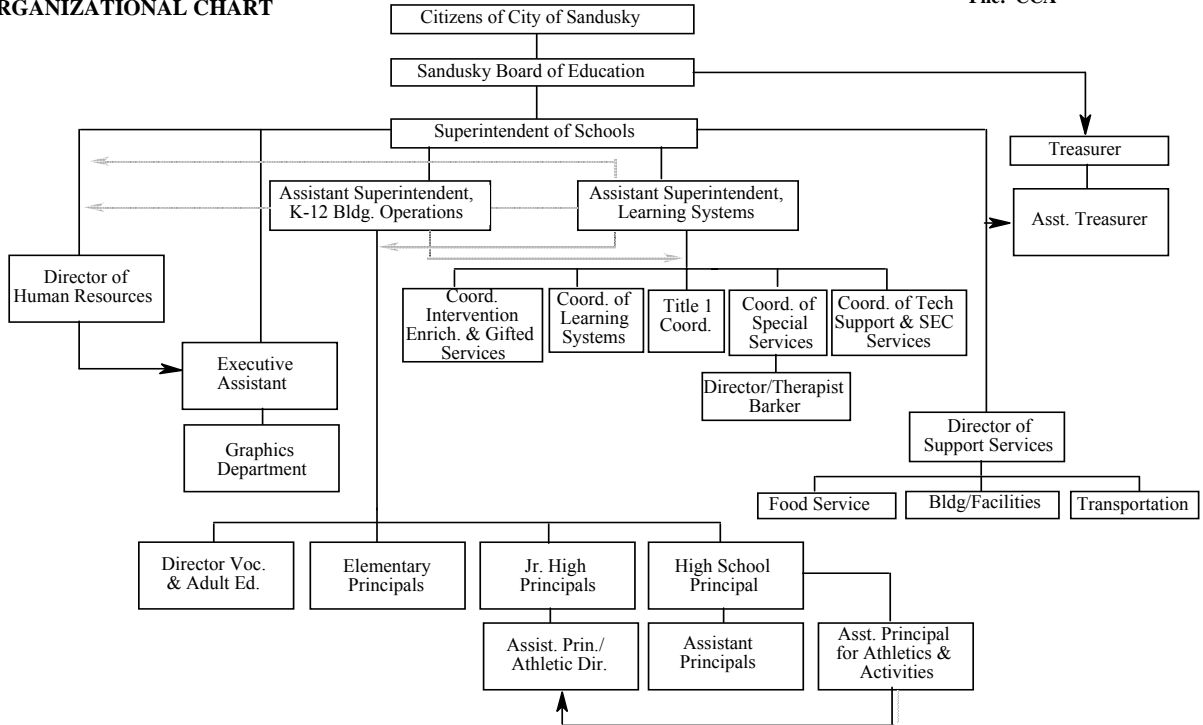
Central Office Administrative Staff

Mr. Tom Freitas	Food Services Supervisor
Mrs. Viki Kaszonyi	Director of Adult & Vocational Education
Mr. John Kaszonyi	Assistant Superintendent, Operations
Ms. Joy Kear	Coordinator, Title 1
Mr. Brett Kluiber	Coordinator of Network Technology
Ms. Cece Mees	Assistant Treasurer
Ms. Faith Palmucci	Administrative Assistant
Mr. Ted Peters	Transportation Supervisor
Ms. Bonnie Pigman	Coordinator of Special Services
Ms. Sally Roth	Curriculum Director
Mr. Kevin Toms	Supervisor of Building Services
Ms. Christine Zess	Instructional Technology Facilitator

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 ORGANIZATIONAL CHART
 JUNE 30, 2005**

ORGANIZATIONAL CHART

File: CCA



Adoption date: November 19, 2001

CROSS REF.: CCB, Staff Relations and Lines of Authority

Sandusky City School District, Sandusky, Ohio

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandusky City
School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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.



Nancy L. Zielke

President

Jeffrey R. Enos

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Sandusky City School District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

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

President

Executive Director

FINANCIAL SECTION

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2005, The District implemented Governmental Accounting Standards Board Technical Bulletin 2004-02, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other

matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 30, 2005

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The discussion and analysis of Sandusky City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- In total, net assets increased \$1,353,656. Net assets of governmental activities increased \$1,468,332, which represents an 11.99% increase from 2004. Net assets of business-type activities decreased \$114,676 or 61.03% from 2004.
- General revenues related to governmental activities accounted for \$36,598,286 in revenue or 84.32% of all governmental revenues. Program specific revenues related to governmental activities in the form of charges for services and sales, grants and contributions accounted for \$6,805,472 or 15.68% of total governmental revenues of \$43,403,758.
- The District had \$41,933,176 in expenses related to governmental activities; only \$6,805,472 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$36,598,286 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$36,796,765 in revenues and other financing sources and \$34,963,973 in expenditures. The general fund's fund balance increased from a deficit of \$109,335 to a positive balance of \$1,771,982.
- Net assets for the District's two major enterprise funds decreased \$114,676. The enterprise funds had \$2,621,733 in revenues, \$2,738,659 in expenses and \$2,250 in transfers in.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund. In addition, the Food Service and Adult Education enterprise funds are reported as major.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's adult education programs and food service operations are reported as business activities.

The District's statement of net assets and statement of activities can be found on pages F16-F18 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund and the major enterprise funds include the Food Service and Adult Education funds.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages F19-F23 of this report.

Proprietary Funds

The District maintains proprietary funds. The District maintains two major enterprise funds that account for the District's food service and adult education operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance of the District's medical, dental and vision benefits. The basic proprietary fund financial statements can be found on pages F24-F27 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F28 and F29. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F30-F57 of this report.

The District as a Whole

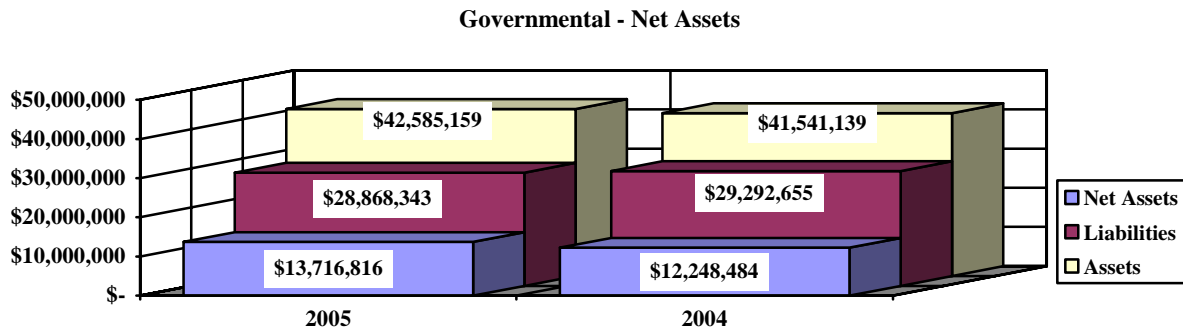
The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2005 compared to fiscal 2004.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

	Net Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<u>Assets</u>						
Current assets	\$ 31,347,669	\$ 30,008,195	\$ 319,680	\$ 459,159	\$ 31,667,349	\$ 30,467,354
Capital assets	<u>11,237,490</u>	<u>11,532,944</u>	<u>110,021</u>	<u>118,279</u>	<u>11,347,511</u>	<u>11,651,223</u>
Total assets	<u>42,585,159</u>	<u>41,541,139</u>	<u>429,701</u>	<u>577,438</u>	<u>43,014,860</u>	<u>42,118,577</u>
<u>Liabilities</u>						
Current liabilities	23,557,620	24,176,979	229,258	260,783	23,786,878	24,437,762
Long-term liabilities	<u>5,310,723</u>	<u>5,115,676</u>	<u>127,227</u>	<u>128,763</u>	<u>5,437,950</u>	<u>5,244,439</u>
Total liabilities	<u>28,868,343</u>	<u>29,292,655</u>	<u>356,485</u>	<u>389,546</u>	<u>29,224,828</u>	<u>29,682,201</u>
<u>Net Assets</u>						
Invested in capital assets, net of debt	9,577,678	9,514,906	110,021	118,279	9,687,699	9,633,185
Restricted	2,460,505	1,577,690	-	-	2,460,505	1,577,690
Unrestricted (deficit)	<u>1,678,633</u>	<u>1,155,888</u>	<u>(36,805)</u>	<u>69,613</u>	<u>1,641,828</u>	<u>1,225,501</u>
Total net assets	<u>\$ 13,716,816</u>	<u>\$ 12,248,484</u>	<u>\$ 73,216</u>	<u>\$ 187,892</u>	<u>\$ 13,790,032</u>	<u>\$ 12,436,376</u>

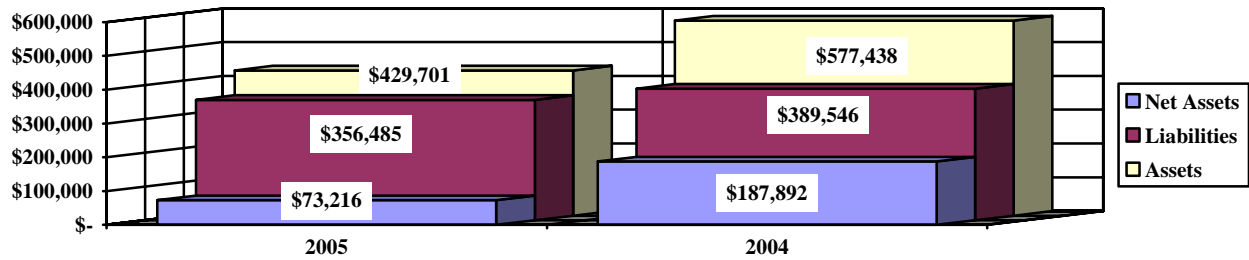
Total governmental activities assets increased by \$1,044,020 due primarily to an increase in equity in pooled cash and cash equivalents of \$996,952, which is attributed to the additional tax revenue to be from the 5.9 mill levy passed by voters in November 2003 and an increase in federal funding, in particular \$915,288 related to the Safe Schools/Healthy Students program. During fiscal year 2005, governmental expenses increased by 3.05% and revenues increased by 11.00%. The total governmental activities net assets of the District increased \$1,468,332 primarily due to an increase of \$2,785,964 in tax revenue levied for general purposes and increased federal funding. Net assets of business-type activities decreased \$114,676.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

Business-Type - Net Assets



The table below shows the changes in net assets for governmental activities and business-type activities for fiscal year 2005 compared to fiscal year 2004.

Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charges for services and sales	\$ 492,489	\$ 483,333	\$1,237,963	\$ 1,323,578	\$ 1,730,452	\$ 1,806,911
Operating grants and contributions	6,312,983	5,138,728	1,383,770	1,296,815	7,696,753	6,435,543
Capital grants and contributions	-	88,275	-	-	-	88,275
General revenues:						
Property taxes	18,886,142	16,052,518	-	-	18,886,142	16,052,518
Grants and entitlements	17,143,794	16,932,365	-	-	17,143,794	16,932,365
Other	568,350	408,153	-	1,568	568,350	409,721
Total revenues	<u>43,403,758</u>	<u>39,103,372</u>	<u>2,621,733</u>	<u>2,621,961</u>	<u>46,025,491</u>	<u>41,725,333</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	16,693,186	16,827,737	-	-	16,693,186	16,827,737
Special	7,667,920	6,614,153	-	-	7,667,920	6,614,153
Vocational	1,392,174	1,270,983	-	-	1,392,174	1,270,983
Other	130,949	144,899	-	-	130,949	144,899
Support services:						
Pupil	1,795,398	1,713,629	-	-	1,795,398	1,713,629
Instructional staff	1,567,099	1,596,772	-	-	1,567,099	1,596,772
Board of Education	290,483	200,544	-	-	290,483	200,544
Administration	3,155,898	2,899,700	-	-	3,155,898	2,899,700
Fiscal	747,826	776,412	-	-	747,826	776,412
Business	163,970	149,517	-	-	163,970	149,517
Operations and maintenance	4,278,015	4,607,211	-	-	4,278,015	4,607,211
Pupil transportation	1,424,910	1,408,368	-	-	1,424,910	1,408,368
Central	617,090	658,779	-	-	617,090	658,779
Operation of non-instructional services	365,104	189,885	-	-	365,104	189,885
Extracurricular activities	1,091,654	1,057,758	-	-	1,091,654	1,057,758
Intergovernmental	475,587	483,133	-	-	475,587	483,133
Interest and fiscal charges	75,913	91,145	-	-	75,913	91,145
Food service	-	-	1,918,480	1,857,460	1,918,480	1,857,460
Adult education	-	-	820,179	867,829	820,179	867,829
Total expenses	<u>41,933,176</u>	<u>40,690,625</u>	<u>2,738,659</u>	<u>2,725,289</u>	<u>44,671,835</u>	<u>43,415,914</u>
Excess (deficiency) before transfers	1,470,582	(1,587,253)	(116,926)	(103,328)	1,353,656	(1,690,581)
Transfers	<u>(2,250)</u>	<u>(25,000)</u>	<u>2,250</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Changes in net assets	1,468,332	(1,612,253)	(114,676)	(78,328)	1,353,656	(1,690,581)
Net assets, beginning of year	<u>12,248,484</u>	<u>13,860,737</u>	<u>187,892</u>	<u>266,220</u>	<u>12,436,376</u>	<u>14,126,957</u>
Net assets, end of year	<u>\$ 13,716,816</u>	<u>\$ 12,248,484</u>	<u>\$ 73,216</u>	<u>\$ 187,892</u>	<u>\$ 13,790,032</u>	<u>\$ 12,436,376</u>

Governmental Activities

Net assets of the District's governmental activities increased by \$1,468,332. Total governmental expenses of \$41,933,176 were offset by program revenues of \$6,805,472 and general revenues of \$36,598,286. Program revenues supported 16.23% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 83.01% of total governmental revenue. Real estate property is reappraised every six years. Erie County underwent a triennial update during 2003. Although recent growth has had a positive effect on the District's tax base, the full tax revenue impact has not been realized due to H.B. 920. This state law, enacted in 1976, does not allow for revenue increases caused by inflationary growth of real property values. Increases in valuation prompt corresponding annual reductions in the "effective millage", the tax rates applied to real property. Thus, although District tax valuation continues to grow, this built-in revenue limitation requires the District to request additional school operating revenue by placing a levy on the ballot periodically (every three to five years, on average).

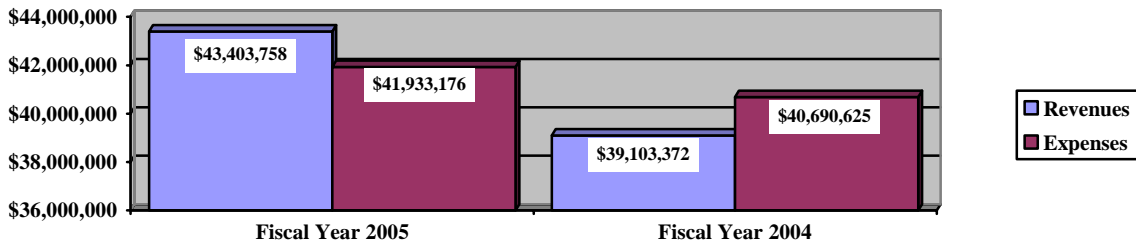
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The 4.9 mill school operating levy passed by voters in March, 1996, which generated approximately \$1.8 million per year, provided adequate revenue for general fund operating expenses through the year 2003. In November, 2003, voters approved a 5.9 mill school operating levy which is expected to generate approximately \$2.65 million annually beginning in 2004. During 2005, the District realized its first full year of tax revenue from the operating levy.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2005 and 2004.

Governmental Activities - Revenues and Expenses



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 and 2004. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

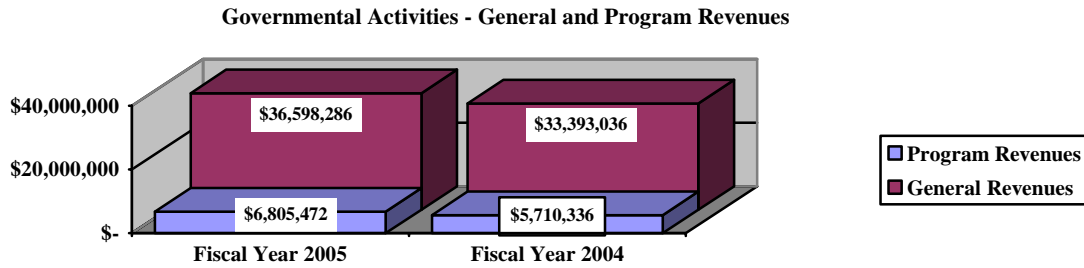
	Governmental Activities			
	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program expenses:				
Instruction:				
Regular	\$ 16,693,186	\$ 14,997,220	\$ 16,827,737	\$ 15,040,396
Special	7,667,920	5,560,552	6,614,153	4,894,224
Vocational	1,392,174	1,202,116	1,270,983	1,148,908
Other	130,949	130,949	144,899	(14,644)
Support services:				
Pupil	1,795,398	1,619,083	1,713,629	1,606,292
Instructional staff	1,567,099	903,762	1,596,772	960,492
Board of Education	290,483	290,483	200,544	200,544
Administration	3,155,898	2,934,619	2,899,700	2,756,491
Fiscal	747,826	734,431	776,412	760,463
Business	163,970	163,970	149,517	149,517
Operations and maintenance	4,278,015	4,234,812	4,607,211	4,576,893
Pupil transportation	1,424,910	1,424,910	1,408,368	1,408,368
Central	617,090	582,491	658,779	622,144
Operation of non-instructional services	365,104	(519,700)	189,885	39,077
Extracurricular activities	1,091,654	777,232	1,057,758	731,675
Intergovernmental	475,587	14,861	483,133	8,304
Interest and fiscal charges	75,913	75,913	91,145	91,145
Total expenses	<u>\$ 41,933,176</u>	<u>\$ 35,127,704</u>	<u>\$ 40,690,625</u>	<u>\$ 34,980,289</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The dependence upon tax revenues during fiscal year 2005 for governmental activities is apparent, as 84.57% of 2005 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 83.77% in 2005. The District's taxpayers, as a whole, is by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2005 and 2004.



Business-Type Activities

Business-type activities include adult education and the food service operation. These programs had revenues of \$2,621,733 and expenses of \$2,738,659 for fiscal year 2005. In fiscal 2005, net assets in the Food Service fund decreased \$131,640. This decrease is attributed to the District receiving approximately the same amount in revenues for the last five years offset by annual increases in expenditures and a \$176,500 interfund loan payable at fiscal year end. The District took steps to tighten food service expenditures in fiscal 2006 by reducing two staff positions. In fiscal 2005, the adult education program decreased overall expenses by \$52,160 or 5.99% from 2004 expenses, operating revenues decreased \$50,875 or 8.12%, and net assets increased by \$18,055 or 7.29%. The decline in revenues and expenses is due to the elimination of adult education programs funded by local businesses. The increase in net assets is The District's business activities receive no support from tax revenues.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F19) reported a combined fund balance of \$3,379,624, which is above last year's total of \$1,559,970 (the June 30, 2004 fund balance has been restated as detailed in Note 3.A of the notes to the financial statements). The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2005 and 2004.

	Fund Balance June 30, 2005	Restated Fund Balance June 30, 2004	Increase (Decrease)
General	\$ 1,771,982	\$ (109,335)	\$ 1,881,317
Other Governmental	<u>1,607,642</u>	<u>1,669,305</u>	<u>(61,663)</u>
Total	<u>\$ 3,379,624</u>	<u>\$ 1,559,970</u>	<u>\$ 1,819,654</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

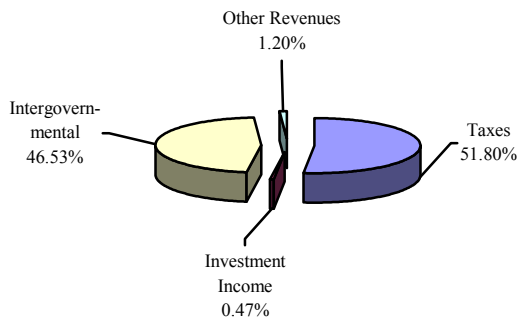
General Fund

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

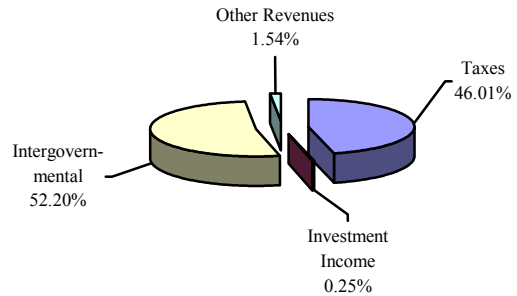
	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 19,061,348	\$ 14,815,191	28.66 %
Interest earnings	174,278	80,208	117.28 %
Intergovernmental	17,120,053	16,812,042	1.83 %
Other revenues	<u>440,786</u>	<u>494,430</u>	(10.85) %
Total	<u>\$ 36,796,465</u>	<u>\$ 32,201,871</u>	14.27 %

The District's general fund balance increased by \$1,881,317, due primarily to an increase of tax revenue related to the additional taxes generated from the 2003 operating tax levy and increased federal funding. General fund intergovernmental revenue increased \$308,011 or 1.83% from the prior year. This increase is attributed to an increase in the number of grants the district received in 2005. The increase in investment income is due to more money available to invest and the rising interest rate market. The decrease in other general fund revenues can be attributed to a decline in tuition, extracurricular, classroom materials and fees and local revenue.

**General Fund
Revenues - Fiscal Year 2005**



**General Fund
Revenues - Fiscal Year 2004**



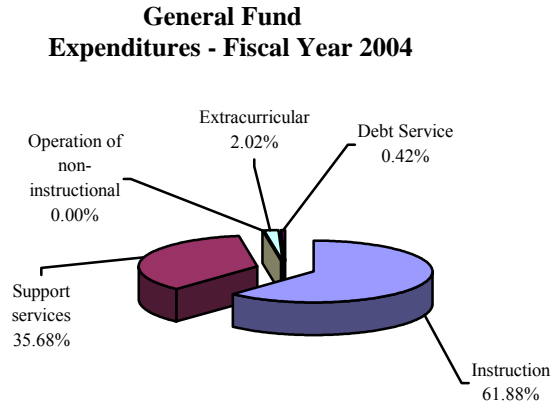
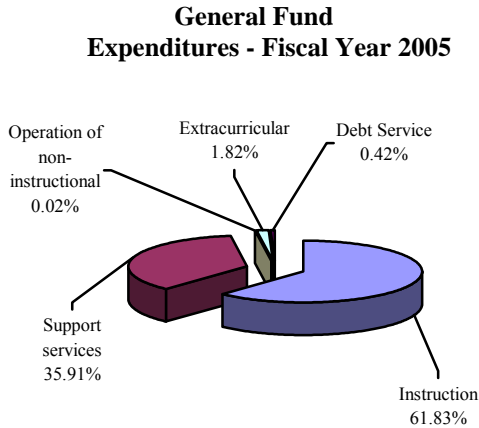
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The table that follows assists in illustrating the expenditures of the general fund.

<u>Expenditures</u>	2005 <u>Amount</u>	Restated 2004 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 21,615,433	\$ 21,829,510	(0.98) %
Support services	12,555,133	12,584,575	(0.23) %
Operation of non-instructional services	7,139	746	856.97 %
Extracurricular activities	638,046	711,227	(10.29) %
Debt service	<u>148,222</u>	<u>148,222</u>	- %
Total	<u>\$ 34,963,973</u>	<u>\$ 35,274,280</u>	(0.88) %

Total expenditures of the general fund decreased by 0.88% in fiscal year 2005 and .10% in fiscal year 2004. Additional staff cuts were made in fiscal 2005, which resulted in a decrease in instructional expenditures. The only increase occurred in operation of non-instructional services. All other expenditures remained comparable to 2004.



General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2005, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$675,000 below original budget estimates of \$36,675,000. The actual revenues and other financing sources were \$35,928,673, which were \$71,327 less than final budgeted revenues and other financing sources.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

General fund original appropriations (expenditures and other financing uses) of \$35,588,782 were increased to \$36,573,564 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2005 totaled \$35,534,524, which was \$1,039,040 less than the final budget appropriations, primarily because salary costs proved to be lower than anticipated in the final budget.

Capital Assets and Debt Administration

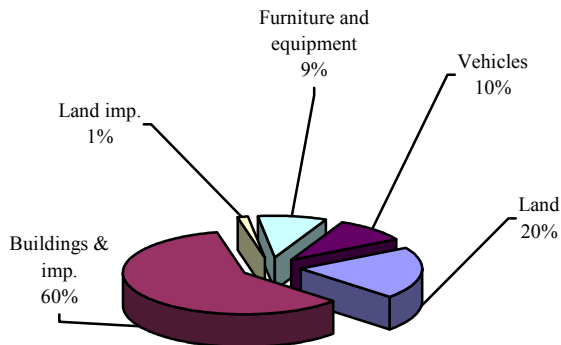
Capital Assets

At the end of fiscal 2005, the District had \$11,347,511 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. Of this total, \$11,237,490 was reported in governmental activities and \$110,021 was reported in business-type activities. The following table shows fiscal 2005 balances compared to 2004:

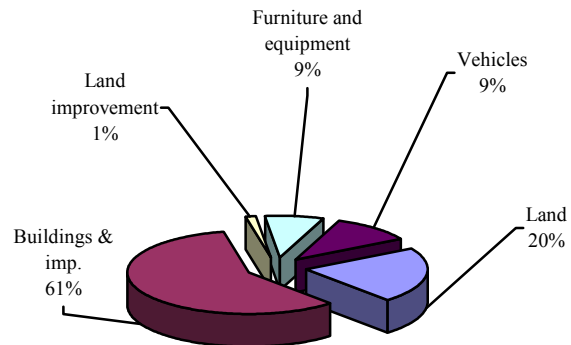
**Capital Assets at June 30
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 2,280,969	\$ 2,280,969	\$ -	\$ -	\$ 2,280,969	\$ 2,280,969
Land improvements	138,024	146,676	-	-	138,024	146,676
Building and improvements	6,688,271	6,981,376	-	-	6,688,271	6,981,376
Furniture and equipment	1,032,066	1,063,138	110,021	118,279	1,142,087	1,181,417
Vehicles	1,098,160	1,060,785	-	-	1,098,160	1,060,785
Total	\$ 11,237,490	\$11,532,944	\$ 110,021	\$ 118,279	\$ 11,347,511	\$11,651,223

**Capital Assets - Governmental Activities
2005**



**Capital Assets - Governmental Activities
2004**



Refer to Note 8 to the basic financial statements for detail on the District's capital assets.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

Debt Administration

At June 30, 2005 the District had \$848,669 in general obligation bonds and a loan outstanding. Of this total, \$251,468 is due within one year and \$597,201 is due within greater than one year. The following table summarizes the bonds and loan outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2005</u>	<u>Governmental Activities 2004</u>
General obligation bonds:		
Elementary building addition	\$ 695,000	\$ 885,000
Asbestos abatement loan	<u>153,669</u>	<u>215,137</u>
Total	<u><u>\$ 848,669</u></u>	<u><u>\$ 1,100,137</u></u>

The asbestos abatement loan was received in 1988 from the U.S. Environmental Agency for an asbestos project at Sandusky High School. This loan is scheduled to mature in fiscal year 2008 and is interest free as long as the District remains current on repayment.

On March 3, 2003, the District issued general obligation refunding bonds. The general obligation refunding bonds are scheduled to mature in fiscal year 2009 and bear an annual interest rate of 4.45%.

At June 30, 2005 the District's overall legal debt margin was \$45,506,484 with an unvoted debt margin of \$511,727.

See Note 10 to the basic financial statements for detail on the District's long-term obligations.

Current Financial Related Activities

As the preceding information shows, the District relies heavily upon grants and entitlements and property taxes. The increase in tax revenue and intergovernmental revenue combined with a tighter control of operating expenses allowed the District to end fiscal year 2005 financially strong. The additional tax revenue from the 5.9 mill operating levy passed by voters in November 2003 will provide the District with the necessary funds to meet its operating expenses in fiscal year 2006 and beyond. However, the future financial stability of the District is not without challenges.

One challenge is that the District's Management must continue to provide the resources necessary to meet student needs while diligently planning expenses, staying within the five-year plan. The five-year plan is utilized by management to manage resources effectively and efficiently. Additional revenues should not be treated as a windfall to expand programs but as an opportunity to extend the life of the five-year plan.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The next challenge facing the District is the future of state funding. The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the state has directed its tax revenue growth toward school districts with little property tax wealth. On May 16, 2003, the Ohio Supreme Court emphatically clarified that jurisdiction of the DeRolph case had ended. The Ohio Coalition for Equity and Adequacy of School Funding filed a petition with the U.S. Supreme Court for permission to file an appeal. The court is likely to either accept or reject the petition before the end of 2004. The District does not anticipate growth in state revenue, as in the ten years prior to the DeRolph decision; no state revenue growth was realized.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: A. Troy Bouts, treasurer at Sandusky City School District, 407 Decatur Street, Sandusky, Ohio, 44870.

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BASIC
FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
JUNE 30, 2005

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents. . .	\$ 9,394,145	\$ 272,053	\$ 9,666,198
Receivables:			
Taxes	19,929,868	-	19,929,868
Accounts	64,103	81,496	145,599
Intergovernmental	1,460,467	161,120	1,621,587
Internal loan	217,584	(217,584)	-
Prepayments	4,876	2,748	7,624
Materials and supplies inventory	251,651	19,847	271,498
Unamortized bond issue costs	24,975	-	24,975
Capital assets:			
Land	2,280,969	-	2,280,969
Depreciable capital assets, net	8,956,521	110,021	9,066,542
Capital assets, net.	<u>11,237,490</u>	<u>110,021</u>	<u>11,347,511</u>
Total assets.	<u>42,585,159</u>	<u>429,701</u>	<u>43,014,860</u>
Liabilities:			
Accounts payable.	408,056	3,712	411,768
Accrued wages and benefits	4,151,818	137,833	4,289,651
Pension obligation payable.	928,854	80,485	1,009,339
Intergovernmental payable	301,729	7,228	308,957
Deferred revenue	17,155,493	-	17,155,493
Accrued interest payable	2,577	-	2,577
Claims payable	609,093	-	609,093
Long-term liabilities:			
Due within one year.	1,107,820	12,937	1,120,757
Due within more than one year	4,202,903	114,290	4,317,193
Total liabilities	<u>28,868,343</u>	<u>356,485</u>	<u>29,224,828</u>
Net Assets:			
Invested in capital assets, net of related debt.	9,577,678	110,021	9,687,699
Restricted for:			
Capital projects	987,914	-	987,914
Debt service.	158,998	-	158,998
Perpetual care:			
Expendable	76,174	-	76,174
Nonexpendable	23,129	-	23,129
Locally funded programs	23,203	-	23,203
State funded programs	171,838	-	171,838
Federally funded programs	891,317	-	891,317
Student activities	15,792	-	15,792
Public school support	112,140	-	112,140
Unrestricted (deficit)	<u>1,678,633</u>	<u>(36,805)</u>	<u>1,641,828</u>
Total net assets	<u>\$ 13,716,816</u>	<u>\$ 73,216</u>	<u>\$ 13,790,032</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 16,693,186	\$ 110,615	\$ 1,585,351	\$ (14,997,220)
Special	7,667,920	-	2,107,368	(5,560,552)
Vocational	1,392,174	36,023	154,035	(1,202,116)
Other	130,949	-	-	(130,949)
Support services:				
Pupil	1,795,398	-	176,315	(1,619,083)
Instructional staff	1,567,099	-	663,337	(903,762)
Board of education	290,483	-	-	(290,483)
Administration	3,155,898	-	221,279	(2,934,619)
Fiscal	747,826	-	13,395	(734,431)
Business	163,970	-	-	(163,970)
Operations and maintenance	4,278,015	31,429	11,774	(4,234,812)
Pupil transportation	1,424,910	-	-	(1,424,910)
Central	617,090	-	34,599	(582,491)
Operation of non-instructional services	365,104	-	884,804	519,700
Extracurricular activities	1,091,654	314,422	-	(777,232)
Intergovernmental	475,587	-	460,726	(14,861)
Interest and fiscal charges	75,913	-	-	(75,913)
Total governmental activities	41,933,176	492,489	6,312,983	(35,127,704)
Business-type activities:				
Food service	1,918,480	662,188	1,122,402	-
Adult education	820,179	575,775	261,368	-
Total business-type activities	2,738,659	1,237,963	1,383,770	-
Totals	\$ 44,671,835	\$ 1,730,452	\$ 7,696,753	(35,127,704)
General Revenues:				
Property taxes levied for:				
General purposes				18,066,764
Debt service				264,594
Capital projects				554,784
Grants and entitlements not restricted to specific programs				17,143,794
Investment earnings				227,824
Miscellaneous				340,526
Total general revenues				36,598,286
Transfers				(2,250)
Change in net assets				1,468,332
Net assets at beginning of year				12,248,484
Net assets at end of year				\$ 13,716,816

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets	
Business-Type Activities	Total
\$ -	\$ (14,997,220)
-	(5,560,552)
-	(1,202,116)
-	(130,949)
-	(1,619,083)
-	(903,762)
-	(290,483)
-	(2,934,619)
-	(734,431)
-	(163,970)
-	(4,234,812)
-	(1,424,910)
-	(582,491)
-	519,700
-	(777,232)
-	(14,861)
-	(75,913)
-	(35,127,704)
(133,890)	(133,890)
16,964	16,964
(116,926)	(116,926)
(116,926)	(35,244,630)
-	18,066,764
-	264,594
-	554,784
-	17,143,794
-	227,824
-	340,526
-	36,598,286
2,250	-
(114,676)	1,353,656
187,892	12,436,376
<u>\$ 73,216</u>	<u>\$ 13,790,032</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 4,769,997	\$ 2,452,841	\$ 7,222,838
Receivables:			
Taxes	19,035,849	894,019	19,929,868
Accounts	63,230	873	64,103
Intergovernmental	27,740	1,432,727	1,460,467
Interfund loans	327,000	-	327,000
Prepayments	4,810	66	4,876
Materials and supplies inventory	251,651	-	251,651
	<u>\$ 24,480,277</u>	<u>\$ 4,780,526</u>	<u>\$ 29,260,803</u>
Total assets			
	<u>\$ 24,480,277</u>	<u>\$ 4,780,526</u>	<u>\$ 29,260,803</u>
Liabilities:			
Accounts payable	\$ 280,078	\$ 127,978	\$ 408,056
Accrued wages and benefits	3,484,770	667,048	4,151,818
Future retirement obligation	438,879	-	438,879
Pension obligation payable	832,863	95,991	928,854
Intergovernmental payable	267,818	33,911	301,729
Interfund loan payable	-	90,600	90,600
Deferred revenue	17,403,887	2,157,356	19,561,243
	<u>22,708,295</u>	<u>3,172,884</u>	<u>25,881,179</u>
Total liabilities			
	<u>22,708,295</u>	<u>3,172,884</u>	<u>25,881,179</u>
Fund Balances:			
Reserved for encumbrances	27,317	411,148	438,465
Reserved for materials and supplies inventories	251,651	-	251,651
Reserved for prepayments	4,810	66	4,876
Reserved for property tax unavailable for appropriation	1,631,962	69,390	1,701,352
Reserved for scholarships	-	23,129	23,129
Unreserved, undesignated (deficit), reported in:			
General fund	(143,758)	-	(143,758)
Special revenue funds	-	324,138	324,138
Debt service fund	-	120,732	120,732
Capital projects funds	-	582,865	582,865
Permanent fund	-	76,174	76,174
	<u>1,771,982</u>	<u>1,607,642</u>	<u>3,379,624</u>
Total fund balances			
	<u>1,771,982</u>	<u>1,607,642</u>	<u>3,379,624</u>
Total liabilities and fund balances	<u>\$ 24,480,277</u>	<u>\$ 4,780,526</u>	<u>\$ 29,260,803</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2005

Total governmental fund balances		\$	3,379,624
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			11,237,490
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	1,073,023	
Intergovernmental revenue		1,332,727	
Total			2,405,750
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. The net assets of the internal service fund, including internal balances are:			1,543,398
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(2,577)
Long-term liabilities, including bonds, loans and capital leases payable are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		305,600	
Future retirement obligation		2,881,457	
Capital lease obligation		811,143	
General obligation bonds payable		695,000	
Asbestos abatement loan payable		153,669	
Total			(4,846,869)
Net assets of governmental activities		\$	13,716,816

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	\$ 19,061,348	\$ 874,922	\$ 19,936,270
Tuition.	16,996	-	16,996
Earnings on investments.	174,278	13,938	188,216
Extracurricular.	10,479	255,152	265,631
Classroom materials and fees	61,319	-	61,319
Other local revenues.	351,992	118,782	470,774
Other revenue	71,598	-	71,598
Intergovernmental - state	16,765,208	2,228,351	18,993,559
Intergovernmental - federal.	283,247	3,433,581	3,716,828
Total revenue	36,796,465	6,924,726	43,721,191
Expenditures:			
Current:			
Instruction:			
Regular	14,810,269	1,679,740	16,490,009
Special.	5,492,882	2,169,316	7,662,198
Vocational.	1,312,282	79,065	1,391,347
Other	-	131,595	131,595
Support Services:			
Pupil.	1,612,478	184,783	1,797,261
Instructional staff	1,079,040	450,413	1,529,453
Board of education	290,483	-	290,483
Administration.	2,853,568	231,965	3,085,533
Fiscal	727,169	22,952	750,121
Business.	165,455	-	165,455
Operations and maintenance.	3,822,179	8,847	3,831,026
Pupil transportation	1,428,252	-	1,428,252
Central.	576,509	36,935	613,444
Operation of non-instructional services	7,139	317,890	325,029
Extracurricular activities.	638,046	331,059	969,105
Facilities acquisition and construction	-	577,370	577,370
Intergovernmental pass through	-	475,587	475,587
Debt service:			
Principal retirement	106,758	251,468	358,226
Interest and fiscal charges	41,464	35,154	76,618
Total expenditures	34,963,973	6,984,139	41,948,112
Excess of revenues under expenditures	1,832,492	(59,413)	1,773,079
Other financing sources (uses):			
Transfers (out)	-	(2,250)	(2,250)
Sale of capital assets	300	-	300
Total other financing sources (uses)	300	(2,250)	(1,950)
Net change in fund balances	1,832,792	(61,663)	1,771,129
Fund balances (deficit) at beginning			
of year (restated).	(109,335)	1,669,305	1,559,970
Increase in reserve for inventory.	48,525	-	48,525
Fund balances at end of year	\$ 1,771,982	\$ 1,607,642	\$ 3,379,624

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds	\$	1,771,129
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$621,606) exceeds capital outlays (\$369,926) in the current period.		(251,680)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(43,774)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		48,525
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Taxes	\$ (1,050,128)	
Intergovernmental revenue	693,087	
Total	(357,041)	(357,041)
Deferred charges are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		22,412
Premiums on debt issuances are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		(47,387)
Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		24,975
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		358,226
Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.		705
Some expenses reported in the statement of activities do not require the absences and pension obligations, do not require the use of current financial expenditures in governmental funds:		
Compensated absences	(56,276)	
Future retirement obligation	(367,228)	
Total	(423,504)	(423,504)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balances is allocated among the governmental activities		365,746
Change in net assets of governmental activities	\$	1,468,332

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Taxes	\$ 18,363,529	\$ 18,025,550	\$ 17,989,836	\$ (35,714)
Tuition	17,349	17,030	16,996	(34)
Earnings on investments	177,898	174,624	174,278	(346)
Extracurricular	10,764	10,566	10,545	(21)
Classroom materials and fees	63,452	62,284	62,161	(123)
Other local revenues	342,956	336,644	335,977	(667)
Other revenue	73,085	71,740	71,598	(142)
Intergovernmental - state	17,113,463	16,798,491	16,765,208	(33,283)
Intergovernmental - federal	325,333	319,345	318,712	(633)
Total revenue	<u>36,487,829</u>	<u>35,816,274</u>	<u>35,745,311</u>	<u>(70,963)</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,551,172	15,349,322	14,955,331	393,991
Special	5,207,981	5,682,382	5,533,118	149,264
Vocational	1,293,556	1,348,381	1,275,580	72,801
Support services:				
Pupil	1,641,022	1,645,447	1,599,435	46,012
Instructional staff	1,179,924	1,185,434	1,065,415	120,019
Board of education	210,960	329,960	286,764	43,196
Administration	2,714,192	2,874,072	2,763,662	110,410
Fiscal	715,215	748,816	724,042	24,774
Business	174,311	179,311	165,373	13,938
Operations and maintenance	3,961,318	4,201,418	3,936,461	264,957
Pupil transportation	1,472,786	1,495,611	1,435,264	60,347
Central	704,519	777,518	747,981	29,537
Operation of non-instructional services	1,155	7,501	7,141	360
Extracurricular activities	735,671	747,291	710,857	36,434
Total expenditures	<u>35,563,782</u>	<u>36,572,464</u>	<u>35,206,424</u>	<u>1,366,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>924,047</u>	<u>(756,190)</u>	<u>538,887</u>	<u>1,295,077</u>
Other financing sources (uses):				
Refund of prior year's expenditures	3,126	3,068	3,062	(6)
Transfers (out)	(25,000)	-	-	-
Advances in	183,739	180,357	180,000	(357)
Advances (out)	-	(1,100)	(328,100)	(327,000)
Sale of capital assets	306	301	300	(1)
Total other financing sources (uses)	<u>162,171</u>	<u>182,626</u>	<u>(144,738)</u>	<u>(327,364)</u>
Net change in fund balance	1,086,218	(573,564)	394,149	967,713
Fund balance at beginning of year	3,586,540	3,586,540	3,586,540	-
Prior year encumbrances appropriated	383,076	383,076	383,076	-
Fund balance at end of year	<u>\$ 5,055,834</u>	<u>\$ 3,396,052</u>	<u>\$ 4,363,765</u>	<u>\$ 967,713</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 2,364	\$ 269,689	\$ 272,053	\$ 2,171,307
Receivables:				
Accounts	633	80,863	81,496	-
Intergovernmental	159,950	1,170	161,120	-
Prepayments	2,748	-	2,748	-
Materials and supplies inventory	19,847	-	19,847	-
Total current assets	<u>185,542</u>	<u>351,722</u>	<u>537,264</u>	<u>2,171,307</u>
Noncurrent assets:				
Capital assets, net	<u>93,732</u>	<u>16,289</u>	<u>110,021</u>	<u>-</u>
Total assets	<u>279,274</u>	<u>368,011</u>	<u>647,285</u>	<u>2,171,307</u>
Liabilities:				
Current liabilities:				
Accounts payable	219	3,493	3,712	-
Accrued wages and benefits	124,759	13,074	137,833	-
Pension obligation payable	63,588	16,897	80,485	-
Interfund loan payable	176,500	59,900	236,400	-
Intergovernmental payable	4,408	2,820	7,228	-
Compensated absences	-	6,229	6,229	-
Current portion of future retirement obligation	6,708	-	6,708	-
Claims payable	-	-	-	609,093
Total current liabilities	<u>376,182</u>	<u>102,413</u>	<u>478,595</u>	<u>609,093</u>
Noncurrent liabilities:				
Future retirement obligation	<u>114,290</u>	<u>-</u>	<u>114,290</u>	<u>-</u>
Total liabilities	<u>490,472</u>	<u>102,413</u>	<u>592,885</u>	<u>609,093</u>
Net assets:				
Invested in capital assets	93,732	16,289	110,021	-
Unrestricted (deficit)	<u>(304,930)</u>	<u>249,309</u>	<u>(55,621)</u>	<u>1,562,214</u>
Total net assets (deficit)	<u>\$ (211,198)</u>	<u>\$ 265,598</u>	<u>54,400</u>	<u>\$ 1,562,214</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds.			<u>18,816</u>	
Net assets of business-type activities			<u>\$ 73,216</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Operating revenues:				
Tuition and fees	\$ -	\$ 295,326	\$ 295,326	\$ -
Sales/charges for services	643,803	-	643,803	4,593,710
Other	18,385	280,449	298,834	-
Total operating revenues	<u>662,188</u>	<u>575,775</u>	<u>1,237,963</u>	<u>4,593,710</u>
Operating expenses:				
Personal services	960,706	673,290	1,633,996	-
Purchased services	15,037	76,891	91,928	3,671,439
Materials and supplies	932,481	67,193	999,674	-
Depreciation	6,544	1,714	8,258	-
Other	-	-	-	600,936
Total operating expenses	<u>1,914,768</u>	<u>819,088</u>	<u>2,733,856</u>	<u>4,272,375</u>
Operating income (loss)	<u>(1,252,580)</u>	<u>(243,313)</u>	<u>(1,495,893)</u>	<u>321,335</u>
Nonoperating revenues:				
Federal donated commodities	100,720	-	100,720	-
Interest revenue	-	-	-	39,608
Grants and subsidies	1,021,682	261,368	1,283,050	-
Total nonoperating revenues	<u>1,122,402</u>	<u>261,368</u>	<u>1,383,770</u>	<u>39,608</u>
Income (loss) before transfers	(130,178)	18,055	(112,123)	360,943
Transfers in	2,250	-	2,250	-
Change in net assets	(127,928)	18,055	(109,873)	360,943
Net assets (deficit) at beginning of year . .	<u>(83,270)</u>	<u>247,543</u>	<u>164,273</u>	<u>1,201,271</u>
Net assets (deficit) at end of year	<u>\$ (211,198)</u>	<u>\$ 265,598</u>	<u>54,400</u>	<u>\$ 1,562,214</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds			<u>(4,803)</u>	
Net change in net assets of business-type activities			<u>\$ (114,676)</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Cash flows from operating activities:				
Cash received from tuition and fees	\$ -	\$ 283,396	\$ 283,396	\$ -
Cash received from sales/charges for services.	645,274	-	645,274	4,593,710
Cash received from other operations.	18,385	236,909	255,294	-
Cash payments for personal services	(966,152)	(685,454)	(1,651,606)	-
Cash payments for purchased services.	(15,384)	(75,234)	(90,618)	(3,673,656)
Cash payments for materials and supplies.	(823,948)	(83,421)	(907,369)	-
Cash payments for other expenses.	-	-	-	(600,936)
Net cash provided by (used in) operating activities	<u>(1,141,825)</u>	<u>(323,804)</u>	<u>(1,465,629)</u>	<u>319,118</u>
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies	1,006,140	261,683	1,267,823	-
Cash received from transfers in.	2,250	-	2,250	-
Cash received from interfund loans.	176,500	59,900	236,400	-
Cash used in repayment of interfund loans	<u>(49,000)</u>	<u>(53,300)</u>	<u>(102,300)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>1,135,890</u>	<u>268,283</u>	<u>1,404,173</u>	<u>-</u>
Cash flows from investing activities:				
Interest received	-	-	-	39,608
Net cash provided by investing activities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,608</u>
Net increase (decrease) in cash and cash equivalents.	(5,935)	(55,521)	(61,456)	358,726
Cash and cash equivalents at beginning of year	<u>8,299</u>	<u>325,210</u>	<u>333,509</u>	<u>1,812,581</u>
Cash and cash equivalents at end of year	<u>\$ 2,364</u>	<u>\$ 269,689</u>	<u>\$ 272,053</u>	<u>\$ 2,171,307</u>

(Continued)

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

STATEMENT OF CASH FLOWS - (CONTINUED)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Adult Education	Total	
Reconciliation of operating income (loss) to net cash used in (provided by) operating activities:				
Operating income (loss)	\$ (1,252,580)	\$ (243,313)	\$ (1,495,893)	\$ 321,335
Adjustments:				
Depreciation	6,544	1,714	8,258	-
Federal donated commodities.	100,720	-	100,720	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	1,471	(55,470)	(53,999)	-
Decrease in materials and supplies inventory.	8,693	-	8,693	-
Increase in prepayments	(347)	-	(347)	-
Decrease in accounts payable.	(880)	(18,382)	(19,262)	-
Decrease in accrued wages and benefits	(3,582)	(7,400)	(10,982)	-
Increase (decrease) in pension obligation payable	(6,099)	2,539	(3,560)	-
Increase in intergovernmental payable	1,322	957	2,279	-
Decrease in compensated absences payable	-	(4,449)	(4,449)	-
Increase in future retirement obligation.	2,913	-	2,913	-
Decrease in claims payable	-	-	-	(2,217)
Net cash provided by (used in) operating activities	<u>\$ (1,141,825)</u>	<u>\$ (323,804)</u>	<u>\$ (1,465,629)</u>	<u>\$ 319,118</u>
Noncash investing, capital and financing activities				
Federal donated commodities.	\$ 100,720	\$ -	\$ 100,720	\$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005

	Private-Purpose Trust	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 2,380,716	\$ 94,776
Investments	3,944,867	-
Receivables:		
Taxes	-	322,150
Accounts	-	133
Accrued interest	4,404	-
Total assets	6,329,987	\$ 417,059
Liabilities:		
Accounts payable	-	\$ 1,739
Intergovernmental payable	-	325,133
Due to students	-	90,187
Total liabilities	-	\$ 417,059
Net Assets:		
Held in trust for scholarships	6,329,987	
Total net assets	\$ 6,329,987	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Private-Purpose Trust
Additions:	
Interest	\$ 166,956
Gifts and contributions.	343,970
Total additions.	510,926
Deductions:	
Scholarships awarded	177,979
Change in net assets	332,947
Net assets at beginning of year.	5,997,040
Net assets at end of year	\$ 6,329,987

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Sandusky City School District (the "District") is located in northern Erie County and is within the corporate boundaries of the City of Sandusky, which lies on the shores of Sandusky Bay and Lake Erie. The District serves an area of approximately 15 square miles.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District ranks as the 98th largest by total enrollment among the 614 public school districts in the state. It currently operates 8 elementary schools, 2 alternative schools, 2 junior high schools, and 1 comprehensive high school. The District employs 177 non-certified employees, 348 certified employees, 8 full-time adult education instructors and 30 administrators, to provide services to approximately 4,058 students in grades K through 12, more than 5,000 adult education students, and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activity and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The government has elected not to follow subsequent private-sector guidance. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". When applying GASB Statement No. 14 and GASB Statement No. 39, management has considered all potential component units. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits or provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Based upon the application of this criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATION

Northern Ohio Educational Computer Association (NOECA)

The District is a participant in the Northern Ohio Educational Computer Association (NOECA), which is a computer consortium. NOECA is an association of 41 public school districts formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The NOECA Board of Directors consists of two representatives from each county in which participating school districts are located, the chairman of each of the operating committees, and a representative from the fiscal agent. The District paid \$137,547 to NOECA in fiscal year 2005 for services. Financial information can be obtained from Betty Schwiefert, who serves as Controller, 2900 South Columbus Avenue, Sandusky, Ohio 44870.

PUBLIC ENTITY RISK POOL

Workers' Compensation

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (the "Plan") was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Plan. Each year, the participating school district pays an enrollment fee to the Plan to cover the costs of administering the program

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the District's major governmental fund:

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

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's major proprietary funds:

Enterprise Funds - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body 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 (b) where the governing body has decided 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. The District's major enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the District.

Adult Education Fund - This fund accounts for educational opportunities offered on a tuition basis to preschoolers, youths and adults living within the community.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical, dental and vision benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are used to account for student activities and for the fiscal agent activity of the Sandusky Public Library.

C. Basis of Presentation

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on 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 statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for sales and services. Operating expenses for internal service funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as donated commodities revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2005 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Erie County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2005.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.)

Board adopted appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations at the legal level of control.

5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions within a fund must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2005, none were significant.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are 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 fund financial statements, encumbrances outstanding at year end (not already recorded in accounts payable) are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2005, investments were limited to U.S. savings bonds, shares of common stock, a repurchase agreement, federal agency securities, investments in the State Asset Treasury Reserve of Ohio (STAR Ohio) and open-ended mutual funds.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2005. 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 June 30, 2005.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$174,278, which includes \$62,676 assigned from other District funds.

While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with a gift of stock to its private-purpose trust fund. No public funds were used to acquire the stock. At the time the common stock was endowed to the District its value was \$3,373,011. Due to changes in fair market value, at June 30, 2005, the common stock has increased in value by \$571,856. The amount of common stock available for expenditure is reported in net assets available in trust for scholarships on the statement of fiduciary net assets. A committee has been created to authorize the spending of the investment income.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year-end is provided in Note 4.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. On the fund financials statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives (with an estimated 10% salvage value):

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	20 years	N/A
Buildings/improvements	25 - 50 years	N/A
Furniture/equipment	5 - 20 years	5 - 20 years
Vehicles	6 - 10 years	N/A

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal loans.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16 “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is based on a policy whereby an employee is compensated for sixty five (65) days of severance pay regardless of the employee's sick leave balance. This liability exists for employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future and is reported as a component of “future retirement obligation” in the basic financial statements.

The District has entered into a First Opportunity Retirement Incentive (FORI) whereby, upon election, an employee reaching their first year of retirement eligibility (with a minimum age of 60 years or 30 or more years of service) is entitled to receive an additional 30 days of severance pay or 12% of their unused sick leave balance, whichever is greater. The corresponding liability for the FORI has been recorded for employees who have elected to retire under the terms of the FORI and is reported as a component of “future retirement obligation” in the governmental fund balance sheet and as a component of long-term liabilities in the statement of net assets. The FORI is reported as a component of “future retirement obligation” in the governmental fund balance sheet and statement of net assets. Amounts for FORI represent liabilities at June 30, 2005 on the fund financial statements.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2005, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and future retirement obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability in the fund financial statements when due.

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a 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 equity reserves have been established for encumbrances, inventories of supplies and materials, prepayments, property taxes unavailable for appropriation, and scholarships. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset on the fund financial statements.

O. Parochial Schools

Within the District boundaries, St. Mary's, Sts. Peter and Paul, and Holy Angels Elementaries and St. Mary's Central Catholic High School are operated through the Toledo Catholic Diocese. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. These activities are reported as a governmental activity of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Sandusky Public Library

The Sandusky Public Library (the "Library") is a private not for profit organization governed by a board of trustees. The Library provides the community with various educational and literary resources. The District serves as the taxing authority for the Library, but has no ongoing financial responsibility. The District does not appoint a voting majority of the Board and is not involved in the management or operations of the Library. The fiduciary responsibility of collecting and disbursing tax monies for the Library is reflected in an agency fund for financial reporting purposes.

Q. Estimates

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult education classes, sales for food service and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund.

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

T. Interfund Activity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Technical Bulletin 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers".

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the District, however additional note disclosure can be found in Note 4. The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on the fund balances of the major and non-major funds of the District as they were previously reported as of June 30, 2004:

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30, 2004	\$ 175,444	\$ 1,690,089	\$ 1,865,533
GASB Technical Bulletin No. 2004-2	<u>(284,779)</u>	<u>(20,784)</u>	<u>(305,563)</u>
Restated Fund Balance, June 30, 2004	<u>\$ (109,335)</u>	<u>\$ 1,669,305</u>	<u>\$ 1,559,970</u>

B. Deficit Fund Balances

Fund balances at June 30, 2005 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major Fund</u>	
Food Service	\$ 211,198
<u>Nonmajor Funds</u>	
Disadvantaged Pupil Impact Aid	4,110
Summer Intervention	12,922
Adult Basic Education	9,916
Title VI-B	115,837
Title V	178,434
Preschool	1,901
Improving Teacher Quality	12,754

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At June 30, 2005, the carrying amount of all District deposits was \$556,060, exclusive of the \$1,816,000 repurchase agreement included in investments below. As of June 30, 2005, \$500,328 of the District's bank balance of \$635,123 was exposed to custodial risk as discussed below, while \$134,795 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the District's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2005, the District had the following investments and maturities:

Investment type	Balance at Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Repurchase Agreement	\$ 1,816,000	\$ 1,816,000	\$ -	\$ -	\$ -
U.S. Savings Bonds	41,500	41,500	-	-	-
STAR Ohio	9,575,750	9,575,750	-	-	-
Mutual Funds	152,380	152,380	-	-	-
Stock	3,944,867	-	-	-	-
	<u>\$ 15,530,497</u>	<u>\$ 11,585,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The District's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The District's mutual funds carry a rating of AAAM by Standard & Poor's. The District's stocks were rated ranging from AAA to B+ and A3 to Baa2 by Standard & Poor's and Moody's Investor Services, respectively.

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the District at June 30, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase Agreement	\$ 1,816,000	11.69
U.S. Savings Bonds	41,500	0.27
STAR Ohio	9,575,750	61.66
Mutual Funds	152,380	0.98
Stock	3,944,867	25.40
	<u>\$ 15,530,497</u>	<u>100.00</u>

D. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2005:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 556,060
Investments	<u>15,530,497</u>
Total	<u>\$ 16,086,557</u>

<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 9,394,145
Business type activities	272,053
Private-purpose trust funds	6,325,583
Agency funds	<u>94,776</u>
Total	<u>\$ 16,086,557</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2005, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 90,600
	Food Service	176,500
	Adult Education	<u>59,900</u>
Total		<u>\$ 327,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

- B.** Interfund transfers for the year ended June 30, 2005, consisted of the following, as reported on the fund statements:

Transfers to Food Service fund from:	
Nonmajor Governmental funds	\$ 2,250

The primary purpose of the transfer was to correct the posting of grant monies.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Erie County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2005 was \$1,631,962 in the general fund, \$25,303 in the debt service fund and \$44,087 in the capital projects funds. These amounts have been recorded as revenue. The amount available as an advance at June 30, 2004 was \$560,450 in the general fund, \$14,456 in the debt service fund, and \$24,732 in the capital projects funds.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 421,567,300	83.75	\$ 424,339,140	82.92
Public utility personal	17,514,670	3.48	16,654,580	3.25
Tangible personal property	<u>64,275,034</u>	<u>12.77</u>	<u>70,733,492</u>	<u>13.83</u>
Total	<u>\$ 503,357,004</u>	<u>100.00</u>	<u>\$ 511,727,212</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 71.35		\$ 71.35	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 7 - RECEIVABLES

Receivables at June 30, 2005 consisted of taxes, accounts (billings for user charged services and student fees), internal loans and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities

Taxes - current and delinquent	\$ 19,929,868
Accounts	64,103
Intergovernmental	1,460,467
Internal loans	217,584

Business-Type Activities

Accounts	81,496
Intergovernmental	<u>161,120</u>

Total receivables	<u>\$ 21,914,638</u>
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Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,280,969	\$ -	\$ -	\$ 2,280,969
Total capital assets, not being depreciated	<u>2,280,969</u>	<u>-</u>	<u>-</u>	<u>2,280,969</u>
Capital assets, being depreciated:				
Land improvements	192,255	-	-	192,255
Building/improvements	14,513,501	34,517	-	14,548,018
Furniture/equipment	2,120,339	105,971	(18,789)	2,207,521
Vehicles	<u>2,092,913</u>	<u>229,438</u>	<u>(126,244)</u>	<u>2,196,107</u>
Total capital assets, being depreciated	<u>18,919,008</u>	<u>369,926</u>	<u>(145,033)</u>	<u>19,143,901</u>
Less: accumulated depreciation				
Land improvements	(45,579)	(8,652)	-	(54,231)
Building/improvements	(7,532,125)	(327,622)	-	(7,859,747)
Furniture/equipment	(1,057,201)	(129,833)	11,579	(1,175,455)
Vehicles	<u>(1,032,128)</u>	<u>(155,499)</u>	<u>89,680</u>	<u>(1,097,947)</u>
Total accumulated depreciation	<u>(9,667,033)</u>	<u>(621,606)</u>	<u>101,259</u>	<u>(10,187,380)</u>
Governmental activities capital assets, net	<u>\$ 11,532,944</u>	<u>\$ (251,680)</u>	<u>\$ (43,774)</u>	<u>\$ 11,237,490</u>
Business-Type Activities				
Capital assets, being depreciated:				
Furniture/equipment	\$ 289,568	\$ -	\$ -	\$ 289,568
Less: accumulated depreciation	<u>(171,289)</u>	<u>(8,258)</u>	<u>-</u>	<u>(179,547)</u>
Business-type activities capital assets, net	<u>\$ 118,279</u>	<u>\$ (8,258)</u>	<u>\$ -</u>	<u>\$ 110,021</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 147,701
Special	10,950
Vocational	39,570
Support Services:	
Pupil	13,083
Instructional staff	7,772
Administration	11,633
Operations and maintenance of plant	41,950
Pupil transportation	164,062
Central	25,622
Operation of non-instructional services	30,376
Extracurricular activities	<u>128,887</u>
Total depreciation expense	<u>\$ 621,606</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

During a prior fiscal year, the District entered into capitalized leases for fiber optic and telephone equipment. These lease agreements meet the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of building improvements and equipment have been capitalized in the amount of \$746,516 and \$322,443, respectively. These amounts represent the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2005 totaled \$106,758 paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under capital lease and the present value of the future minimum lease payments as of June 30, 2005:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2006	\$ 148,222
2007	148,222
2008	148,222
2009	148,222
2010	121,509
2011 - 2013	<u>236,992</u>
Total minimum lease payments	951,389
Less amount representing interest	<u>(140,246)</u>
Total	<u>\$ 811,143</u>

NOTE 10 - LONG-TERM OBLIGATIONS

- A. On March 3, 2003, the District issued general obligation bonds (Series 2003 School Improvement Refunding Bonds) to currently refund the callable portion of the Series 1991 School Improvement General Obligation Bonds (principal \$1,395,000; interest rate 7.088%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest bonds, par value \$1,090,000. The annual interest rate on the bonds is 4.450%.

The refunding bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from a current 0.60 mill bonded debt tax levy.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a description of the District's bonds outstanding as of June 30, 2005:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Loan</u>		<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2005</u>
			<u>Maturity Date</u>	<u>Outstanding June 30, 2004</u>			
Elementary building additions - 2003	4.450%	03/03/03	12/01/08	\$ 885,000	\$ -	\$ (190,000)	\$ 695,000

- B.** In 1988, the District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project at Sandusky High School. The loan is interest free as long as the District remains current on repayment. Payments relating to the loan are recorded as expenditures in the debt service fund. The following schedule describes the loan:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Loan</u>		<u>Reductions</u>	<u>Outstanding June 30, 2004</u>
			<u>Maturity Date</u>	<u>Outstanding June 30, 2003</u>		
Asbestos Abatement	None	03/01/88	07/31/08	\$ 215,137	\$ (61,468)	\$ 153,669

- C.** The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds and the EPA loan:

<u>Year Ending June 30</u>	<u>Principal on Bonds/EPA Loan</u>	<u>Interest on Bonds/EPA Loan</u>	<u>Total</u>
2006	\$ 251,468	\$ 26,700	\$ 278,168
2007	246,468	18,356	264,824
2008	215,733	10,124	225,857
2009	135,000	3,004	138,004
Total	\$ 848,669	\$ 58,184	\$ 906,853

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance			Balance	Amounts
	June 30, 2004	Increase	Decrease	June 30, 2005	Due in
					One Year
Governmental Activities					
Future retirement obligation	\$ 2,816,029	\$ 800,443	\$ (296,136)	\$ 3,320,336	\$ 438,879
Compensated absences payable	249,324	254,256	(197,980)	305,600	305,600
General obligation bonds payable	885,000	-	(190,000)	695,000	190,000
Asbestos loan payable	215,137	-	(61,468)	153,669	61,468
Capital lease obligation	<u>917,901</u>	<u>-</u>	<u>(106,758)</u>	<u>811,143</u>	<u>111,873</u>
Total governmental activities long-term liabilities	<u>\$ 5,083,391</u>	<u>\$ 1,054,699</u>	<u>\$ (852,342)</u>	5,285,748	<u>\$ 1,107,820</u>
Less: Unamortized deferred charge on refunding				(22,412)	
Add: Unamortized premium of refunding				<u>47,387</u>	
Total on statement of net assets				<u>\$ 5,310,723</u>	
Business-Type Activities					
Compensated absences payable	\$ 10,678	\$ 7,077	\$ (11,526)	\$ 6,229	\$ 6,229
Future retirement obligation	<u>118,085</u>	<u>8,104</u>	<u>(5,191)</u>	<u>120,998</u>	<u>6,708</u>
Total business-type activities long-term liabilities	<u>\$ 128,763</u>	<u>\$ 15,181</u>	<u>\$ (16,717)</u>	<u>\$ 127,227</u>	<u>\$ 12,937</u>

Compensated absences and the future retirement obligation will be paid from the fund from which the employee is paid. The payments will be made from the general, nonmajor special revenue, food service and adult education funds. Further detail on the future retirement obligation is provided in Note 2.J.

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2005 are a voted debt margin of \$45,506,484 (including available funds of \$146,035) and an unvoted debt margin of \$511,727.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2005, the District has contracted with Indiana Insurance Company to provide insurance coverage in the following amounts:

<u>Limits of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General liability:		
Each occurrence	\$ 1,000,000	\$ 1,000
Aggregate	2,000,000	0
Fleet:		
Comprehensive/collision	1,000,000	250/500
Umbrella liability and fleet	3,000,000	10,000
Building and contents	79,068,478	10,000
Boiler and machinery		

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

B. Health Benefits

The District has established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$125,000 for each health benefits claim. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the District participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$609,093 reported in the basic financial statements at June 30, 2005, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the current and previous fiscal year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2004-2005	\$ 611,310	\$ 3,671,439	\$ (3,673,656)	\$ 609,093
2003-2004	448,858	3,498,077	(3,335,625)	611,310

C. Workers' Compensation Rating Program

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the state based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control, assistance with safety programs, and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling (614) 222-5853.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 12 - DEFINED BENEFIT PENSION PLAN - (Continued)

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2005, 10.57% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$525,547, \$474,381 and \$430,319, respectively; 43.33% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$297,802, represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (614) 227-4090, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 12 - DEFINED BENEFIT PENSION PLAN - (Continued)

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal years 2005 and 2004, 13% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$2,576,779, \$2,566,308, and \$2,524,868, respectively; 81.87% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$467,224 represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal 2005 were \$2,931 made by the District and \$15,412 made by plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2005, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For fiscal year 2005, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$198,214 during fiscal 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.1 billion at June 30, 2004 (the latest information available). For the fiscal year ended June 30, 2004 (the latest information available), net health care costs paid by STRS were \$268.739 million and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

For fiscal year 2005, employer contributions to fund health care benefits were 3.43% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$27,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses, before premium deduction. Gross expenses for health care at June 30, 2004 (the latest information available) were \$223.444 million and the target level was \$335.2 million. At June 30, 2004, (the latest information available) SERS had net assets available for payment of health care benefits of \$300.8 million and SERS had approximately 62,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$275,220 during the 2005 fiscal year.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance	<u>General Fund</u>
Budget basis	\$ 394,149
Net adjustment for revenue accruals	1,051,154
Net adjustment for expenditure accruals	(163,781)
Net adjustment for other sources/uses	145,038
Adjustment for encumbrances	<u>406,232</u>
GAAP basis	<u>\$ 1,832,792</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

C. State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the state's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future state funding and its financial operations.

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2005, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside cash balance as of June 30, 2004	\$ (394,725)	\$ -
Current year set-aside requirement	621,679	621,679
Current year offsets	-	(573,461)
Qualifying disbursements	<u>(665,137)</u>	<u>(244,228)</u>
 Total	 <u>\$ (438,183)</u>	 <u>\$ (196,010)</u>
 Balance carried forward to FY 2006	 <u>(438,183)</u>	 <u>\$ -</u>

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

General Fund

The general fund is used to account for resources traditionally associated with a school district which are not legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Special Trust

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

Public School Support

Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grant

Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Student Activity

Section 3313.062

A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services (NPSS)

AM SUB H.B. 291

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

Post Secondary Vocational Education

Current Budget Bill
appropriation line item 200-514

A fund provided to account for receipts and expenditures incurred in providing opportunities for adults.

Teacher Development

Current Budget Bill
appropriation line item 200-527

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Management Information Systems

Am Sub H B 111

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

Current Budget Bill

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Entry Year Programs Current Budget Bill
appropriation line item 200-410

A fund used to implement entry-year programs.

Disadvantaged Pupil Impact Aid Current Budget Bill

A fund used to account for monies received for disadvantaged pupil impact aid.

Data Communications Section 5705.09, Revised Code

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Section 5705.09, Revised Code

A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Grant Current Budget Bill
appropriation line item 200-566 and 200-455

A fund intended to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention Current Budget Bill
appropriation line item 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Education Enhancement Current Budget Bill
appropriation line item 200-545

A fund used to account for the Vocational Education Enhancements that expand the number of students enrolled in tech prep programs, enable students to develop career plans and replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Education Grant Current Budget Bill
appropriation line item 200-520

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

Able/Jobs Grant

State of Ohio (4P1 200-629)

A fund established to provide assistance to welfare recipients to fund employment. The school district collaborates with the Department of Human Services in preparing participants for the work force by providing them with skills, development, work experience and placement.

Adult Basic Education

P L Law 91-230, Title III

This fund accounts for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

Title VI-B

Education; of the Handicapped Act, P L 91-230

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education

Carl D. Perkins Vocational Education Act
of 1984, Public Law 98-524

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Basic Educational Opportunity Grant

Higher Education amendments of
1972, Title IV, part A, section 411;
Public Law 92-318; 20 USC 1070a.

Provision of funds to assist in making available the benefits of post-secondary education to qualified students.

Title I

P L 97-35; Title I ESEA 1965

To account for funds which are to: 1) establish or improve programs designed to meet the special educational need of migratory children of migratory agricultural workers or migratory fishers' and 2) enable State education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records of other information about migratory children.

Title V

P L 97-35; ESEA 1965

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug-Free School Grant

Catalog of Federal Domestic Assistance #84-166

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

EHA Preschool Grant Education of the Handicapped Act, Amendments, P.L. 99-457
Catalog of Federal Domestic Assistance #84.173

The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for the handicapped children ages three (3) through five (5) years.

Improving Teacher Quality Catalog of Federal Domestic Assistance #84.340

A fund used to account for monies to hire additional classroom teachers in grades one through three so that the number of students per teacher will be reduced.

Youth Involvement Head Start - Follow Through Act, P.L. 93-644
Title V, Part B; 42 U.S.C. 2929

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Gifted Education

A fund provided to account for research and demonstration projects and other purposes as established under the Gifted Pupil Program.

Nonmajor Debt Service Fund

A fund provided for the retirement of serial bonds and short term loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans, are paid into this fund. The District maintains only one debt service fund, therefore, combining statements and schedules are not required.

Nonmajor Capital Projects Funds

Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement Section 5705.10, Revised Code

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by chapter 5705, Revised Code.

Replacement Section 3314.11, Revised Code

A fund provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause. Such property may have become unfit for use necessitating its demolition in whole or in part, and may require repair or restoration before it can again be used.

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Capital Projects Funds - (Continued)

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Nonmajor Permanent Fund

A fund used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 18,363,529	\$ 18,025,550	\$ 17,989,836	\$ (35,714)
Tuition	17,349	17,030	16,996	(34)
Earnings on investments	177,898	174,624	174,278	(346)
Extracurricular	10,764	10,566	10,545	(21)
Classroom materials and fees	63,452	62,284	62,161	(123)
Other local revenues	342,956	336,644	335,977	(667)
Other revenue	73,085	71,740	71,598	(142)
Intergovernmental-state	17,113,463	16,798,491	16,765,208	(33,283)
Intergovernmental-federal	325,333	319,345	318,712	(633)
Total revenues	<u>36,487,829</u>	<u>35,816,274</u>	<u>35,745,311</u>	<u>(70,963)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	10,593,532	10,402,078	10,205,098	196,980
Fringe benefits	3,476,920	3,445,635	3,406,269	39,366
Purchased services	733,423	776,545	762,631	13,914
Supplies	620,928	606,095	513,276	92,819
Capital outlay	126,169	118,969	68,057	50,912
Dues and fees	200	-	-	-
Total instruction-regular	<u>15,551,172</u>	<u>15,349,322</u>	<u>14,955,331</u>	<u>393,991</u>
Instruction-special				
Salaries and wages	2,496,800	2,617,600	2,542,271	75,329
Fringe benefits	910,800	933,400	905,585	27,815
Purchased services	1,153,760	1,478,760	1,456,065	22,695
Supplies	62,541	63,042	45,021	18,021
Capital outlay	13,080	16,580	12,176	4,404
Dues and fees	571,000	573,000	572,000	1,000
Total instruction-special	<u>5,207,981</u>	<u>5,682,382</u>	<u>5,533,118</u>	<u>149,264</u>
Instruction-vocational				
Salaries and wages	787,000	824,700	807,505	17,195
Fringe benefits	252,800	264,925	257,582	7,343
Purchased services	23,297	27,497	23,083	4,414
Supplies	200,121	197,921	162,368	35,553
Capital outlay	30,338	33,338	25,042	8,296
Total instruction-vocational	<u>1,293,556</u>	<u>1,348,381</u>	<u>1,275,580</u>	<u>72,801</u>
Support services-pupil				
Salaries and wages	1,181,000	1,174,216	1,157,962	16,254
Fringe benefits	371,125	377,825	368,868	8,957
Purchased services	73,597	76,797	63,659	13,138
Supplies	15,300	13,609	5,987	7,622
Capital outlay	-	3,000	2,959	41
Total support services-pupil	<u>1,641,022</u>	<u>1,645,447</u>	<u>1,599,435</u>	<u>46,012</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-instructional staff				
Salaries and wages	\$ 577,500	\$ 582,700	\$ 558,353	\$ 24,347
Fringe benefits	271,750	270,800	257,617	13,183
Purchased services	122,000	123,800	100,412	23,388
Supplies	116,650	116,110	73,249	42,861
Capital outlay	2,000	2,000	800	1,200
Dues and fees	90,024	90,024	74,984	15,040
Total support services-instructional staff	<u>1,179,924</u>	<u>1,185,434</u>	<u>1,065,415</u>	<u>120,019</u>
Support services-board of education				
Salaries and wages	18,000	18,000	13,000	5,000
Fringe benefits	1,100	1,100	407	693
Purchased services	113,920	238,920	210,705	28,215
Supplies	600	600	-	600
Dues and fees	77,340	71,340	62,652	8,688
Total support services-board of education	<u>210,960</u>	<u>329,960</u>	<u>286,764</u>	<u>43,196</u>
Support services-administration				
Salaries and wages	1,854,310	1,982,390	1,936,025	46,365
Fringe benefits	816,600	843,400	806,331	37,069
Purchased services	21,300	26,300	11,054	15,246
Supplies	17,282	17,282	8,236	9,046
Capital outlay	2,000	2,000	1,122	878
Dues and fees	2,700	2,700	894	1,806
Total support services-administration	<u>2,714,192</u>	<u>2,874,072</u>	<u>2,763,662</u>	<u>110,410</u>
Support services-fiscal				
Salaries and wages	200,000	213,000	209,607	3,393
Fringe benefits	90,515	97,915	90,810	7,105
Purchased services	27,500	27,500	21,646	5,854
Supplies	3,200	3,200	1,212	1,988
Capital outlay	2,000	2,000	-	2,000
Dues and fees	392,000	405,201	400,767	4,434
Total support services-fiscal	<u>715,215</u>	<u>748,816</u>	<u>724,042</u>	<u>24,774</u>
Support services-business				
Salaries and wages	81,000	81,200	77,850	3,350
Fringe benefits	40,300	38,600	34,725	3,875
Purchased services	43,924	50,424	47,904	2,520
Supplies	7,087	7,087	4,894	2,193
Capital outlay	2,000	2,000	-	2,000
Total support services-business	<u>174,311</u>	<u>179,311</u>	<u>165,373</u>	<u>13,938</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support services-operations and maintenance				
Salaries and wages	\$ 1,431,300	\$ 1,587,300	\$ 1,552,959	\$ 34,341
Fringe benefits	624,000	642,000	625,924	16,076
Purchased services	1,705,164	1,724,264	1,552,252	172,012
Supplies	162,235	164,235	146,746	17,489
Capital outlay	38,619	83,619	58,580	25,039
Total support services-operations and maintenance	<u>3,961,318</u>	<u>4,201,418</u>	<u>3,936,461</u>	<u>264,957</u>
Support services-pupil transportation				
Salaries and wages	741,500	780,500	756,383	24,117
Fringe benefits	321,900	336,725	325,970	10,755
Purchased services	18,000	27,000	13,633	13,367
Supplies	129,386	139,386	129,180	10,206
Capital outlay	2,000	174,500	172,853	1,647
Dues and fees	260,000	37,500	37,245	255
Total support services-pupil transportation	<u>1,472,786</u>	<u>1,495,611</u>	<u>1,435,264</u>	<u>60,347</u>
Support services-central				
Salaries and wages	96,000	138,000	120,956	17,044
Fringe benefits	36,100	52,100	48,291	3,809
Purchased services	334,779	347,279	340,194	7,085
Supplies	61,716	77,716	76,506	1,210
Capital outlay	175,924	162,423	162,034	389
Total support services-central	<u>704,519</u>	<u>777,518</u>	<u>747,981</u>	<u>29,537</u>
Operation of non-instructional services				
Salaries and wages	1,000	-	-	-
Fringe benefits	155	1	1	-
Capital outlay	-	7,500	7,140	360
Total operation of non-instructional services	<u>1,155</u>	<u>7,501</u>	<u>7,141</u>	<u>360</u>
Extracurricular activities				
Salaries and wages	587,000	598,800	577,378	21,422
Fringe benefits	110,350	120,350	110,784	9,566
Purchased services	33,555	19,025	17,485	1,540
Supplies	4,716	1,116	668	448
Capital outlay	-	8,000	4,542	3,458
Dues and fees	50	-	-	-
Total extracurricular activities	<u>735,671</u>	<u>747,291</u>	<u>710,857</u>	<u>36,434</u>
Total expenditures	<u>35,563,782</u>	<u>36,572,464</u>	<u>35,206,424</u>	<u>1,366,040</u>
Excess of revenues over (under) expenditures	<u>924,047</u>	<u>(756,190)</u>	<u>538,887</u>	<u>1,295,077</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Refund of prior year's expenditures	\$ 3,126	\$ 3,068	\$ 3,062	\$ (6)
Transfers (out)	(25,000)	-	-	-
Advances in	183,739	180,357	180,000	(357)
Advances (out)	-	(1,100)	(328,100)	(327,000)
Sale of capital assets	306	301	300	(1)
Total other financing sources (uses)	<u>162,171</u>	<u>182,626</u>	<u>(144,738)</u>	<u>(327,364)</u>
Net change in fund balance	1,086,218	(573,564)	394,149	967,713
Fund balance at beginning of year	3,586,540	3,586,540	3,586,540	-
Prior year encumbrances appropriated	383,076	383,076	383,076	-
Fund balance at end of year.	<u>\$ 5,055,834</u>	<u>\$ 3,396,052</u>	<u>\$ 4,363,765</u>	<u>\$ 967,713</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund
Assets:				
Equity in pooled cash and cash equivalents. . . .	\$ 1,293,191	\$ 120,732	\$ 939,615	\$ 99,303
Receivables:				
Taxes	-	287,556	606,463	-
Accounts	873	-	-	-
Intergovernmental	1,432,727	-	-	-
Prepayments	66	-	-	-
Total assets.	<u>\$ 2,726,857</u>	<u>\$ 408,288</u>	<u>\$ 1,546,078</u>	<u>\$ 99,303</u>
Liabilities:				
Accounts payable.	\$ 100,521	\$ -	\$ 27,457	\$ -
Accrued wages and benefits	667,048	-	-	-
Pension obligation payable.	95,991	-	-	-
Intergovernmental payable	33,911	-	-	-
Interfund loan payable	90,600	-	-	-
Deferred revenue.	1,332,727	262,253	562,376	-
Total liabilities.	<u>2,320,798</u>	<u>262,253</u>	<u>589,833</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	81,855	-	329,293	-
Reserved for prepayments.	66	-	-	-
Reserved for property tax unavailable for appropriation.	-	25,303	44,087	-
Reserved for scholarships	-	-	-	23,129
Unreserved, undesignated, reported in:				
Special revenue funds	324,138	-	-	-
Debt service fund	-	120,732	-	-
Capital projects funds	-	-	582,865	-
Permanent fund.	-	-	-	76,174
Total fund balances.	<u>406,059</u>	<u>146,035</u>	<u>956,245</u>	<u>99,303</u>
Total liabilities and fund balances	<u>\$ 2,726,857</u>	<u>\$ 408,288</u>	<u>\$ 1,546,078</u>	<u>\$ 99,303</u>

**Total
Nonmajor
Governmental
Funds**

\$ 2,452,841
894,019
873
1,432,727
66
\$ 4,780,526

\$ 127,978
667,048
95,991
33,911
90,600
2,157,356

3,172,884

411,148
66

69,390
23,129

324,138
120,732
582,865
76,174

1,607,642

\$ 4,780,526

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund
Revenues:				
From local sources:				
Taxes	\$ -	\$ 282,106	\$ 592,816	\$ -
Earnings on investments	11,431	-	-	2,507
Extracurricular	255,152	-	-	-
Other local revenues	102,678	-	16,104	-
Intergovernmental - state	2,120,847	33,504	74,000	-
Intergovernmental - federal	3,433,581	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	5,923,689	315,610	682,920	2,507
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular	1,591,465	-	88,275	-
Special	2,169,316	-	-	-
Vocational	79,065	-	-	-
Other	129,613	-	-	1,982
Support services:				
Pupil	184,783	-	-	-
Instructional staff	450,413	-	-	-
Administration	231,965	-	-	-
Fiscal	6,906	5,189	10,857	-
Operations and maintenance	8,847	-	-	-
Central	36,935	-	-	-
Operation of non-instructional services	317,890	-	-	-
Extracurricular activities	331,059	-	-	-
Facilities acquisition and construction	-	-	577,370	-
Intergovernmental pass through	475,587	-	-	-
Debt service:				
Principal retirement	-	251,468	-	-
Interest and fiscal charges	-	35,154	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	6,013,844	291,811	676,502	1,982
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	(90,155)	23,799	6,418	525
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing (uses):				
Transfers (out)	(2,250)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing (uses)	(2,250)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(92,405)	23,799	6,418	525
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	498,464	122,236	949,827	98,778
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 406,059	\$ 146,035	\$ 956,245	\$ 99,303
	<hr/>	<hr/>	<hr/>	<hr/>

**Total
Nonmajor
Governmental
Funds**

\$ 874,922
13,938
255,152
118,782
2,228,351
3,433,581
6,924,726

1,679,740
2,169,316
79,065
131,595

184,783
450,413
231,965
22,952
8,847
36,935
317,890
331,059
577,370
475,587

251,468
35,154

6,984,139

(59,413)

(2,250)

(2,250)

(61,663)

1,669,305

\$ 1,607,642

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grant</u>	<u>District Managed Student Activity</u>
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 414,318	\$ 112,824	\$ 25,025	\$ 74,970
Receivables:				
Accounts.	-	112	-	761
Intergovernmental	-	-	-	-
Prepayments	-	-	-	-
Total assets.	<u>\$ 414,318</u>	<u>\$ 112,936</u>	<u>\$ 25,025</u>	<u>\$ 75,731</u>
Liabilities:				
Accounts payable.	\$ -	\$ 796	\$ 1,822	\$ 4,439
Accrued wages and benefits	-	-	-	-
Pension obligation payable.	-	-	-	-
Intergovernmental payable	-	-	-	-
Interfund loan payable	-	-	-	55,500
Deferred revenue.	-	-	-	-
Total liabilities.	<u>-</u>	<u>796</u>	<u>1,822</u>	<u>59,939</u>
Fund Balances:				
Reserved for encumbrances.	-	10,337	-	25,212
Reserved for prepayments	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	414,318	101,803	23,203	(9,420)
Total fund balances (deficits).	<u>414,318</u>	<u>112,140</u>	<u>23,203</u>	<u>15,792</u>
Total liabilities and fund balances	<u>\$ 414,318</u>	<u>\$ 112,936</u>	<u>\$ 25,025</u>	<u>\$ 75,731</u>

<u>Auxiliary Services</u>	<u>Post Secondary Vocational Education</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Entry Year Programs</u>	<u>Disadvantaged Pupil Impact Aid</u>
\$ 60,901	\$ -	\$ 8,512	\$ 16,939	\$ -	\$ 240,634
-	-	-	-	-	-
-	-	35,450	-	-	-
66	-	-	-	-	-
<u>\$ 60,967</u>	<u>\$ -</u>	<u>\$ 43,962</u>	<u>\$ 16,939</u>	<u>\$ -</u>	<u>\$ 240,634</u>
\$ 9,554	\$ -	\$ 1,196	\$ -	\$ -	\$ -
32,003	-	-	-	-	205,088
4,485	-	-	-	-	30,816
7,732	-	-	-	-	8,840
-	-	-	-	-	-
-	-	35,450	-	-	-
<u>53,774</u>	<u>-</u>	<u>36,646</u>	<u>-</u>	<u>-</u>	<u>244,744</u>
5,256	-	587	-	-	-
66	-	-	-	-	-
<u>1,871</u>	<u>-</u>	<u>6,729</u>	<u>16,939</u>	<u>-</u>	<u>(4,110)</u>
<u>7,193</u>	<u>-</u>	<u>7,316</u>	<u>16,939</u>	<u>-</u>	<u>(4,110)</u>
<u>\$ 60,967</u>	<u>\$ -</u>	<u>\$ 43,962</u>	<u>\$ 16,939</u>	<u>\$ -</u>	<u>\$ 240,634</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2005

	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancement</u>
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 4,261	\$ 1,570	\$ 5,380	\$ 161
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	-	50,008	-
Prepayments	-	-	-	-
Total assets.	<u>\$ 4,261</u>	<u>\$ 1,570</u>	<u>\$ 55,388</u>	<u>\$ 161</u>
Liabilities:				
Accounts payable.	\$ -	\$ 269	\$ -	\$ -
Accrued wages and benefits	-	-	15,088	-
Pension obligation payable.	-	-	2,548	-
Intergovernmental payable	-	-	666	-
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	50,008	-
Total liabilities.	<u>-</u>	<u>269</u>	<u>68,310</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	-	-	-	-
Reserved for prepayments	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	<u>4,261</u>	<u>1,301</u>	<u>(12,922)</u>	<u>161</u>
Total fund balances (deficits).	<u>4,261</u>	<u>1,301</u>	<u>(12,922)</u>	<u>161</u>
Total liabilities and fund balances	<u>\$ 4,261</u>	<u>\$ 1,570</u>	<u>\$ 55,388</u>	<u>\$ 161</u>

<u>Alternative Education Grant</u>	<u>Able/Jobs Grant</u>	<u>Adult Basic Education</u>	<u>Title VI-B</u>	<u>Vocational Education</u>	<u>Title I</u>
\$ 11,481	\$ 52,117	\$ 1,353	\$ 18,243	\$ 30,910	\$ 103,248
-	-	-	-	-	-
12,387	-	29,745	132,796	46,554	315,091
-	-	-	-	-	-
<u>\$ 23,868</u>	<u>\$ 52,117</u>	<u>\$ 31,098</u>	<u>\$ 151,039</u>	<u>\$ 77,464</u>	<u>\$ 418,339</u>
\$ -	\$ -	\$ 1,200	\$ 8,446	\$ 13,886	\$ 13,788
8,502	-	2,355	102,263	1,879	234,261
752	-	2,222	19,479	1,591	24,816
309	-	392	3,892	361	8,817
-	-	5,100	-	-	-
12,387	-	29,745	132,796	46,554	315,091
<u>21,950</u>	<u>-</u>	<u>41,014</u>	<u>266,876</u>	<u>64,271</u>	<u>596,773</u>
-	-	66	9,613	15,519	9,343
-	-	-	-	-	-
<u>1,918</u>	<u>52,117</u>	<u>(9,982)</u>	<u>(125,450)</u>	<u>(2,326)</u>	<u>(187,777)</u>
<u>1,918</u>	<u>52,117</u>	<u>(9,916)</u>	<u>(115,837)</u>	<u>13,193</u>	<u>(178,434)</u>
<u>\$ 23,868</u>	<u>\$ 52,117</u>	<u>\$ 31,098</u>	<u>\$ 151,039</u>	<u>\$ 77,464</u>	<u>\$ 418,339</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2005

	<u>Title V</u>	<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 769	\$ 5,182	\$ 4,416	\$ 54,870
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	3,088	1,671	12,649
Prepayments	-	-	-	-
Total assets.	<u>\$ 769</u>	<u>\$ 8,270</u>	<u>\$ 6,087</u>	<u>\$ 67,519</u>
Liabilities:				
Accounts payable.	\$ 650	\$ 383	\$ 252	\$ 2,653
Accrued wages and benefits	-	-	4,233	57,406
Pension obligation payable.	-	986	1,672	5,376
Intergovernmental payable	-	-	160	2,189
Interfund loan payable	-	-	-	-
Deferred revenue.	-	3,088	1,671	12,649
Total liabilities.	<u>650</u>	<u>4,457</u>	<u>7,988</u>	<u>80,273</u>
Fund Balances:				
Reserved for encumbrances.	-	990	252	937
Reserved for prepayments	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	119	2,823	(2,153)	(13,691)
Total fund balances (deficits).	<u>119</u>	<u>3,813</u>	<u>(1,901)</u>	<u>(12,754)</u>
Total liabilities and fund balances	<u>\$ 769</u>	<u>\$ 8,270</u>	<u>\$ 6,087</u>	<u>\$ 67,519</u>

<u>Youth Involvement</u>	<u>Gifted Education</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 38,285	\$ 6,822	\$ 1,293,191
-	-	873
793,288	-	1,432,727
-	-	66
<u>\$ 831,573</u>	<u>\$ 6,822</u>	<u>\$ 2,726,857</u>
\$ 35,207	\$ 5,980	\$ 100,521
3,970	-	667,048
1,248	-	95,991
553	-	33,911
30,000	-	90,600
693,288	-	1,332,727
<u>764,266</u>	<u>5,980</u>	<u>2,320,798</u>
3,240	503	81,855
-	-	66
<u>64,067</u>	<u>339</u>	<u>324,138</u>
<u>67,307</u>	<u>842</u>	<u>406,059</u>
<u>\$ 831,573</u>	<u>\$ 6,822</u>	<u>\$ 2,726,857</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grant</u>	<u>District Managed Student Activity</u>
Revenues:				
From local sources:				
Earnings on investments	\$ 9,166	\$ -	\$ -	\$ -
Extracurricular	-	51,808	-	203,344
Other local revenues	584	27,913	53,303	20,878
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
Total revenue.	<u>9,750</u>	<u>79,721</u>	<u>53,303</u>	<u>224,222</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	6,387	-
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	13	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operatoins and maintenance.	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	1,609	-	25,583	-
Extracurricular activities.	-	74,899	-	256,160
Intergovernmental pass through	-	-	-	-
Total expenditures	<u>1,609</u>	<u>74,912</u>	<u>31,970</u>	<u>256,160</u>
Excess (deficiency) of revenues over (under) expenditures.	8,141	4,809	21,333	(31,938)
Other financing (uses):				
Transfers (out)	-	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,141	4,809	21,333	(31,938)
Fund balances at beginning of year	<u>406,177</u>	<u>107,331</u>	<u>1,870</u>	<u>47,730</u>
Fund balances at end of year	<u>\$ 414,318</u>	<u>\$ 112,140</u>	<u>\$ 23,203</u>	<u>\$ 15,792</u>

<u>Auxiliary Services</u>	<u>Post Secondary Vocational Education</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Entry Year Programs</u>	<u>Disadvantaged Pupil Impact Aid</u>
\$ 2,265	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
460,726	-	29,214	13,395	6,600	1,324,856
-	-	-	-	-	-
<u>462,991</u>	<u>-</u>	<u>29,214</u>	<u>13,395</u>	<u>6,600</u>	<u>1,324,856</u>
-	-	16,508	-	6,578	1,326,846
-	-	-	-	-	-
-	236	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
475,587	-	-	-	-	-
<u>475,587</u>	<u>236</u>	<u>16,508</u>	<u>6,906</u>	<u>6,578</u>	<u>1,326,846</u>
(12,596)	(236)	12,706	6,489	22	(1,990)
-	-	-	-	-	-
-	-	-	-	-	-
(12,596)	(236)	12,706	6,489	22	(1,990)
19,789	236	(5,390)	10,450	(22)	(2,120)
<u>\$ 7,193</u>	<u>\$ -</u>	<u>\$ 7,316</u>	<u>\$ 16,939</u>	<u>\$ -</u>	<u>\$ (4,110)</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	33,000	4,139	15,454	87,113
Intergovernmental - federal	-	-	-	-
Total revenue	<u>33,000</u>	<u>4,139</u>	<u>15,454</u>	<u>87,113</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	15,198	123,474
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operatoins and maintenance	-	-	-	-
Central	33,000	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Intergovernmental pass through	-	-	-	-
Total expenditures	<u>33,000</u>	<u>-</u>	<u>15,198</u>	<u>123,474</u>
Excess (deficiency) of revenues over (under) expenditures	-	4,139	256	(36,361)
Other financing (uses):				
Transfers (out)	-	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	4,139	256	(36,361)
Fund balances at beginning of year	<u>-</u>	<u>122</u>	<u>1,045</u>	<u>23,439</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 4,261</u>	<u>\$ 1,301</u>	<u>\$ (12,922)</u>

<u>Vocational Education Enhancement</u>	<u>Alternative Education Grant</u>	<u>Able/Jobs Grant</u>	<u>Adult Basic Education</u>	<u>Title VI-B</u>	<u>Vocational Education</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
16,967	62,743	3,935	52,705	-	-
-	-	-	66,647	880,484	172,218
<u>16,967</u>	<u>62,743</u>	<u>3,935</u>	<u>119,352</u>	<u>880,484</u>	<u>172,218</u>
-	50,362	5,751	-	-	-
-	-	-	-	448,950	-
16,647	-	-	-	8,411	53,771
-	-	-	129,613	-	-
-	-	-	-	107,121	-
-	-	-	7,495	134,250	94,501
-	-	-	1,423	141,246	1,739
-	-	-	-	-	-
-	-	-	-	-	8,847
-	-	3,935	-	-	-
-	-	-	-	79,130	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,647</u>	<u>50,362</u>	<u>9,686</u>	<u>138,531</u>	<u>919,108</u>	<u>158,858</u>
320	12,381	(5,751)	(19,179)	(38,624)	13,360
-	-	-	-	-	-
-	-	-	-	-	-
320	12,381	(5,751)	(19,179)	(38,624)	13,360
<u>(159)</u>	<u>(10,463)</u>	<u>57,868</u>	<u>9,263</u>	<u>(77,213)</u>	<u>(167)</u>
<u>\$ 161</u>	<u>\$ 1,918</u>	<u>\$ 52,117</u>	<u>\$ (9,916)</u>	<u>\$ (115,837)</u>	<u>\$ 13,193</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Basic Educational Opportunity Grant	Title I	Title V	Drug-Free School Grant
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	39,346	1,563,809	27,563	28,639
Total revenue.	<u>39,346</u>	<u>1,563,809</u>	<u>27,563</u>	<u>28,639</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	40,361
Special	-	1,354,097	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	72,743	4,513	-
Instructional staff	-	104,093	19,706	-
Administration	-	81,205	-	-
Fiscal	-	-	-	-
Operatoins and maintenance	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	39,346	41,257	3,332	-
Extracurricular activities	-	-	-	-
Intergovernmental pass through	-	-	-	-
Total expenditures	<u>39,346</u>	<u>1,653,395</u>	<u>27,551</u>	<u>40,361</u>
Excess (deficiency) of revenues over (under) expenditures	-	(89,586)	12	(11,722)
Other financing (uses):				
Transfers (out)	-	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(89,586)	12	(11,722)
Fund balances at beginning of year	<u>-</u>	<u>(88,848)</u>	<u>107</u>	<u>15,535</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ (178,434)</u>	<u>\$ 119</u>	<u>\$ 3,813</u>

<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Youth Involvement</u>	<u>Gifted Education</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,431
-	-	-	-	255,152
-	-	-	-	102,678
-	-	-	10,000	2,120,847
<u>44,566</u>	<u>373,841</u>	<u>236,468</u>	<u>-</u>	<u>3,433,581</u>
<u>44,566</u>	<u>373,841</u>	<u>236,468</u>	<u>10,000</u>	<u>5,923,689</u>
-	-	-	-	1,591,465
8,826	348,285	-	9,158	2,169,316
-	-	-	-	79,065
-	-	-	-	129,613
393	-	-	-	184,783
28,983	15,681	45,704	-	450,413
6,352	-	-	-	231,965
-	-	-	-	6,906
-	-	-	-	8,847
-	-	-	-	36,935
-	-	127,633	-	317,890
-	-	-	-	331,059
-	-	-	-	475,587
<u>44,554</u>	<u>363,966</u>	<u>173,337</u>	<u>9,158</u>	<u>6,013,844</u>
12	9,875	63,131	842	(90,155)
-	-	(2,250)	-	(2,250)
-	-	(2,250)	-	(2,250)
12	9,875	60,881	842	(92,405)
<u>(1,913)</u>	<u>(22,629)</u>	<u>6,426</u>	<u>-</u>	<u>498,464</u>
<u>\$ (1,901)</u>	<u>\$ (12,754)</u>	<u>\$ 67,307</u>	<u>\$ 842</u>	<u>\$ 406,059</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 8,856	\$ 8,944	\$ 9,166	\$ 222
Other local revenues	564	570	584	14
Total revenues.	<u>9,420</u>	<u>9,514</u>	<u>9,750</u>	<u>236</u>
Expenditures:				
Current:				
Support services-business				
Supplies	2,300	2,300	-	2,300
Other.	10,000	10,000	-	10,000
Total support services-business	<u>12,300</u>	<u>12,300</u>	<u>-</u>	<u>12,300</u>
Extracurricular activities				
Supplies	500	500	208	292
Capital outlay	5,000	7,000	1,401	5,599
Other	3,000	3,000	-	3,000
Total extracurricular activities.	<u>8,500</u>	<u>10,500</u>	<u>1,609</u>	<u>8,891</u>
Facilities acquisition and construction				
Capital outlay	30,000	30,000	-	30,000
Total facilities acquisition and construction	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>50,800</u>	<u>52,800</u>	<u>1,609</u>	<u>51,191</u>
Excess of revenues over (under) expenditures	<u>(41,380)</u>	<u>(43,286)</u>	<u>8,141</u>	<u>51,427</u>
Other financing (uses):				
Transfers (out).	(50,000)	(50,000)	-	50,000
Total other financing (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance.	(91,380)	(93,286)	8,141	101,427
Fund balance at beginning of year	406,177	406,177	406,177	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ 314,797</u>	<u>\$ 312,891</u>	<u>\$ 414,318</u>	<u>\$ 101,427</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 81,172	\$ 51,950	\$ 51,696	\$ (254)
Other local revenues	43,828	28,050	27,913	(137)
Total revenues	<u>125,000</u>	<u>80,000</u>	<u>79,609</u>	<u>(391)</u>
Expenditures:				
Instruction-other				
Other	51	-	-	-
Total instruction-other	<u>51</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services-pupil				
Other	100	39	13	-
Total support services-pupil	<u>100</u>	<u>39</u>	<u>13</u>	<u>-</u>
Extracurricular activities				
Purchased services	103,730	67,947	52,920	15,027
Supplies	40,993	36,038	22,343	13,695
Capital outlay	54,715	7,878	3,976	3,902
Other	26,325	19,158	8,982	10,176
Total extracurricular activities	<u>225,763</u>	<u>131,021</u>	<u>88,221</u>	<u>42,800</u>
Total expenditures	<u>225,914</u>	<u>131,060</u>	<u>88,234</u>	<u>42,826</u>
Net change in fund balance	(100,914)	(51,060)	(8,625)	42,435
Fund balance at beginning of year	102,679	102,679	102,679	-
Prior year encumbrances appropriated . .	7,637	7,637	7,637	-
Fund balance at end of year	<u>\$ 9,402</u>	<u>\$ 59,256</u>	<u>\$ 101,691</u>	<u>\$ 42,435</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenues	\$ 20,000	\$ 54,000	\$ 53,851	\$ (149)
Total revenues	<u>20,000</u>	<u>54,000</u>	<u>53,851</u>	<u>(149)</u>
Expenditures:				
Current:				
Instruction-regular				
Supplies	-	6,550	6,198	352
Capital outlay	1,878	1,878	1,878	-
Total instruction-regular	<u>1,878</u>	<u>8,428</u>	<u>8,076</u>	<u>352</u>
Instruction-vocational				
Supplies	-	25	-	25
Capital outlay	-	734	-	734
Total instruction-vocational	<u>-</u>	<u>759</u>	<u>-</u>	<u>759</u>
Operation of non-instructional services				
Purchased services	-	24,036	23,358	678
Supplies	-	2,828	2,224	604
Total operation of non-instructional services	<u>-</u>	<u>26,864</u>	<u>25,582</u>	<u>1,282</u>
Total expenditures	<u>1,878</u>	<u>36,051</u>	<u>33,658</u>	<u>2,393</u>
Excess of revenues over expenditures	<u>18,122</u>	<u>17,949</u>	<u>20,193</u>	<u>2,244</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(548)	(548)	-
Total other financing (uses)	<u>-</u>	<u>(548)</u>	<u>(548)</u>	<u>-</u>
Net change in fund balance	18,122	17,401	19,645	2,244
Fund balance at beginning of year	1,870	1,870	1,870	-
Prior year encumbrances appropriated . .	1,878	1,878	1,878	-
Fund balance at end of year	<u>\$ 21,870</u>	<u>\$ 21,149</u>	<u>\$ 23,393</u>	<u>\$ 2,244</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Extracurricular	\$ 199,906	\$ 199,906	\$ 203,725	\$ 3,819
Other local revenues	20,634	20,634	21,028	394
Total revenues	<u>220,540</u>	<u>220,540</u>	<u>224,753</u>	<u>4,213</u>
Expenditures:				
Extracurricular activities				
Purchased services	116,147	97,387	97,386	1
Supplies	80,373	56,354	56,354	-
Capital outlay	37,180	48,120	48,120	-
Other	68,012	80,788	80,788	-
Total extracurricular activities	<u>301,712</u>	<u>282,649</u>	<u>282,648</u>	<u>1</u>
Total expenditures	<u>301,712</u>	<u>282,649</u>	<u>282,648</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>(81,172)</u>	<u>(62,109)</u>	<u>(57,895)</u>	<u>4,214</u>
Other financing sources (uses):				
Advances in	54,460	54,460	55,500	1,040
Advances (out)	-	-	(37,000)	(37,000)
Total other financing sources (uses)	<u>54,460</u>	<u>54,460</u>	<u>18,500</u>	<u>(35,960)</u>
Net change in fund balance	(26,712)	(7,649)	(39,395)	(31,746)
Fund balance at beginning of year	58,645	58,645	58,645	-
Prior year encumbrances appropriated	26,069	26,069	26,069	-
Fund balance at end of year	<u>\$ 58,002</u>	<u>\$ 77,065</u>	<u>\$ 45,319</u>	<u>\$ (31,746)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILLARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 2,564	\$ 2,331	\$ 2,265	\$ (66)
Intergovernmental-state	521,559	474,144	460,726	(13,418)
Total revenues	<u>524,123</u>	<u>476,475</u>	<u>462,991</u>	<u>(13,484)</u>
Expenditures:				
Operation of non-instructional services				
Salaries and wages	182,500	186,762	158,090	28,672
Fringe benefits	59,146	57,251	48,671	8,580
Purchased services	182,740	168,438	168,187	251
Supplies	83,337	86,297	84,684	1,613
Capital outlay	5,179	34,911	34,637	274
Total operation of non-instructional services	<u>512,902</u>	<u>533,659</u>	<u>494,269</u>	<u>39,390</u>
Total expenditures	<u>512,902</u>	<u>533,659</u>	<u>494,269</u>	<u>39,390</u>
Excess of revenues over (under) expenditures	<u>11,221</u>	<u>(57,184)</u>	<u>(31,278)</u>	<u>25,906</u>
Other financing sources (uses):				
Transfers in	25,877	23,525	22,859	(666)
Transfers (out)	(4,883)	(22,859)	(22,859)	-
Total other financing sources (uses)	<u>20,994</u>	<u>666</u>	<u>-</u>	<u>(666)</u>
Net change in fund balance	32,215	(56,518)	(31,278)	25,240
Fund balance at beginning of year	59,522	59,522	59,522	-
Prior year encumbrances appropriated	11,377	11,377	11,377	-
Fund balance at end of year	<u>\$ 103,114</u>	<u>\$ 14,381</u>	<u>\$ 39,621</u>	<u>\$ 25,240</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POST SECONDARY VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 25,000	\$ 15,000	\$ -	\$ (15,000)
Total revenues	<u>25,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Expenditures:				
Current:				
Instruction-other				
Purchased services	18,548	-	-	-
Supplies	<u>1,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction-other	<u>20,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>20,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>4,990</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Other financing (uses):				
Refund of prior year's (receipts)	<u>-</u>	<u>(236)</u>	<u>(236)</u>	<u>-</u>
Total other financing (uses)	<u>-</u>	<u>(236)</u>	<u>(236)</u>	<u>-</u>
Net change in fund balance	4,990	14,764	(236)	(15,000)
Fund balance at beginning of year	236	236	236	-
Prior year encumbrances appropriated . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,226</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ (15,000)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEACHER DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 20,000	\$ 35,000	\$ 29,214	\$ (5,786)
Total revenues	<u>20,000</u>	<u>35,000</u>	<u>29,214</u>	<u>(5,786)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	3,250	3,250	-
Fringe benefits	-	455	455	-
Purchased services	-	7,138	7,138	-
Supplies	19,004	10,431	10,430	1
Total instruction-regular	<u>19,004</u>	<u>21,274</u>	<u>21,273</u>	<u>1</u>
Support services-instructional staff				
Purchased services	-	10,800	10,800	-
Total support services-instructional staff	<u>-</u>	<u>10,800</u>	<u>10,800</u>	<u>-</u>
Total expenditures	<u>19,004</u>	<u>32,074</u>	<u>32,073</u>	<u>1</u>
Net change in fund balance	996	2,926	(2,859)	(5,785)
Fund balance at beginning of year	86	86	86	-
Prior year encumbrances appropriated	9,502	9,502	9,502	-
Fund balance at end of year	<u>\$ 10,584</u>	<u>\$ 12,514</u>	<u>\$ 6,729</u>	<u>\$ (5,785)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 20,000	\$ 15,000	\$ 13,395	\$ (1,605)
Total revenues	<u>20,000</u>	<u>15,000</u>	<u>13,395</u>	<u>(1,605)</u>
Expenditures:				
Current:				
Support services-fiscal				
Salaries and wages	3,000	3,000	3,000	-
Fringe benefits	-	420	420	-
Supplies	1,642	1,804	1,804	-
Capital outlay	32,820	19,880	19,880	-
Total support services-fiscal	<u>37,462</u>	<u>25,104</u>	<u>25,104</u>	<u>-</u>
Total expenditures	<u>37,462</u>	<u>25,104</u>	<u>25,104</u>	<u>-</u>
Net change in fund balance	(17,462)	(10,104)	(11,709)	(1,605)
Fund balance at beginning of year	10,186	10,186	10,186	-
Prior year encumbrances appropriated . .	18,462	18,462	18,462	-
Fund balance at end of year	<u>\$ 11,186</u>	<u>\$ 18,544</u>	<u>\$ 16,939</u>	<u>\$ (1,605)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 10,000	\$ 7,000	\$ 6,600	\$ (400)
Total revenues	<u>10,000</u>	<u>7,000</u>	<u>6,600</u>	<u>(400)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	4,000	6,000	6,000	-
Fringe benefits	400	600	600	-
Total instruction-regular.	<u>4,400</u>	<u>6,600</u>	<u>6,600</u>	<u>-</u>
Total expenditures	<u>4,400</u>	<u>6,600</u>	<u>6,600</u>	<u>-</u>
Net change in fund balance	5,600	400	-	(400)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ 5,600</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ (400)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 1,324,857	\$ 1,324,857	\$ 1,324,856	\$ (1)
Total revenues	<u>1,324,857</u>	<u>1,324,857</u>	<u>1,324,856</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	1,387,284	1,360,924	1,149,844	211,080
Fringe benefits	147,957	209,723	183,169	26,554
Supplies	39,339	652	652	-
Total instruction-regular	<u>1,574,580</u>	<u>1,571,299</u>	<u>1,333,665</u>	<u>237,634</u>
Total expenditures	<u>1,574,580</u>	<u>1,571,299</u>	<u>1,333,665</u>	<u>237,634</u>
Net change in fund balance	(249,723)	(246,442)	(8,809)	237,633
Fund balance at beginning of year	248,738	248,738	248,738	-
Prior year encumbrances appropriated . .	705	705	705	-
Fund balance at end of year	<u>\$ (280)</u>	<u>\$ 3,001</u>	<u>\$ 240,634</u>	<u>\$ 237,633</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 50,000	\$ 33,000	\$ 33,000	\$ -
Total revenues	<u>50,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central				
Purchased services	43,527	33,000	33,000	-
Total support services-central	<u>43,527</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total expenditures	<u>43,527</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Net change in fund balance	6,473	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 6,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 10,000	\$ 4,140	\$ 4,139	\$ (1)
Total revenues	<u>10,000</u>	<u>4,140</u>	<u>4,139</u>	<u>(1)</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	3,525	3,525	-	3,525
Fringe benefits	615	737	-	737
Purchased services	4,600	-	-	-
Total support services-instructional staff	<u>8,740</u>	<u>4,262</u>	<u>-</u>	<u>4,262</u>
Total expenditures	<u>8,740</u>	<u>4,262</u>	<u>-</u>	<u>4,262</u>
Net change in fund balance	1,260	(122)	4,139	4,261
Fund balance at beginning of year	122	122	122	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year	<u>\$ 1,382</u>	<u>\$ -</u>	<u>\$ 4,261</u>	<u>\$ 4,261</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 30,000	\$ 20,000	\$ 16,500	\$ (3,500)
Total revenues	<u>30,000</u>	<u>20,000</u>	<u>16,500</u>	<u>(3,500)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	6,000	6,000	5,000	1,000
Supplies	7,962	13,246	12,938	308
Total instruction-regular.	<u>13,962</u>	<u>19,246</u>	<u>17,938</u>	<u>1,308</u>
Total expenditures	<u>13,962</u>	<u>19,246</u>	<u>17,938</u>	<u>1,308</u>
Excess of revenues over (under) expenditures	<u>16,038</u>	<u>754</u>	<u>(1,438)</u>	<u>(2,192)</u>
Other financing (uses):				
Refund of prior year's (receipts)	(1,373)	(1,046)	(1,046)	-
Total other financing (uses)	<u>(1,373)</u>	<u>(1,046)</u>	<u>(1,046)</u>	<u>-</u>
Net change in fund balance	14,665	(292)	(2,484)	(2,192)
Fund balance at beginning of year	830	830	830	-
Prior year encumbrances appropriated . .	2,962	2,962	2,962	-
Fund balance at end of year.	<u>\$ 18,457</u>	<u>\$ 3,500</u>	<u>\$ 1,308</u>	<u>\$ (2,192)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 100,000	\$ 150,000	\$ 100,508	\$ (49,492)
Total revenues	<u>100,000</u>	<u>150,000</u>	<u>100,508</u>	<u>(49,492)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	58,087	58,087	-
Fringe benefits	-	14,094	14,094	-
Supplies	85,209	41,383	41,383	-
Total instruction-regular	<u>85,209</u>	<u>113,564</u>	<u>113,564</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	2,200	2,100	2,100	-
Fringe benefits	400	294	294	-
Purchased services	43,750	21,497	21,497	-
Supplies	2,585	63	63	-
Total support services-instructional staff	<u>48,935</u>	<u>23,954</u>	<u>23,954</u>	<u>-</u>
Total expenditures	<u>134,144</u>	<u>137,518</u>	<u>137,518</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(34,144)</u>	<u>12,482</u>	<u>(37,010)</u>	<u>(49,492)</u>
Other financing (uses):				
Advances (out)	-	-	(26,000)	(26,000)
Refund of prior year (receipts)	-	(13,395)	(13,395)	-
Total other financing (uses)	<u>-</u>	<u>(13,395)</u>	<u>(39,395)</u>	<u>(26,000)</u>
Net change in fund balance	(34,144)	(913)	(76,405)	(75,492)
Fund balance at beginning of year	40,201	40,201	40,201	-
Prior year encumbrances appropriated	41,584	41,584	41,584	-
Fund balance at end of year	<u>\$ 47,641</u>	<u>\$ 80,872</u>	<u>\$ 5,380</u>	<u>\$ (75,492)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION ENHANCEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 25,000	\$ 17,500	\$ 16,976	\$ (524)
Total revenues	<u>25,000</u>	<u>17,500</u>	<u>16,976</u>	<u>(524)</u>
Expenditures:				
Current:				
Instruction-vocational				
Salaries and wages	2,000	2,000	2,000	-
Fringe benefits	360	280	280	-
Purchased services	2,259	3,000	2,659	341
Supplies	4,684	3,762	3,643	119
Capital outlay	9,134	8,099	8,076	23
Total expenditures	<u>18,437</u>	<u>17,141</u>	<u>16,658</u>	<u>483</u>
Excess of revenues over (under) expenditures	<u>6,563</u>	<u>359</u>	<u>318</u>	<u>(41)</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(9)	(9)	-
Advances (out)	-	-	(200)	(200)
Total other financing (uses)	<u>-</u>	<u>(9)</u>	<u>(209)</u>	<u>(200)</u>
Net change in fund balance	6,563	350	109	(241)
Fund balance at beginning of year	52	52	52	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 6,615</u>	<u>\$ 402</u>	<u>\$ 161</u>	<u>\$ (241)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALTERNATIVE EDUCATION GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 75,000	\$ 65,000	\$ 62,743	\$ (2,257)
Total revenues	<u>75,000</u>	<u>65,000</u>	<u>62,743</u>	<u>(2,257)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	50,000	37,910	37,086	824
Fringe benefits	<u>19,885</u>	<u>21,541</u>	<u>16,182</u>	<u>5,359</u>
Total instruction-regular.	<u>69,885</u>	<u>59,451</u>	<u>53,268</u>	<u>6,183</u>
Total expenditures	<u>69,885</u>	<u>59,451</u>	<u>53,268</u>	<u>6,183</u>
Net change in fund balance	5,115	5,549	9,475	3,926
Fund balance at beginning of year	2,006	2,006	2,006	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ 7,121</u>	<u>\$ 7,555</u>	<u>\$ 11,481</u>	<u>\$ 3,926</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ABLE/JOBS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 50,000	\$ 4,000	\$ 3,935	\$ (65)
Total revenues	<u>50,000</u>	<u>4,000</u>	<u>3,935</u>	<u>(65)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	7,526	7,526	-	7,526
Purchased services	26,689	26,570	4,827	21,743
Supplies	15,739	14,927	624	14,303
Capital outlay	7,281	5,371	-	5,371
Other	5,500	3,474	300	3,174
Total instruction-regular	<u>62,735</u>	<u>57,868</u>	<u>5,751</u>	<u>52,117</u>
Support services-central				
Purchased services	-	3,935	3,935	-
Total support services-central	<u>-</u>	<u>3,935</u>	<u>3,935</u>	<u>-</u>
Total expenditures	<u>62,735</u>	<u>61,803</u>	<u>9,686</u>	<u>52,117</u>
Net change in fund balance	(12,735)	(57,803)	(5,751)	52,052
Fund balance at beginning of year	57,868	57,868	57,868	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 45,133</u>	<u>\$ 65</u>	<u>\$ 52,117</u>	<u>\$ 52,052</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 80,326	\$ 56,228	\$ 52,705	\$ (3,523)
Intergovernmental-federal	101,574	71,102	66,647	(4,455)
Total revenues	<u>181,900</u>	<u>127,330</u>	<u>119,352</u>	<u>(7,978)</u>
Expenditures:				
Current:				
Instruction-adult/continuing				
Salaries and wages	88,983	105,522	104,753	769
Fringe benefits	26,288	26,754	25,126	1,628
Supplies	1,000	1,699	1,691	8
Capital outlay	-	-	-	-
Total instruction-adult/continuing	<u>116,271</u>	<u>133,975</u>	<u>131,570</u>	<u>2,405</u>
Support services-instructional staff				
Salaries and wages	18,666	3,978	3,978	-
Fringe benefits	2,997	940	561	379
Purchased services	2,275	2,801	2,669	132
Supplies	-	126	125	1
Dues and fees	748	748	738	10
Total support services-instructional staff	<u>24,686</u>	<u>8,593</u>	<u>8,071</u>	<u>522</u>
Support services-administration				
Salaries and wages	2,000	1,266	1,266	-
Fringe benefits	298	161	146	15
Total support services-administration	<u>2,298</u>	<u>1,427</u>	<u>1,412</u>	<u>15</u>
Total expenditures	<u>143,255</u>	<u>143,995</u>	<u>141,053</u>	<u>2,942</u>
Excess of revenues over (under) expenditures	<u>38,645</u>	<u>(16,665)</u>	<u>(21,701)</u>	<u>(5,036)</u>
Other financing sources (uses):				
Transfers in	10,327	7,229	6,776	(453)
Transfers (out)	-	(6,776)	(6,776)	-
Advances in	7,773	5,441	5,100	(341)
Total other financing sources (uses)	<u>18,100</u>	<u>5,894</u>	<u>5,100</u>	<u>(794)</u>
Net change in fund balance	56,745	(10,771)	(16,601)	(5,830)
Fund balance at beginning of year	16,367	16,367	16,367	-
Prior year encumbrances appropriated	321	321	321	-
Fund balance at end of year	<u>\$ 73,433</u>	<u>\$ 5,917</u>	<u>\$ 87</u>	<u>\$ (5,830)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 650,000	\$ 895,000	\$ 880,484	\$ (14,516)
Total revenues	<u>650,000</u>	<u>895,000</u>	<u>880,484</u>	<u>(14,516)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	123,432	202,955	202,955	-
Fringe benefits	38,114	61,809	61,809	-
Purchased services	659	2,369	2,369	-
Supplies	7,590	165,888	165,888	-
Capital outlay	33,540	13,372	13,372	-
Total instruction-special	<u>203,335</u>	<u>446,393</u>	<u>446,393</u>	<u>-</u>
Support services-pupil				
Salaries and wages	31,838	39,732	39,731	1
Fringe benefits	10,593	13,473	13,473	-
Purchased services	54,265	70,909	70,909	-
Supplies	9,610	6,540	6,540	-
Total support services-pupil	<u>106,306</u>	<u>130,654</u>	<u>130,653</u>	<u>1</u>
Support services-instructional staff				
Salaries and wages	53,693	76,347	76,347	-
Fringe benefits	41,845	48,766	48,766	-
Purchased services	23	7	7	-
Total support services-instructional staff	<u>95,561</u>	<u>125,120</u>	<u>125,120</u>	<u>-</u>
Support services-administration				
Salaries and wages	76,298	92,827	92,827	-
Fringe benefits	35,957	47,243	47,243	-
Purchased services	25	140	140	-
Supplies	684	682	682	-
Capital outlay	558	66	66	-
Total support services-administration	<u>113,522</u>	<u>140,958</u>	<u>140,958</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	46,846	58,132	58,132	-
Fringe benefits	16,490	19,980	19,980	-
Purchased services	40	20	20	-
Supplies	209	244	244	-
Capital outlay	1,195	41	41	-
Total operation of non-instructional services	<u>64,780</u>	<u>78,417</u>	<u>78,417</u>	<u>-</u>
Total expenditures	<u>583,504</u>	<u>921,542</u>	<u>921,541</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>66,496</u>	<u>(26,542)</u>	<u>(41,057)</u>	<u>(14,515)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing (uses):				
Advances (out)	\$ -	\$ -	\$ (12,400)	\$ (12,400)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(12,400)</u>	<u>(12,400)</u>
Net change in fund balance.	66,496	(26,542)	(53,457)	(26,915)
Fund balance at beginning of year	42,332	42,332	42,332	-
Prior year encumbrances appropriated . .	11,309	11,309	11,309	-
Fund balance at end of year.	<u>\$ 120,137</u>	<u>\$ 27,099</u>	<u>\$ 184</u>	<u>\$ (26,915)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 400,000	\$ 175,000	\$ 172,398	\$ (2,602)
Total revenues	<u>400,000</u>	<u>175,000</u>	<u>172,398</u>	<u>(2,602)</u>
Expenditures:				
Current:				
Instruction-vocational				
Salaries and wages	36,000	3,617	3,617	-
Fringe benefits	10,480	575	575	-
Purchased services	3,497	3,329	3,329	-
Supplies	4,653	7,526	7,526	-
Capital outlay	50,638	53,804	53,804	-
Dues and fees	1,000	-	-	-
Total instruction-vocational	<u>106,268</u>	<u>68,851</u>	<u>68,851</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	58,174	60,513	60,513	-
Fringe benefits	20,172	13,864	13,864	-
Purchased services	18,424	18,843	18,843	-
Supplies	1,000	1,216	1,216	-
Total support services-instructional staff	<u>97,770</u>	<u>94,436</u>	<u>94,436</u>	<u>-</u>
Support services-administration				
Salaries and wages	1,491	1,491	1,491	-
Fringe benefits	243	243	243	-
Purchased services	-	-	-	-
Total support services-administration	<u>1,734</u>	<u>1,734</u>	<u>1,734</u>	<u>-</u>
Support services-operations and maintenance				
Supplies	-	10,264	10,264	-
Total support services-operations and maintenance	<u>-</u>	<u>10,264</u>	<u>10,264</u>	<u>-</u>
Total expenditures	<u>205,772</u>	<u>175,285</u>	<u>175,285</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>194,228</u>	<u>(285)</u>	<u>(2,887)</u>	<u>(2,602)</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(180)	(180)	-
Advances (out)	-	-	(1,000)	(1,000)
Total other financing (uses)	<u>-</u>	<u>(180)</u>	<u>(1,180)</u>	<u>(1,000)</u>
Net change in fund balance	194,228	(465)	(4,067)	(3,602)
Fund balance at beginning of year	5,572	5,572	5,572	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 199,800</u>	<u>\$ 5,107</u>	<u>\$ 1,505</u>	<u>\$ (3,602)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BASIC EDUCATIONAL OPPORUNITY GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 50,000	\$ 45,000	\$ 39,346	\$ (5,654)
Total revenues	<u>50,000</u>	<u>45,000</u>	<u>39,346</u>	<u>(5,654)</u>
Expenditures:				
Current:				
Operation of non-instructional services				
Purchased services	45,000	39,346	39,346	-
Total operation of non-instructional services	<u>45,000</u>	<u>39,346</u>	<u>39,346</u>	<u>-</u>
Total expenditures	<u>45,000</u>	<u>39,346</u>	<u>39,346</u>	<u>-</u>
Net change in fund balance	5,000	5,654	-	(5,654)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year.	<u>\$ 5,000</u>	<u>\$ 5,654</u>	<u>\$ -</u>	<u>\$ (5,654)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 1,500,000	\$ 1,600,000	\$ 1,563,809	\$ (36,191)
Total revenues	<u>1,500,000</u>	<u>1,600,000</u>	<u>1,563,809</u>	<u>(36,191)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	598,749	853,760	853,760	-
Fringe benefits	205,102	287,858	287,858	-
Purchased services	-	6,185	6,185	-
Supplies	102,296	127,055	127,055	-
Capital outlay	8,176	27,491	27,491	-
Total instruction-special	<u>914,323</u>	<u>1,302,349</u>	<u>1,302,349</u>	<u>-</u>
Support services-pupil				
Salaries and wages	-	46,302	46,302	-
Fringe benefits	-	12,598	12,598	-
Total support services-pupil	<u>-</u>	<u>58,900</u>	<u>58,900</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	104,602	26,175	26,175	-
Fringe benefits	32,756	6,660	6,660	-
Purchased services	87,016	96,907	96,907	-
Supplies	500	-	-	-
Total support services-instructional staff	<u>224,874</u>	<u>129,742</u>	<u>129,742</u>	<u>-</u>
Support services-administration				
Salaries and wages	-	46,100	46,100	-
Fringe benefits	-	16,749	16,749	-
Purchased services	-	7,798	7,798	-
Supplies	-	422	422	-
Capital outlay	-	2,000	1,785	215
Total support services-administration	<u>-</u>	<u>73,069</u>	<u>72,854</u>	<u>215</u>
Operation of non-instructional services				
Salaries and wages	40,595	20,657	20,657	-
Fringe benefits	11,219	9,581	9,581	-
Purchased services	2,816	-	-	-
Supplies	1,829	10,739	10,739	-
Capital outlay	-	240	240	-
Total operation of non-instructional services	<u>56,459</u>	<u>41,217</u>	<u>41,217</u>	<u>-</u>
Total expenditures	<u>1,195,656</u>	<u>1,605,277</u>	<u>1,605,062</u>	<u>215</u>
Excess of revenues over (under) expenditures	<u>304,344</u>	<u>(5,277)</u>	<u>(41,253)</u>	<u>(35,976)</u>

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Net change in fund balance	\$ 304,344	\$ (5,277)	\$ (41,253)	\$ (35,976)
Fund balance at beginning of year	114,774	114,774	114,774	-
Prior year encumbrances appropriated . .	7,002	7,002	7,002	-
Fund balance at end of year.	<u>\$ 426,120</u>	<u>\$ 116,499</u>	<u>\$ 80,523</u>	<u>\$ (35,976)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 50,000	\$ 31,000	\$ 27,670	\$ (3,330)
Total revenues	<u>50,000</u>	<u>31,000</u>	<u>27,670</u>	<u>(3,330)</u>
Expenditures:				
Current:				
Instruction-regular				
Supplies	-	3,850	3,850	-
Capital outlay	-	663	663	-
Total instruction-regular	<u>-</u>	<u>4,513</u>	<u>4,513</u>	<u>-</u>
Instruction-special				
Supplies	25,594	19,707	19,706	1
Total instruction-special	<u>25,594</u>	<u>19,707</u>	<u>19,706</u>	<u>1</u>
Operation of non-instructional services				
Purchased services	7,625	6,212	6,212	-
Total operation of non-instructional services	<u>7,625</u>	<u>6,212</u>	<u>6,212</u>	<u>-</u>
Total expenditures	<u>33,219</u>	<u>30,432</u>	<u>30,431</u>	<u>1</u>
Excess of revenues over (under) expenditures	<u>16,781</u>	<u>568</u>	<u>(2,761)</u>	<u>(3,329)</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(107)	(107)	-
Total other financing (uses)	<u>-</u>	<u>(107)</u>	<u>(107)</u>	<u>-</u>
Net change in fund balance	16,781	461	(2,868)	(3,329)
Fund balance at beginning of year	13	13	13	-
Prior year encumbrances appropriated	2,974	2,974	2,974	-
Fund balance at end of year	<u>\$ 19,768</u>	<u>\$ 3,448</u>	<u>\$ 119</u>	<u>\$ (3,329)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 60,000	\$ 45,000	\$ 28,828	\$ (16,172)
Total revenues	<u>60,000</u>	<u>45,000</u>	<u>28,828</u>	<u>(16,172)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	3,060	7,075	7,075	-
Fringe benefits	428	1,014	1,014	-
Purchased services	10,680	7,644	7,644	-
Supplies	18,500	16,055	16,055	-
Capital outlay	24,322	13,823	13,823	-
Total instruction-regular	<u>56,990</u>	<u>45,611</u>	<u>45,611</u>	<u>-</u>
Total expenditures	<u>56,990</u>	<u>45,611</u>	<u>45,611</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>3,010</u>	<u>(611)</u>	<u>(16,783)</u>	<u>(16,172)</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(189)	(189)	-
Total other financing (uses)	<u>-</u>	<u>(189)</u>	<u>(189)</u>	<u>-</u>
Net change in fund balance	3,010	(800)	(16,972)	(16,172)
Fund balance at beginning of year	3,884	3,884	3,884	-
Prior year encumbrances appropriated	16,897	16,897	16,897	-
Fund balance at end of year	<u>\$ 23,791</u>	<u>\$ 19,981</u>	<u>\$ 3,809</u>	<u>\$ (16,172)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 50,000	\$ 50,000	\$ 44,566	\$ (5,434)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>44,566</u>	<u>(5,434)</u>
Expenditures:				
Current:				
Instruction-special				
Purchased services	2,150	3,154	3,154	-
Supplies	1,076	5,046	5,046	-
Capital outlay	200	876	876	-
Total instruction-special	<u>3,426</u>	<u>9,076</u>	<u>9,076</u>	<u>-</u>
Support services-pupil				
Supplies	300	395	395	-
Total support services-pupil	<u>300</u>	<u>395</u>	<u>395</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	18,721	19,390	19,390	-
Fringe benefits	13,477	9,325	9,325	-
Purchased services	100	30	30	-
Total support services-instructional staff	<u>32,298</u>	<u>28,745</u>	<u>28,745</u>	<u>-</u>
Support services-administration				
Salaries and wages	4,500	5,500	5,500	-
Fringe benefits	670	783	783	-
Supplies	25	38	38	-
Total support services-administration	<u>5,195</u>	<u>6,321</u>	<u>6,321</u>	<u>-</u>
Total expenditures	<u>41,219</u>	<u>44,537</u>	<u>44,537</u>	<u>-</u>
Net change in fund balance	8,781	5,463	29	(5,434)
Fund balance at beginning of year	3,883	3,883	3,883	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 12,664</u>	<u>\$ 9,346</u>	<u>\$ 3,912</u>	<u>\$ (5,434)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 375,000	\$ 380,000	\$ 373,841	\$ (6,159)
Total revenues	<u>375,000</u>	<u>380,000</u>	<u>373,841</u>	<u>(6,159)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	172,506	244,224	244,224	-
Fringe benefits	64,883	86,766	86,766	-
Total instruction-special	<u>237,389</u>	<u>330,990</u>	<u>330,990</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	7,425	-	-	-
Fringe benefits	1,112	-	-	-
Purchased services	36,715	19,126	19,125	1
Total support services-instructional staff	<u>45,252</u>	<u>19,126</u>	<u>19,125</u>	<u>1</u>
Total expenditures	<u>282,641</u>	<u>350,116</u>	<u>350,115</u>	<u>1</u>
Net change in fund balance	92,359	29,884	23,726	(6,158)
Fund balance at beginning of year	19,538	19,538	19,538	-
Prior year encumbrances appropriated	8,016	8,016	8,016	-
Fund balance at end of year	<u>\$ 119,913</u>	<u>\$ 57,438</u>	<u>\$ 51,280</u>	<u>\$ (6,158)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH INVOLVEMENT GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 59,589	\$ 139,042	\$ 136,468	\$ (2,574)
Total revenues	<u>59,589</u>	<u>139,042</u>	<u>136,468</u>	<u>(2,574)</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	-	29,601	29,601	-
Fringe benefits	-	8,319	8,319	-
Purchased services	-	4,645	4,645	-
Capital outlay	-	5,992	5,992	-
Total support services-instructional staff	<u>-</u>	<u>48,557</u>	<u>48,557</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	-	51,290	51,290	-
Fringe benefits	-	11,428	11,428	-
Purchased services	-	33,550	33,550	-
Supplies	-	12,581	12,581	-
Capital outlay	-	12,775	12,775	-
Total operation of non-instructional services	<u>-</u>	<u>121,624</u>	<u>121,624</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>170,181</u>	<u>170,181</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>59,589</u>	<u>(31,139)</u>	<u>(33,713)</u>	<u>(2,574)</u>
Other financing sources (uses):				
Transfers in	2,311	5,392	5,292	(100)
Transfers (out)	-	(5,292)	(7,542)	(2,250)
Advances in	13,100	30,566	30,000	(566)
Total other financing sources (uses)	<u>15,411</u>	<u>30,666</u>	<u>27,750</u>	<u>(2,916)</u>
Net change in fund balance	75,000	(473)	(5,963)	(5,490)
Fund balance at beginning of year	7,650	7,650	7,650	-
Prior year encumbrances appropriated	992	992	992	-
Fund balance at end of year	<u>\$ 83,642</u>	<u>\$ 8,169</u>	<u>\$ 2,679</u>	<u>\$ (5,490)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GIFTED EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ 10,000	\$ 10,000	\$ -
Total revenues	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special				
Purchased services	-	29	29	-
Supplies	-	9,633	9,632	1
Total instruction-special	<u>-</u>	<u>9,662</u>	<u>9,661</u>	<u>1</u>
Total expenditures	<u>-</u>	<u>9,662</u>	<u>9,661</u>	<u>1</u>
Net change in fund balance	-	338	339	1
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 339</u>	<u>\$ 1</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 271,470	\$ 271,470	\$ 271,259	\$ (211)
Intergovernmental-state	33,530	33,530	33,504	(26)
Total revenues	<u>305,000</u>	<u>305,000</u>	<u>304,763</u>	<u>(237)</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	5,650	5,200	5,189	11
Total support services-fiscal	<u>5,650</u>	<u>5,200</u>	<u>5,189</u>	<u>11</u>
Debt service:				
Principal retirement	251,468	251,468	251,468	-
Interest and fiscal charges	35,155	35,154	35,154	-
Total debt service	<u>286,623</u>	<u>286,622</u>	<u>286,622</u>	<u>-</u>
Total expenditures	<u>292,273</u>	<u>291,822</u>	<u>291,811</u>	<u>11</u>
Net change in fund balance	12,727	13,178	12,952	(226)
Fund balance at beginning of year	107,780	107,780	107,780	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 120,507</u>	<u>\$ 120,958</u>	<u>\$ 120,732</u>	<u>\$ (226)</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Permanent Improvement	Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 912,942	\$ 26,673	\$ -	\$ 939,615
Receivables:				
Taxes	606,463	-	-	606,463
Total assets.	<u>\$ 1,519,405</u>	<u>\$ 26,673</u>	<u>\$ -</u>	<u>\$ 1,546,078</u>
Liabilities:				
Accounts payable.	\$ 27,457	\$ -	\$ -	\$ 27,457
Deferred revenue.	562,376	-	-	562,376
Total liabilities.	589,833	-	-	589,833
Fund Balances:				
Reserved for encumbrances	329,293	-	-	329,293
Reserved for property tax unavailable for appropriation	44,087	-	-	44,087
Unreserved, undesignated, reported in: Capital projects	556,192	26,673	-	582,865
Total fund balances	929,572	26,673	-	956,245
Total liabilities and fund balances	<u>\$ 1,519,405</u>	<u>\$ 26,673</u>	<u>\$ -</u>	<u>\$ 1,546,078</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Permanent Improvement	Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Taxes	\$ 592,816	\$ -	\$ -	\$ 592,816
Other local revenues	16,104	-	-	16,104
Intergovernmental - state	74,000	-	-	74,000
Total revenue	682,920	-	-	682,920
Expenditures:				
Current:				
Instruction:				
Regular	-	-	88,275	88,275
Support services:				
Fiscal	10,857	-	-	10,857
Facilities acquisition and construction	577,370	-	-	577,370
Total expenditures	588,227	-	88,275	676,502
Net change in fund balances	94,693	-	(88,275)	6,418
Fund balances at beginning of year	834,879	26,673	88,275	949,827
Fund balances at end of year.	\$ 929,572	\$ 26,673	\$ -	\$ 956,245

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 561,738	\$ 579,022	\$ 573,461	\$ (5,561)
Other revenue	15,775	16,260	16,104	(156)
Intergovernmental-state	72,487	74,718	74,000	(718)
Total revenues	<u>650,000</u>	<u>670,000</u>	<u>663,565</u>	<u>(6,435)</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	12,250	12,250	10,857	1,393
Total support services-fiscal	<u>12,250</u>	<u>12,250</u>	<u>10,857</u>	<u>1,393</u>
Facilities acquisition and construction				
Purchased services	962,421	922,421	915,257	7,164
Supplies	50,000	20,000	3,984	16,016
Capital outlay	67,097	107,097	99,847	7,250
Total facilities acquisition and construction	<u>1,079,518</u>	<u>1,049,518</u>	<u>1,019,088</u>	<u>30,430</u>
Total expenditures	<u>1,091,768</u>	<u>1,061,768</u>	<u>1,029,945</u>	<u>31,823</u>
Net change in fund balance	(441,768)	(391,768)	(366,380)	25,388
Fund balance at beginning of year	493,054	493,054	493,054	-
Prior year encumbrances appropriated . .	429,518	429,518	429,518	-
Fund balance at end of year.	<u>\$ 480,804</u>	<u>\$ 530,804</u>	<u>\$ 556,192</u>	<u>\$ 25,388</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Facilities acquisition and construction				
Capital outlay	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Total facilities acquisition and construction.	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	-	25,000
Net change in fund balance	(25,000)	(25,000)	-	25,000
Fund balance at beginning of year	26,673	26,673	26,673	-
Prior year encumbrances appropriated . .	-	-	-	-
Fund balance at end of year.	<u>\$ 1,673</u>	<u>\$ 1,673</u>	<u>\$ 26,673</u>	<u>\$ 25,000</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 100,000	\$ -	\$ -	\$ -
Total revenues	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Capital outlay	176,550	88,275	88,275	-
Total instruction-regular	<u>176,550</u>	<u>88,275</u>	<u>88,275</u>	<u>-</u>
Total expenditures	<u>176,550</u>	<u>88,275</u>	<u>88,275</u>	<u>-</u>
Net change in fund balance	(76,550)	(88,275)	(88,275)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated . .	88,275	88,275	88,275	-
Fund balance at end of year	<u>\$ 11,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 345	\$ 327	\$ 2,507	\$ 2,180
Total revenues	<u>345</u>	<u>327</u>	<u>2,507</u>	<u>2,180</u>
Expenditures:				
Current:				
Support services-business				
Other	9,000	9,000	1,982	7,018
Total support services-business	<u>9,000</u>	<u>9,000</u>	<u>1,982</u>	<u>7,018</u>
Total expenditures	<u>9,000</u>	<u>9,000</u>	<u>1,982</u>	<u>7,018</u>
Net change in fund balance	(8,655)	(8,673)	525	9,198
Fund balance at beginning of year	98,778	98,778	98,778	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 90,123</u>	<u>\$ 90,105</u>	<u>\$ 99,303</u>	<u>\$ 9,198</u>

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
PROPRIETARY FUND DESCRIPTIONS

Major Enterprise Funds

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered quickly through user charges. This fund can also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Food Service Fund

Section 3313.81, Revised Code

A fund which is used to account for all revenues and expenditures related to food service operations.

Adult Education

Section 5705.12, Revised Code

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

Nonmajor Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Employee Benefits Self Insurance

Section 5705.09, Revised Code

A fund used to account for a self-insurance program which provides medical, dental and vision benefits to employees.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Sales/charges for services	\$ 629,093	\$ 664,042	\$ 645,274	\$ (18,768)
Other operating revenues	17,924	18,920	18,385	(535)
Total operating revenues	<u>647,017</u>	<u>682,962</u>	<u>663,659</u>	<u>(19,303)</u>
Operating expenses:				
Salaries and wages	658,100	647,400	643,057	4,343
Fringe benefits	333,500	323,270	323,094	176
Purchased services	11,015	15,490	15,384	106
Materials and supplies	748,916	822,464	822,452	12
Capital outlay	992	1,835	1,833	2
Total operating expenses	<u>1,752,523</u>	<u>1,810,459</u>	<u>1,805,820</u>	<u>4,639</u>
Operating loss	<u>(1,105,506)</u>	<u>(1,127,497)</u>	<u>(1,142,161)</u>	<u>(14,664)</u>
Nonoperating revenues:				
Operating grants	980,909	1,035,404	1,006,140	(29,264)
Total nonoperating revenues	<u>980,909</u>	<u>1,035,404</u>	<u>1,006,140</u>	<u>(29,264)</u>
Net loss before advances/transfers	<u>(124,597)</u>	<u>(92,093)</u>	<u>(136,021)</u>	<u>(43,928)</u>
Advances/transfers:				
Transfers in	-	-	2,250	2,250
Advances in	172,074	181,634	176,500	(5,134)
Advances (out)	-	-	(49,000)	(49,000)
Total advances/transfers-net	<u>172,074</u>	<u>181,634</u>	<u>129,750</u>	<u>(51,884)</u>
Net change in fund balance	47,477	89,541	(6,271)	(95,812)
Fund balance at beginning of year	5,368	5,368	5,368	-
Prior year encumbrances appropriated	2,931	2,931	2,931	-
Fund balance at end of year	<u>\$ 55,776</u>	<u>\$ 97,840</u>	<u>\$ 2,028</u>	<u>\$ (95,812)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Tuition and fees	\$ 361,371	\$ 277,977	\$ 283,396	\$ 5,419
Other operating revenues	302,093	232,379	236,909	4,530
Total operating revenues	<u>663,464</u>	<u>510,356</u>	<u>520,305</u>	<u>9,949</u>
Operating expenses:				
Salaries and wages	614,595	564,034	554,045	9,989
Fringe benefits	176,929	137,137	131,572	5,565
Purchased services	125,218	88,379	85,975	2,404
Materials and supplies	74,834	66,264	63,536	2,728
Capital outlay	56,326	20,865	20,773	92
Total operating expenses	<u>1,047,902</u>	<u>876,679</u>	<u>855,901</u>	<u>20,778</u>
Operating income (loss)	<u>(384,438)</u>	<u>(366,323)</u>	<u>(335,596)</u>	<u>30,727</u>
Nonoperating revenues:				
Operating grants	333,683	256,680	261,683	5,003
Total nonoperating revenues	<u>333,683</u>	<u>256,680</u>	<u>261,683</u>	<u>5,003</u>
Net income (loss) before advances/transfers	<u>(50,755)</u>	<u>(109,643)</u>	<u>(73,913)</u>	<u>35,730</u>
Advances/transfers:				
Transfers in	226,472	174,209	177,605	3,396
Transfers (out)	(191,000)	(180,882)	(177,605)	3,277
Advances in	76,381	58,755	59,900	1,145
Advances (out)	-	-	(53,300)	(53,300)
Total advances/transfers-net	<u>111,853</u>	<u>52,082</u>	<u>6,600</u>	<u>(45,482)</u>
Net change in fund balance	61,098	(57,561)	(67,313)	(9,752)
Fund balance at beginning of year	303,869	303,869	303,869	-
Prior year encumbrances appropriated	21,341	21,341	21,341	-
Fund balance at end of year	<u>\$ 386,308</u>	<u>\$ 267,649</u>	<u>\$ 257,897</u>	<u>\$ (9,752)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Other operating revenues	\$ 4,957,257	\$ 4,659,822	\$ 4,593,710	\$ (66,112)
Total operating revenues	<u>4,957,257</u>	<u>4,659,822</u>	<u>4,593,710</u>	<u>(66,112)</u>
Operating expenses:				
Purchased services	4,035,874	4,045,874	3,707,406	338,468
Other operating expenses	1,000,000	1,000,000	600,936	399,064
Total operating expenses	<u>5,035,874</u>	<u>5,045,874</u>	<u>4,308,342</u>	<u>737,532</u>
Operating income (loss)	<u>(78,617)</u>	<u>(386,052)</u>	<u>285,368</u>	<u>671,420</u>
Nonoperating revenues:				
Interest revenue	42,743	40,178	39,608	(570)
Total nonoperating revenues	<u>42,743</u>	<u>40,178</u>	<u>39,608</u>	<u>(570)</u>
Net change in fund balance	(35,874)	(345,874)	324,976	670,850
Fund balance at beginning of year	1,806,707	1,806,707	1,806,707	-
Prior year encumbrances appropriated	5,874	5,874	5,874	-
Fund balance at end of year	<u>\$ 1,776,707</u>	<u>\$ 1,466,707</u>	<u>\$ 2,137,557</u>	<u>\$ 670,850</u>

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results

Private-Purpose Trust Funds

Endowment Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The income from such a fund may be expended, but the principal must remain intact.

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

Student Managed Activity

Section 3315.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor. There are 160 student managed activity groups

District Agency

Section 5705.12, Revised Code

A fund used to account for those assets held by a school district as an agent for individuals, private organization, other governmental units, and/or other funds.

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Endowment Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total Private Purpose Trust</u>	<u>Agency</u>	<u>Totals</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 1,873,504	\$ 507,212	\$ 2,380,716	\$ 94,776	\$ 2,475,492
Investments	3,944,867	-	3,944,867		3,944,867
Receivables					
Taxes	-	-	-	322,150	322,150
Accounts	-	-	-	133	133
Accrued interest	4,404	-	4,404	-	4,404
Total assets	<u>5,822,775</u>	<u>507,212</u>	<u>6,329,987</u>	<u>417,059</u>	<u>6,747,046</u>
Liabilities:					
Accounts payable	-	-	-	1,739	1,739
Intergovernmental payable	-	-	-	325,133	325,133
Due to students	-	-	-	90,187	90,187
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 417,059</u>	<u>417,059</u>
Net Assets:					
Held in trust for scholarships	<u>5,822,775</u>	<u>507,212</u>	<u>6,329,987</u>		<u>6,329,987</u>
Total net assets	<u>\$ 5,822,775</u>	<u>\$ 507,212</u>	<u>\$ 6,329,987</u>		<u>\$ 6,329,987</u>

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

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Endowment Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total</u>
Additions:			
Interest	\$ 157,578	\$ 9,378	\$ 166,956
Gifts and contributions.	259,737	84,233	343,970
	<hr/>	<hr/>	<hr/>
Total additions	417,315	93,611	510,926
	<hr/>	<hr/>	<hr/>
Deductions:			
Scholarships awarded	119,119	58,860	177,979
	<hr/>	<hr/>	<hr/>
Change in net assets	298,196	34,751	332,947
	<hr/>	<hr/>	<hr/>
Net assets at beginning of year	5,524,579	472,461	5,997,040
	<hr/>	<hr/>	<hr/>
Net assets at end of year.	\$ 5,822,775	\$ 507,212	\$ 6,329,987
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENDOWMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 103,325	\$ 97,689	\$ 157,064	\$ 59,375
Gifts and contributions	171,330	161,984	260,437	98,453
Total revenues	<u>274,655</u>	<u>259,673</u>	<u>417,501</u>	<u>157,828</u>
Expenditures:				
Current:				
Support services-business				
Other	203,815	205,215	119,034	86,181
Total support services-business	<u>203,815</u>	<u>205,215</u>	<u>119,034</u>	<u>86,181</u>
Extracurricular activities				
Other	943	943	85	858
Total extracurricular activities	<u>943</u>	<u>943</u>	<u>85</u>	<u>858</u>
Total expenditures	<u>204,758</u>	<u>206,158</u>	<u>119,119</u>	<u>87,039</u>
Net change in fund balance	69,897	53,515	298,382	244,867
Fund balance at beginning of year	5,519,689	5,519,689	5,519,689	-
Prior year encumbrances appropriated	300	300	300	-
Fund balance at end of year	<u>\$ 5,589,886</u>	<u>\$ 5,573,504</u>	<u>\$ 5,818,371</u>	<u>\$ 244,867</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 9,060	\$ 9,151	\$ 9,378	\$ 227
Other local revenues	81,520	82,335	84,378	2,043
Total revenues	<u>90,580</u>	<u>91,486</u>	<u>93,756</u>	<u>2,270</u>
Expenditures:				
Current:				
Support services-business				
Purchased services	1,700	1,700	890	810
Other	28,250	28,600	11,890	16,710
Total support services-business	<u>29,950</u>	<u>30,300</u>	<u>12,780</u>	<u>17,520</u>
Extracurricular activities				
Other	52,105	52,105	46,080	6,025
Total extracurricular activities	<u>52,105</u>	<u>52,105</u>	<u>46,080</u>	<u>6,025</u>
Total expenditures	<u>82,055</u>	<u>82,405</u>	<u>58,860</u>	<u>23,545</u>
Net change in fund balance	8,525	9,081	34,896	25,815
Fund balance at beginning of year	472,266	472,266	472,266	-
Prior year encumbrances appropriated	50	50	50	-
Fund balance at end of year	<u>\$ 480,841</u>	<u>\$ 481,397</u>	<u>\$ 507,212</u>	<u>\$ 25,815</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2005

	<u>Beginning Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2005</u>
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,598	\$ 346,388	\$ 346,003	\$ 2,983
Receivables				
Taxes	334,534	322,150	334,534	322,150
Total assets	<u>\$ 337,132</u>	<u>\$ 668,538</u>	<u>\$ 680,537</u>	<u>\$ 325,133</u>
Liabilities:				
Intergovernmental payable	\$ 337,132	\$ 668,538	\$ 680,537	\$ 325,133
Total liabilities.	<u>\$ 337,132</u>	<u>\$ 668,538</u>	<u>\$ 680,537</u>	<u>\$ 325,133</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 89,658	\$ 177,972	\$ 175,837	\$ 91,793
Receivables				
Accounts	152	133	152	133
Total assets	<u>\$ 89,810</u>	<u>\$ 178,105</u>	<u>\$ 175,989</u>	<u>\$ 91,926</u>
Liabilities:				
Accounts payable	\$ 3,537	\$ 1,739	\$ 3,537	\$ 1,739
Due to students	86,273	90,187	86,273	90,187
Total liabilities.	<u>\$ 89,810</u>	<u>\$ 91,926</u>	<u>\$ 89,810</u>	<u>\$ 91,926</u>
Total				
Assets:				
Equity in pooled cash and cash equivalents	\$ 92,256	\$ 524,360	\$ 521,840	\$ 94,776
Receivables				
Taxes	334,534	322,150	334,534	322,150
Accounts	152	133	152	133
Total assets	<u>\$ 426,942</u>	<u>\$ 846,643</u>	<u>\$ 856,526</u>	<u>\$ 417,059</u>
Liabilities:				
Accounts payable	\$ 3,537	\$ 1,739	\$ 3,537	\$ 1,739
Intergovernmental payable	337,132	668,538	680,537	325,133
Due to students	86,273	90,187	86,273	90,187
Total liabilities.	<u>\$ 426,942</u>	<u>\$ 760,464</u>	<u>\$ 770,347</u>	<u>\$ 417,059</u>

STATISTICAL SECTION

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

SUMMARY OF EXPENSES/EXPENDITURES AND OTHER FINANCING USES BY
FUNCTION - GENERAL GOVERNMENTAL FUNDS*
LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Instruction:						
Regular	\$ 16,693,186	\$ 16,490,009	\$ 16,827,737	\$ 17,166,133	\$ 16,782,965	\$ 16,414,963
Special	7,667,920	7,662,198	6,614,153	6,669,449	6,377,680	6,323,095
Vocational	1,392,174	1,391,347	1,270,983	1,286,642	1,413,514	1,386,612
Other instruction	130,949	131,595	144,899	145,696	169,770	169,924
Total instruction	<u>25,884,229</u>	<u>25,675,149</u>	<u>24,857,772</u>	<u>25,267,920</u>	<u>24,743,929</u>	<u>24,294,594</u>
Support Services:						
Pupils	1,795,398	1,797,261	1,713,629	1,671,810	1,699,311	1,693,620
Instructional staff	1,567,099	1,529,453	1,596,772	1,605,101	1,698,801	1,655,470
Board of education	290,483	290,483	200,544	200,544	202,519	202,519
Administration	3,155,898	3,085,533	2,899,700	2,933,747	3,082,433	3,012,020
Fiscal	747,826	750,121	776,412	751,115	679,525	661,892
Business	163,970	165,455	149,517	157,280	245,576	231,606
Operations and maintenance	4,278,015	3,831,026	4,607,211	3,988,505	5,474,006	3,922,833
Pupil transportation	1,424,910	1,428,252	1,408,368	1,301,927	1,375,321	1,425,327
Central	617,090	613,444	658,779	639,614	296,428	464,240
Total support services	<u>14,040,689</u>	<u>13,491,028</u>	<u>14,010,932</u>	<u>13,249,643</u>	<u>14,753,920</u>	<u>13,269,527</u>
Operation of non-instructional services	365,104	325,029	189,885	154,312	217,417	164,257
Extracurricular activities	1,091,654	969,105	1,057,758	1,040,791	1,006,609	1,017,789
Facilities acquisition and construction	-	577,370	-	1,630,296	-	2,359,729
Intergovernmental	475,587	475,587	483,133	483,133	501,876	501,876
Debt service	75,913	434,844	91,145	470,760	82,383	383,527
Total expenditures	<u>41,933,176</u>	<u>41,948,112</u>	<u>40,690,625</u>	<u>42,296,855</u>	<u>41,306,134</u>	<u>41,991,299</u>
Other financing uses	<u>-</u>	<u>2,250</u>	<u>25,000</u>	<u>65,000</u>	<u>32,188</u>	<u>1,302,717</u>
Total expenditures and other financing uses	<u><u>\$41,933,176</u></u>	<u><u>\$41,950,362</u></u>	<u><u>\$40,715,625</u></u>	<u><u>\$42,361,855</u></u>	<u><u>\$41,338,322</u></u>	<u><u>\$43,294,016</u></u>

Source: School District Financial Records

* For fiscal years 2001-2004 includes general, special revenue, debt service, and capital projects funds.

For fiscal years 1995-2000 includes general, special revenue, debt service, capital projects, and expendable trust funds.

2002		2001		2000	1999	1998	1997	1996
Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual
\$ 16,420,485	\$ 15,811,739	\$ 15,310,959	\$ 15,500,528	\$ 14,631,441	\$ 13,578,250	\$ 12,140,777	\$ 11,158,006	\$ 11,258,699
6,152,427	5,985,367	5,580,007	5,824,123	5,555,919	5,040,353	4,397,907	4,125,041	4,412,580
1,473,087	1,453,929	1,581,925	1,586,067	1,513,918	1,428,727	1,384,891	1,301,682	1,273,464
146,898	145,869	133,531	143,529	139,422	220,641	138,517	150,549	166,660
<u>24,192,897</u>	<u>23,396,904</u>	<u>22,606,422</u>	<u>23,054,247</u>	<u>21,840,700</u>	<u>20,267,971</u>	<u>18,062,092</u>	<u>16,735,278</u>	<u>17,111,403</u>
1,484,322	1,541,838	1,513,446	1,430,273	1,348,923	1,338,776	1,169,624	1,142,855	1,049,550
1,538,623	1,626,416	1,712,630	1,574,427	1,533,112	1,507,198	1,381,490	1,255,758	1,323,625
187,936	185,540	169,581	168,475	170,249	138,754	105,893	126,747	101,822
2,916,382	2,830,156	2,691,724	2,698,824	2,508,181	2,277,828	2,317,540	2,157,651	2,307,744
674,661	661,551	608,555	609,743	587,700	559,741	571,127	544,706	584,108
216,076	210,522	213,928	213,822	229,400	255,230	227,313	208,528	317,263
3,743,299	3,622,467	3,899,035	3,911,341	3,781,643	3,416,041	3,116,272	2,906,752	2,960,581
1,269,200	1,280,744	1,207,351	1,282,627	1,234,585	1,107,518	1,071,800	764,678	910,063
146,152	143,586	1,223,057	1,225,102	414,020	181,560	235,282	52,967	51,706
<u>12,176,651</u>	<u>12,102,820</u>	<u>13,239,307</u>	<u>13,114,634</u>	<u>11,807,813</u>	<u>10,782,646</u>	<u>10,196,341</u>	<u>9,160,642</u>	<u>9,606,462</u>
226,371	243,554	152,274	180,215	140,892	87,452	516,087	668,343	219,035
1,114,411	1,118,394	1,087,111	1,088,404	845,371	799,064	782,979	696,921	736,634
-	610,757	-	722,750	730,069	1,231,236	469,507	1,085,505	464,683
454,538	454,538	513,265	513,265	480,154	483,805	-	-	488,951
106,047	323,960	119,368	402,043	406,503	410,138	438,500	426,138	432,321
<u>38,270,915</u>	<u>38,250,927</u>	<u>37,717,747</u>	<u>39,075,558</u>	<u>36,251,502</u>	<u>34,062,312</u>	<u>30,465,506</u>	<u>28,772,827</u>	<u>29,059,489</u>
101,352	39,000	25,000	248,184	632,166	289,272	5,000	-	5,074
<u>\$38,372,267</u>	<u>\$38,289,927</u>	<u>\$37,742,747</u>	<u>\$39,323,742</u>	<u>\$36,883,668</u>	<u>\$34,351,584</u>	<u>\$30,470,506</u>	<u>\$28,772,827</u>	<u>\$29,064,563</u>

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

SUMMARY OF REVENUES AND OTHER FINANCING SOURCES - GENERAL GOVERNMENTAL FUNDS*
LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Program revenues:						
Charges for services	\$ 492,489	N/A	\$ 483,333	N/A	\$ 516,324	N/A
Operating grants and contributions	6,312,983	N/A	5,138,728	N/A	4,934,226	N/A
Capital grants and contributions	-	N/A	88,275	N/A	451,653	N/A
Total program revenues	6,805,472	N/A	5,710,336	N/A	5,902,203	N/A
General revenues:						
Taxes	18,886,142	\$ 19,936,270	16,052,518	\$ 15,580,501	18,155,780	\$ 17,901,465
Tuition	-	16,996	-	14,179	-	15,138
Earning on investments	227,824	188,216	102,701	88,501	181,966	165,834
Extracurricular	-	265,631	-	250,147	-	301,273
Classroom materials and fees	-	61,319	-	61,982	-	-
Other local revenues	340,526	470,774	305,452	511,143	262,101	1,029,049
Other revenue	-	71,598	-	4,617	-	-
Intergovernmental	17,143,794	22,710,387	16,932,365	22,169,907	16,693,155	21,345,639
Total general revenues	36,598,286	43,721,191	33,393,036	38,680,977	35,293,002	40,758,398
Other financing sources	-	300	-	41,227	-	2,244,553
Total revenue and other financing sources	\$43,403,758	\$43,721,491	\$39,103,372	\$38,722,204	\$41,195,205	\$43,002,951

Source: School District Financial Records

* For fiscal years 2001-2004 includes general, special revenue, debt service, and capital projects funds.

For fiscal years 1995-2000 includes general, special revenue, debt service, capital projects, and expendable trust funds.

<u>2002</u>		<u>2001</u>		<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>
\$ 871,026	N/A	\$ 608,765	N/A	N/A	N/A	N/A	N/A	N/A
4,870,600	N/A	4,966,690	N/A	N/A	N/A	N/A	N/A	N/A
1,546,950	N/A	571,234	N/A	N/A	N/A	N/A	N/A	N/A
<u>7,288,576</u>	<u>N/A</u>	<u>6,146,689</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
17,368,082	\$ 17,135,168	16,048,425	\$ 15,861,657	\$ 15,015,732	\$ 15,613,834	\$ 16,781,357	\$ 14,698,885	\$ 13,704,663
-	53,183	-	22,679	49,891	33,921	22,975	20,536	25,292
276,677	250,564	585,070	556,133	557,828	485,239	433,347	362,171	352,557
-	441,808	-	381,498	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,959,907	381,487	693,879	721,969	790,329	954,729	519,040	500,795
-	6,199	-	-	-	-	-	49,989	16,315
16,209,085	20,956,646	15,494,850	20,457,854	19,271,926	17,432,834	15,996,874	13,893,101	13,467,591
<u>33,853,844</u>	<u>40,803,475</u>	<u>32,509,832</u>	<u>37,973,700</u>	<u>35,617,346</u>	<u>34,356,157</u>	<u>34,189,282</u>	<u>29,543,722</u>	<u>28,067,213</u>
-	14,000	3,615	226,799	585,114	408,127	275	249,754	1,299
<u>\$ 41,142,420</u>	<u>\$ 40,817,475</u>	<u>\$ 38,660,136</u>	<u>\$ 38,200,499</u>	<u>\$ 36,202,460</u>	<u>\$ 34,764,284</u>	<u>\$ 34,189,557</u>	<u>\$ 29,793,476</u>	<u>\$ 28,068,512</u>

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

PROPERTY TAX LEVIES AND COLLECTIONS
REAL & PUBLIC UTILITY TAX (1) AND TANGIBLE PERSONAL PROPERTY
LAST TEN CALENDAR YEARS

Tax Collection Year	Current Levy	Outstanding Delinquent Taxes	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Taxes Receivable As a % Of Total Levy	Total Collection	Total Collection As a % Of Total Levy
1995	\$ 15,985,323	\$1,372,713	\$ 17,358,036	\$ 15,529,357	97.15%	\$ 648,922	4.17%	\$ 16,178,279	93.20%
1996	17,553,553	1,215,150	18,768,703	17,339,352	98.78%	451,143	4.07%	17,790,495	94.79%
1997	17,277,660	1,165,501	18,443,161	17,130,573	99.15%	426,687	4.01%	17,557,260	95.20%
1998	17,517,698	1,582,524	19,100,222	16,968,166	96.86%	506,297	5.63%	17,474,463	91.49%
1999	17,604,120	1,394,282	18,998,402	17,095,970	97.11%	527,908	4.56%	17,623,878	92.77%
2000	18,574,729	1,485,583	20,060,312	17,937,542	96.57%	499,639	4.91%	18,437,181	91.91%
2001	18,508,626	1,922,074	20,430,700	17,883,528	96.62%	637,845	6.29%	18,521,373	90.65%
2002	18,347,729	1,674,936	20,022,665	17,526,738	95.53%	537,681	5.68%	18,064,419	90.22%
2003 (2)	17,652,495	2,105,329	19,757,824	17,035,565	96.51%	704,363	7.09%	17,739,928	89.79%
2004 (2)	20,442,705	1,734,604	22,177,309	19,382,866	94.82%	800,794	4.21%	20,183,660	91.01%

Source: Erie County Auditor--Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback on real and reimbursement on personal property taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenues.
- (2) "Taxes levied" in 2003 reflects a change in the reimbursement for the \$10,000 personal property taxes exempted. Historically, the State was billed for this portion of property taxes levied. This revenue source is now statutorily limited to specific dollar amounts. Therefore, amounts reimbursed by the State for the \$10,000 personal property tax exemption are not included in the 2003 calendar year collections as "taxes levied".

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

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS

Tax Year	Real Property (a)	Public Utility (b)	Personal Property (c)	Total	Total
Assessed Valuation					Estimated Actual Value
1995	\$272,559,650	\$26,597,930	\$56,443,305	\$355,600,885	\$ 1,034,739,998
1996	280,258,110	26,628,240	60,473,494	367,359,844	1,072,890,797
1997	311,447,790	28,747,840	61,487,103	401,682,733	1,168,467,241
1998	314,363,270	27,572,100	64,355,718	406,291,088	1,186,935,575
1999	315,366,380	25,835,010	64,159,264	405,360,654	1,187,041,822
2000	347,783,620	26,331,920	65,521,406	439,636,946	1,285,675,746
2001	354,750,740	19,941,130	76,042,536	450,734,406	1,340,404,062
2002	359,597,110	19,913,150	70,518,286	450,028,546	1,389,146,058
2003	419,250,650	19,831,320	64,275,034	503,357,004	1,534,284,416
2004	422,040,450	18,953,270	70,733,492	511,727,212	1,564,576,905

Source: Erie County Auditor

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (b) Assumes public utilities are assessed at 25% of estimated actual value as of tax year 2003.
- (c) Tangible personal property used in business is assessed at 25% of true value and is determined pursuant to the rules of the State Tax Commissioner.

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

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX YEARS
(PER \$1000 OF ASSESSED VALUATION)**

Tax Year	Overlapping Governments			Sandusky City School District							Effective Rates	
	Erie County	City of Sandusky	Sandusky Library *	General Fund	Bond Retirement	Capital Improvement	Unvoted	Sandusky Library	Total	Ag/Res	Other	
1995	7.80	4.25	--	55.45	1.40	2.00	3.45	0.80	63.10	34.96	40.18	
1996	8.30	4.25	--	59.55	1.40	2.00	3.45	0.80	67.20	39.02	43.66	
1997	8.30	4.25	--	59.55	1.04	2.00	3.45	0.80	66.84	34.72	42.94	
1998	8.30	4.25	1.26	59.55	1.04	2.00	3.45	0.80	66.84	34.60	42.92	
1999	8.30	4.25	1.26	59.55	1.04	2.00	3.45	0.80	66.84	34.60	42.87	
2000	8.30	4.25	1.26	59.10	0.65	2.00	3.45	0.80	66.00	31.50	41.40	
2001	8.30	4.25	1.26	59.10	0.65	2.00	3.45	0.80	66.00	31.55	41.41	
2002	8.30	4.25	1.26	59.10	0.65	2.00	3.45	0.80	66.00	31.56	41.05	
2003	8.80	4.25	0.70	64.50	0.60	2.00	3.45	0.80	71.35	32.24	43.21	
2004	8.80	4.25	0.70	64.50	0.60	2.00	3.45	0.80	71.35	32.16	43.55	

Source: Erie County Auditor--Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

* Sandusky Library Bond Issue approved in 1998 under City of Sandusky taxing authority.

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

DEMOGRAPHIC STATISTICS
1960-2000

Calendar Year	Total Population	Total 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	32,674	11,803	10,867	3.01	6,742	8,915
1980	31,360	13,169	11,932	2.63	7,328	16,046
1990	29,764	13,416	12,059	2.47	6,931	28,544
2000	27,844	13,323	11,851	2.31	6,692	37,749

Source: City of Sandusky Finance Department
City of Sandusky Department of Planning & Development
U.S. Bureau of the Census

Note: This information is shown in increments of ten years, upon which the U.S. Bureau of the Census information is released.

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

PERCENT OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	(a) Population	(b) Avg. Daily Membership	(c) Assessed Value	(d) Gross Bonded Debt	(e) Less Debt Service Funds	Net Bonded Debt	% of Net Bonded Debt To Assessed Value	Net Bonded Debt per Capita	Net Bonded Debt Per ADM
1996	29,764	4,701	\$ 355,600,885	\$ 2,585,000	\$ 240,071	\$ 2,344,929	0.66%	79	499
1997	29,764	4,670	367,359,844	2,395,000	314,284	2,080,716	0.57%	70	446
1998	29,764	4,582	401,682,733	2,180,000	377,297	1,802,703	0.45%	61	393
1999	29,764	4,674	406,291,088	1,980,000	368,802	1,611,198	0.40%	54	345
2000	29,764	4,555	405,360,654	1,770,000	374,377	1,395,623	0.34%	47	306
2001	27,844	4,386	439,636,946	1,550,000	307,764	1,242,236	0.28%	45	283
2002	27,844	4,302	450,734,406	1,395,000	274,434	1,120,566	0.25%	40	260
2003	27,844	4,262	450,028,546	1,090,000	166,847	923,153	0.21%	33	217
2004	27,844	4,186	503,357,004	885,000	122,236	762,764	0.15%	27	182
2005	27,844	4,058	511,727,212	695,000	146,035	548,965	0.11%	20	135

Sources:

- (a) County Auditor
- (b) School District Records - State Report OCCD-5
- (c) County Auditor
- (d) General Obligation debt outstanding at end of fiscal year. (School District Records)
- (e) Balance of General Obligation Bond Retirement fund at end of fiscal year.

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

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2005

A. Voted Debt Margin

Assessed Valuation (Tax Year 2004)	\$ 511,727,212
	<u> x .09</u>
Bonded Debt Limit - 9% of Assessed Value (1)	46,055,449
Debt Service Fund Equity	146,035
Amount of Debt Applicable to Debt Limit: Bonded Debt	<u> (695,000)</u>
Voted Debt Margin	<u><u> \$ 45,506,484</u></u>

B. Unvoted Debt Margin

Bonded Debt Limit - 0.10% of Assessed Value (1)	\$ 511,727
Amount of Debt Applicable to Debt Limit:	<u> -</u>
Unvoted Debt Margin	<u><u> \$ 511,727</u></u>

Source Erie County Auditor and School District Financial records.

(1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Note: For purposes of this table, the District's \$1,106,423 interest-free loan from the United States Environmental Protection Agency has been regarded as being exempt from the debt limitation. This 1988 loan was part of a \$1,756,227 asbestos abatement grant/loan award from the E.P.A. The outstanding debt on this loan as of June 30, 2005 was \$153,669.

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

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2005

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:				
Sandusky City School District	\$ 511,727,212	\$ 695,000	100.00%	\$ 695,000
Total Direct	<u>511,727,212</u>	<u>695,000</u>		<u>695,000</u>
Overlapping:				
City of Sandusky (1)	511,727,212	32,710,200	100.00%	32,710,200
Erie County (2)	1,962,314,385	59,747,000	26.08%	15,580,666
Total Overlapping	<u>2,474,041,597</u>	<u>92,457,200</u>		<u>48,290,866</u>
Grand Total Direct and Overlapping	<u>\$ 2,985,768,809</u>	<u>\$ 93,152,200</u>		<u>\$ 48,985,866</u>

(1) Source: City of Sandusky Finance Department. Excludes special assessment debt.

(2) Source: Erie County Auditor. Includes special assessment debt.

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

**RATIO OF ANNUAL GENERAL OBLIGATION DEBT SERVICE
TO GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Debt Service On General Obligation Debt			General Expenditures (1)	Debt Service as Percent of General Expenditures
	Principal	Interest/ Fiscal Charges	Total		
1996	\$ 180,000	\$ 186,030	\$ 366,030	\$ 29,059,489	1.49%
1997	190,000	174,670	364,670	28,772,827	1.55%
1998	215,000	162,033	377,033	30,465,506	1.48%
1999	200,000	148,670	348,670	34,062,312	1.02%
2000	210,000	135,035	345,035	36,251,502	0.95%
2001	220,000	120,575	340,575	39,075,558	0.87%
2002	155,000	107,493	262,493	38,250,927	0.69%
2003	155,000	50,917	205,917	41,991,299	0.49%
2004	205,000	56,070	261,070	42,296,855	0.62%
2005	190,000	35,155	225,155	41,948,112	0.54%

Source: School District Financial records.

(1) Does not include other financing uses

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

NEW CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUE
LAST TEN CALENDAR YEARS

Year	New Construction (1)				Bank Deposits (2)	Assessed Valuation (3)			
	Permits Issued	Commercial/Industrial	Permits Issued	Residential/Agricultural		Real Property	Public Utility	Personal Property	Total Property
1995	96	\$ 13,438,185	584	\$ 4,602,110	\$245,973,000	\$272,559,650	\$ 26,597,930	\$ 56,443,305	\$ 355,600,885
1996	112	13,828,609	605	4,917,967	245,161,000	280,258,110	26,628,240	60,473,494	367,359,844
1997	135	10,170,285	574	4,874,666	268,944,000	311,447,790	28,747,840	61,487,103	401,682,733
1998	102	26,848,146	425	5,124,026	288,494,000	314,363,270	27,572,100	64,355,718	406,291,088
1999	109	34,400,988	491	7,184,258	283,288,000	315,366,380	25,835,010	64,159,264	405,360,654
2000	121	17,186,521	587	7,336,081	279,070,000	347,783,620	26,331,920	65,521,406	439,636,946
2001	206	28,269,740	1,063	8,121,450	298,753,000	354,750,740	19,941,130	76,042,536	450,734,406
2002	136	24,611,714	438	6,323,118	434,807,000	359,597,110	19,913,150	70,518,286	450,028,546
2003	139	15,116,918	278	6,358,300	405,863,000	419,250,650	19,831,320	64,275,034	503,357,004
2004	137	30,400,109	355	9,358,763	389,029,000	422,040,450	18,953,270	70,733,492	511,727,212

(1) Source: City of Sandusky Building Department

(2) Source: Federal Deposit Insurance Corp. and Federal Savings and Loan Insurance Corp. Amounts shown reflect total deposits for Erie County.

(3) Assessed Value From Table 4

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

MAJOR TAXPAYERS
2004 TAX YEAR

PERSONAL PROPERTY		
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Cedar Fair, L.P.	\$ 22,512,530	25.76%
Sandusky International, Inc.	4,861,630	5.56%
FMC Foodtech, Inc.	4,371,970	5.00%
Fort James Operating Co.	4,306,490	4.93%
Sandusky Limited	3,232,350	3.70%
U.S. Tsubaki, Inc.	2,421,490	2.77%
Industrial Nut Corporation	1,355,970	1.55%
Thakar Aluminum	868,070	0.99%
Consolidated Bisquit	829,750	0.95%
Glidden Co.	708,507	0.81%
Total Top Ten Taxpayers	<u>\$ 45,468,757</u>	<u>52.03%</u>
Total Assessed Valuation	\$ 87,388,072	

REAL PROPERTY		
<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Cedar Fair, L.P.	\$ 37,750,970	8.90%
S & S Realty Ltd.	3,965,500	0.93%
Norfolk & Western Railroad	3,303,500	0.78%
Fort James Operating Co.	2,343,600	0.55%
Sandusky International, Inc.	2,177,430	0.51%
Sandusky Limited	1,834,440	0.43%
MHD Corporation	1,671,430	0.39%
FMC Foodtech, Inc. (Stein)	1,029,590	0.24%
Hoty Marine Group LLC	948,520	0.22%
Sandusco, Inc.	889,030	0.21%
Total Top Ten Taxpayers	<u>\$ 55,914,010</u>	<u>13.18%</u>
Total Assessed Valuation	\$ 424,339,140	

Source: Erie County Auditor

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

ATTENDANCE DATA
LAST TEN SCHOOL YEARS

School Year Ended	Number of Graduates	Average Daily Membership	Average Daily Attendance	% Incr./ (Decr.) in ADM From Prior Year	Attendance as % of Avg. Daily Membership
1996	222	4,701	4,291	0.73%	91.28%
1997	226	4,670	4,398	-0.66%	94.18%
1998	224	4,582	4,026	-1.88%	87.87%
1999	236	4,674	4,410	2.01%	94.35%
2000	290	4,555	4,499	-2.55%	98.77%
2001	230	4,386	4,022	-3.71%	91.70%
2002	226	4,302	4,045	-1.92%	94.03%
2003	220	4,262	4,019	-0.93%	94.30%
2004	226	4,186	4,087	-1.78%	97.63%
2005	235	4,058	3,908	-3.06%	96.30%

Source: EMIS District Summary Report

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

SCHOOL DISTRICT EMPLOYEES
(FULL AND PART TIME)
AS OF JUNE 30, 2005

I. Certificated Staff by Training and Experience

Years of Experience	Non-Deg	B.A.	B.A.+12	B.A.+24	M.A.	M.A.+12	M.A.+24	Total
0 - 5	0	36	14	4	21	1	1	77
6 - 10	0	7	15	9	28	9	1	69
11 - 15	0	2	11	6	21	10	4	54
16 - 20	0	2	1	18	11	6	8	46
21 - 25	0	2	2	17	6	4	11	42
26 - 30	0	1	4	16	9	2	10	42
31+	0	0	0	5	4	4	5	18
Total Certificated S	0	50	47	75	100	36	40	348

II. Classified Staff

Office Workers	32
Custodial/Maintenance	43
Cafeteria	38
Bus Drivers	26
Bus Aides	6
Teacher Aides	24
Library Aides	8
Total Classified Staff	<u>177</u>

III. Adult Education

Adult Education Instructors	8
Total Adult Education Instructors	<u>8</u>

IV. Administration

Certificated:		Non-Certificated:	
Superintendent	1	Treasurer	1
Assistant Superintendent	1	Assistant Treasurer	1
Directors/Coordinators	5	Executive Assistant	1
Principals	11	Coordinators/Supervisors	4
Assistant Principals	4	Total Non-Certificated	<u>7</u>
Athletic Director	1		
Total Certificated	<u>23</u>		

Total School Employees 563

Source: School District Personnel Records

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

SCHEDULE OF PROPERTY AND CASUALTY INSURANCE
AS OF JUNE 30, 2005

Company Policy Number	Policy Period	Coverage	Limits of Coverage	Deductible	Annual Premium
Indiana Insurance Co. CBP9567856	7/01/2004 to 6/30/2005	General Liability Each Occurrence Aggregate	\$1,000,000 \$2,000,000	\$1,000	\$27,615
Indiana Insurance Co. BA9561857	7/01/2004 to 6/30/2005	Fleet	\$1,000,000	Comprehensive: \$250 Collision: \$500	\$37,245
Indiana Insurance Co. CU9683187	7/01/2004 to 6/30/2005	Umbrella Liability & Fleet	\$3,000,000	\$10,000	\$14,996
Indiana Insurance Co. CBP9567856	7/01/2004 to 6/30/2005	Building & Contents Property, Crime, Inland Marine	\$79,068,478	\$10,000	\$73,393

Source: School District Records



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

SANDUSKY CITY SCHOOL DISTRICT

ERIE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 14, 2006**