

# **Comprehensive Annual Financial Report**

**for the year ended June 30, 2013**



**Sandusky City Schools  
Erie County, Ohio**





# Dave Yost • Auditor of State

Board of Education  
Sandusky City School District  
407 Decatur Street  
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of the Sandusky City School District, Erie County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

February 4, 2014

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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# INTRODUCTORY SECTION

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# *Sandusky City Schools*

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

*Kevin D. Robertson, CPA*  
Treasurer/CFO

December 13, 2013

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, 2013 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

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

As a part of the District’s independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District’s independent audit for the fiscal year ended June 30, 2013 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

## **PROFILE OF SANDUSKY CITY SCHOOL DISTRICT**

The District ranks as 129th largest by total enrollment among the 612 public school districts in the state and is the largest in Erie County. As of the current school year (2012-13), the average daily membership (ADM) was 3,855 students. Most of these students attend one of the District's seven schools. District enrollment is expected to remain steady over the next several years.

The District has 442 full and part time employees. The District employs 258 certified staff members and 26 administrators. Additionally, the District employs 5 full-time adult education instructors and 153 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 nearly 200 adults each year in degree programs. The District provides extensive special education services and offers a kindergarten through twelfth grade accelerated and gifted program. All District kindergarten students attend all-day, everyday kindergarten classes and benefit from a full day of instruction.

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

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

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

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

### ***Overlapping Governmental Entities***

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

1. A portion (23.45%) 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 (2012-13 school year) for a teacher with a bachelor's degree is \$35,516, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$75,959.

The District's certificated employees, excluding administration, are members of the Sandusky Education Association (S.E.A.), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the S.E.A. expires August 31, 2014.

All of the District's support staff employees, including secretarial, custodial, maintenance, transportation, and teacher aides, are represented for bargaining purposes by the Sandusky Non-Teaching Employees Association (S.N.T.E.A.), a labor organization affiliated with the Ohio Education Association. The current S.N.T.E.A. contract expires June 30, 2014.

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

### ***Parochial Schools***

The District acts as fiscal agent for state funds distributed to parochial schools, with revenue reported in special revenue funds. The Early Childhood Center (Kindergarten Readiness and Preschool), St. Mary Elementary and Jr. High School (K-8) and St. Mary's Central Catholic High School (9-12) are all reported as a single entity under one IRN, are all located within the District and serve students who reside both inside and outside the District. As of June, 2013, approximately 54% of the students reside within the District. Total enrollment as for fiscal year 2012-2013 was 524 which represented 282 students who reside in Sandusky City Schools attendance area and 242 students who reside in other district's attendance areas.

### ***Budgetary Controls***

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

Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in the Notes to the Required Supplementary Information.

## **ECONOMIC CONDITION**

### ***Local Economy***

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

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

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

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

Within commuting distance of the District are numerous public and private two and four-year colleges and universities including Bowling Green State University Firelands Campus, Ashland University, Cleveland State University, Toledo University, Bowling Green State University, Terra Community College, and Lorain

Community College. Bowling Green State University, Terra Community College and Owens Community College utilize District facilities and staff for course offerings to area residents and students.

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

The local economy has been in a gradual decline for several years. A number of businesses have closed or left Sandusky, taking with them a significant number of manufacturing jobs. The City's unemployment rate in June of 2013 was 6.6%, compared with state and national unemployment rates of 7.2% and 8.1% respectively.

As further evidence of a struggling economy in Sandusky, according to the U.S. Census Bureau the median family income in the City was \$44,694 in the year 2012, compared with \$46,829 and \$51,371 state and national averages, respectively. Additionally, the median home value in Sandusky in 2000 was \$75,400, compared with \$103,700 and \$119,600 median home values in the state and the nation, respectively.

### ***Long-Term Financial Planning***

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

The District regularly updates the five-year forecast for use as a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in improvements in the District's financial condition include the approval of a 4.9 mill operating levy in 2012, the closure of school buildings due to decreased enrollment which has resulted in the net reduction of paid staff positions, the combination of 7<sup>th</sup> and 8<sup>th</sup> grade students into one building, the successful replacement of a 2.0 mill permanent improvement levy in 2009 and the successful renewal of a five-year, \$1.5 million emergency levy in 2008.

The District continues to monitor its finances, planning for long-term viability and financial responsibility, but the uncertainty of state funding due to consistent changes in the state funding formula and current funding for open enrollment, community and non-public schools, especially scholarship funding, creates a situation where the state funding for the future is unknown and future planning becomes reactionary based on the direction of state policy and legislation.



### ***Major Initiatives for the Year***

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

The District continued to invest in technology in the 2012-13 school year. Completed upgrades in technology include initial implementation of our virtual desktop initiative and continue replacement of computers. The interactive SMART Board project was completed during the 2007-08 school year and the District now has SMART Boards installed in every classroom throughout the school system, the 2011-12 school year saw additions, upgrades and replacement of hardware associated with this initiative. In addition, the District maintains a minimum of four up to date computers in every classroom for grades K-8 as well as numerous computer labs though-out every District school building. During the 2011-2012 school year, the District made a major commitment to new technology with the purchase of 420 iPads and the installation of wireless technology in all District buildings. The District employs a director of network technology, one computer technician, and an instructional technology facilitator to provide support to District staff. In addition, the District contracts for additional technician services as necessary.

For the 2011-2012 school year, the Sandusky City School District unveiled its latest drop-out prevention/student retention program, the COMPASS Academy. Initial enrollment at the Academy was well over 100 students and that figure remained steady for the 2012-2013 school year.

Additionally, the District is becoming more engaged in communications with the Ohio School Facilities Commission and is moving in the direction of developing a master facility plan which will help guide our district many years into the future. Current funding proposals for an Ohio School Facilities project include 54% funding from the State of Ohio.

### ***Major Initiatives for the Future***

The District will continue to upgrade all areas of technology in the 2013-14 school year and beyond. Plans include the replacement of computer software and hardware annually as well as the transition to network based terminal work-stations, continued expansion of the iPad initiative, expansion of back-up and redundancy ability, as well as providing all staff with regularly scheduled in-service training in technology. The District is also moving forward with plans to expand student access to the District network.

The Sandusky City School District will launch its Regional Center for Advanced Academic Studies (RCAAS) for the 2013-2014 school year. The RCAAS will initially be housed in the Jackson Jr. High building and will be geared toward providing advanced educational opportunities for students identified as gifted.

The District has instituted a rolling open-enrollment time frame policy and intends to expand awareness of the positive academic programs offered by the District.

### **RELEVANT FINANCIAL POLICIES**

In 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill was a slight increase in state funding for the District for both fiscal years 2011-12 and 2012-13. The Governor had indicated that he will prepare a new school funding model for Ohio school districts for fiscal year 2012-13. In late June 2013, the state legislature passed SB 59 which included a revised state formula for funding public school

districts. We are now in the early stages of implementation of the new funding formula and the Sandusky City School District appears to benefit from many of the changes that have been adopted, including Economic Disadvantaged Funding and Targeted Assistance Funding. Unfortunately, the legislatures continued emphasis on funding for Charter and Community Schools, as well as its failure to rectify the transfer of local tax dollars with open enrollment students, is continuing to transfer financial resources intended for Sandusky City Schools to outside agencies.

## **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, 2012. 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, 2012. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The Auditor of State, Dave Yost, awarded the Sandusky City Schools the "Auditor of State Award with Distinction" for FY 2012 for its annual CAFR, timely financial reports in accordance with GAAP and its annual audit report containing no findings for recovery, no material citations, no material weaknesses, no significant deficiencies, no Single Audit findings and no questioned costs.

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

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

Sincerely,



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Kevin D. Robertson, Treasurer



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Eugene T.W. Sanders, Superintendent

**SANDUSKY CITY SCHOOL DISTRICT  
 ERIE COUNTY, OHIO  
 LIST OF PRINCIPAL OFFICERS  
 JUNE 30, 2013**

| <b>Name</b>               | <b>Board of Education<br/>Began Service<br/>as a Board Member<br/>January 1</b> | <b>Present Term<br/>Expires<br/>December 31</b> | <b>Vocation<br/>in Private<br/>Life</b> |
|---------------------------|---|---|---|
| Mrs. Faith Denslow**      | 2004+   | 2013  | Homemaker                               |
| Mr. Jeff Krabill *        | 2008  | 2015  | Self Employed                           |
| Mrs. Martha Murray        | 2012  | 2015  | Homemaker                               |
| Mrs. Kate Vargo           | 2012+   | 2015  | Pharm. Rep.                             |
| Brigitte Green-Churchwell | 2013+   | 2013  | Instructor/BGSU                         |

\*\* President

\* Vice President

+ Appointed to fill unexpired term due to a resignation.

**Superintendent**

Dr. Eugene T.W. Sanders

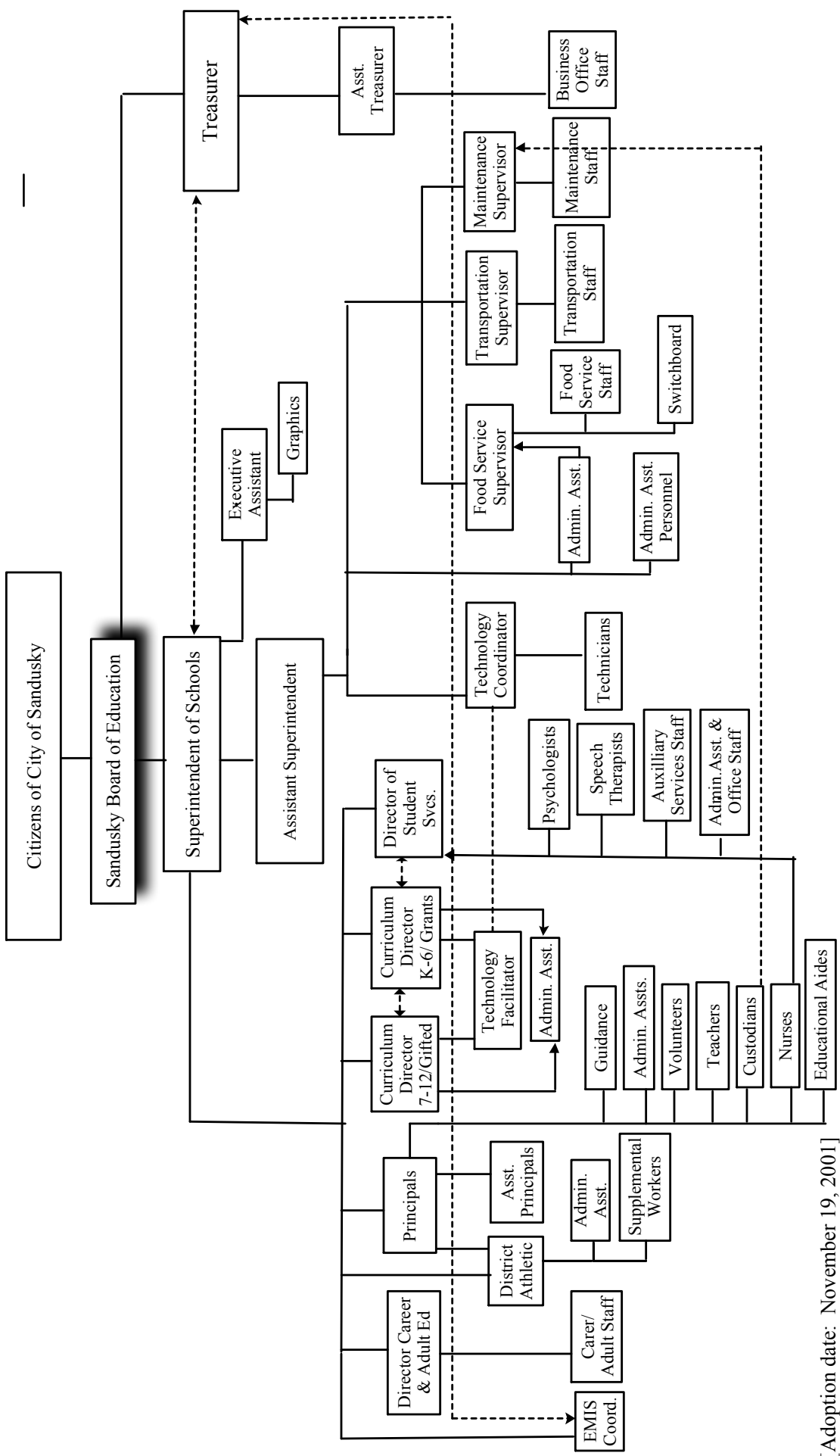
**Treasurer/CFO**

Mr. Kevin D. Robertson, CPA

**Central Office Administrative Staff**

Mr. Dennis Muratori  
 Mrs. Julie McDonald  
 Dr. Sally Roth  
 Mr. Keith Brown  
 Mrs. Nancy Zechman  
 Mrs. Sabrina Scott  
 Mrs. Claire Grantier  
 Mr. Brett Kluiber  
 Mrs. Faith Palmucci  
 Mr. Tom Freitas  
 Mr. Ted Peters  
 Mr. Kevin Toms

Chief of Staff/Transformation Officer  
 Chief Academic Officer  
 Curriculum Director  
 Assistant Treasurer  
 Director of Adult & Vocational Education  
 Director of Student Services  
 Instructional Technology Facilitator  
 Coordinator of Network Technology  
 Administrative Assistant  
 Food Services Supervisor  
 Transportation Supervisor  
 Supervisor of Building Services



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

CROSS REF.: CCB, Staff Relations and Lines of Authority  
 Sandusky City School District, Sandusky, Ohio



Government Finance Officers Association

**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, 2012**

Executive Director/CEO

# Association of School Business Officials International



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

## Sandusky City School District, Ohio

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in black ink, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

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# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Sandusky City School District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–10 and pages 48–50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*  
Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
December 13, 2013

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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The discussion and analysis of Sandusky City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

### **Financial Highlights**

Key financial highlights for 2013 are as follows:

- Net position of governmental activities increased \$1,198,999 which represents a 12.6% increase from 2012.
- General revenues accounted for \$38,205,689 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$10,283,872 or 21% of total revenues of \$48,489,561 .
- The District had \$47,290,562 in expenses related to governmental activities; \$10,283,872 of these expenses were offset by program specific charges for services and grants or contributions. General revenues of \$38,205,689 were also used to provide for these programs.

### **Overview of the Financial Statements**

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

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

### **Government-wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2013?" The Government-wide Financial Statements answers this question. These statements include *all assets and liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds begins on the balance sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

**Proprietary Fund** The District maintains one proprietary internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self insurance of the District's medical, dental and vision benefits.

**Fiduciary Funds** Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

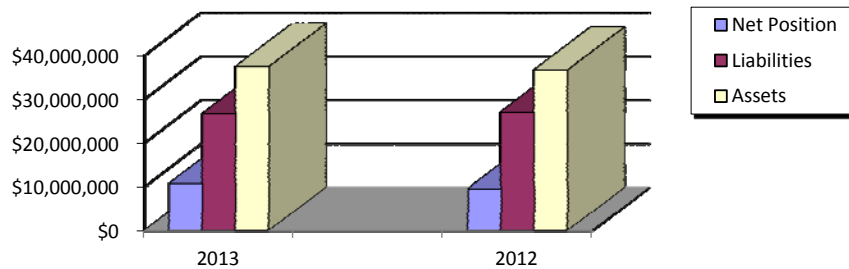
**The District as a Whole**

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for fiscal year 2013 compared to fiscal year 2012:

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
(Unaudited)

**Table 1**  
**Net Position**

|                                  | Governmental Activities |                    |
|----------------------------------|-------------------------|--------------------|
|                                  | 2013                    | 2012               |
| Assets:                          |                         |                    |
| Current and Other Assets         | \$27,143,172            | \$27,638,681       |
| Capital Assets                   | 10,280,025              | 9,009,791          |
| <b>Total Assets</b>              | <b>37,423,197</b>       | <b>36,648,472</b>  |
| Liabilities:                     |                         |                    |
| Other Liabilities                | 22,425,609              | 21,757,331         |
| Long-Term Liabilities            | 4,253,371               | 5,345,923          |
| <b>Total Liabilities</b>         | <b>26,678,980</b>       | <b>27,103,254</b>  |
| Net Position:                    |                         |                    |
| Net Investment in Capital Assets | 9,650,349               | 8,095,561          |
| Restricted                       | 1,306,846               | 1,712,923          |
| Unrestricted                     | (212,978)               | (263,266)          |
| <b>Total Net Position</b>        | <b>\$10,744,217</b>     | <b>\$9,545,218</b> |



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the District's assets exceeded liabilities by \$10,744,217.

At year-end, capital assets represented 27% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2013, was \$9,650,349. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$1,306,846 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
(Unaudited)

Total assets increased from fiscal year 2012 to fiscal year 2013 mainly because an increase in capital assets and taxes receivable. Other Liabilities increased mainly due to an increase in unearned revenue which was mainly due to an increase in tax receivable as a result of an increase in tax advances available.

Table 2 shows the changes in net position for fiscal years 2013 and 2012.

**Table 2**  
**Changes in Net Position**

|   | Governmental Activities    |                           |
|---|----------------------------|---------------------------|
|   | 2013                       | 2012                      |
| Revenues:   |                            |                           |
| Program Revenues  |                            |                           |
| Charges for Services and Sales                              | \$1,871,892                | \$1,692,431               |
| Operating Grants and Contributions                          | 8,411,980                  | 9,296,132                 |
| General Revenues  |                            |                           |
| Property Taxes  | 19,043,359                 | 17,662,820                |
| Grants and Entitlements not Restricted to Specific Programs | 18,356,668                 | 19,187,047                |
| Other   | 805,662                    | 598,470                   |
| Total Revenues  | <u>48,489,561</u>          | <u>48,436,900</u>         |
| Program Expenses  |                            |                           |
| Instruction   | 30,355,691                 | 32,320,969                |
| Support Services:   |                            |                           |
| Pupil and Instructional Staff                               | 4,726,627                  | 4,796,871                 |
| School Administrative, General                              |                            |                           |
| Administration, Fiscal and Business                         | 3,673,127                  | 3,969,144                 |
| Operations and Maintenance                                  | 2,590,459                  | 3,280,303                 |
| Pupil Transportation  | 1,362,330                  | 1,918,458                 |
| Central   | 806,153                    | 1,330,662                 |
| Operation of Non-Instructional Services                     | 2,732,734                  | 2,855,443                 |
| Extracurricular Activities                                  | 974,228                    | 1,065,669                 |
| Interest and Fiscal Charges                                 | 69,213                     | 49,997                    |
| Total Program Expenses                                      | <u>47,290,562</u>          | <u>51,587,516</u>         |
| Change in Net Position                                      | 1,198,999                  | (3,150,616)               |
| Net Position - Beginning of Year                            | <u>9,545,218</u>           | <u>12,695,834</u>         |
| Net Position - End of Year                                  | <u><u>\$10,744,217</u></u> | <u><u>\$9,545,218</u></u> |

**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
(Unaudited)

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Of the total governmental activities revenues of \$48,489,561, \$10,283,872 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$19,043,359 (50%) comes from property tax levies and \$18,356,668 (48%) is from state funding. This District’s operations are reliant upon its property tax levy and the state’s foundation program.

The District revenues are mainly from two sources. Property taxes levied for general and capital projects purposes and grants and entitlements comprised 77% of the District’s revenues for governmental activities.

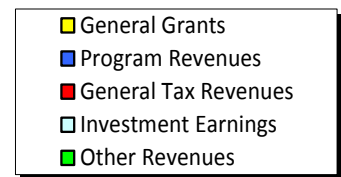
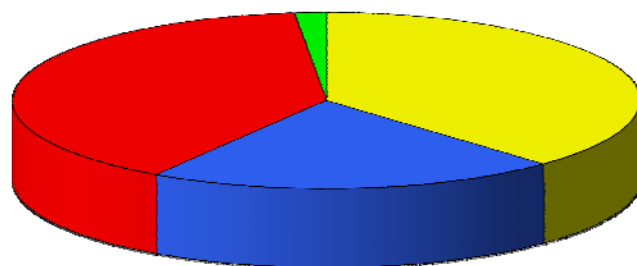
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, Ohio districts do not collect additional property tax revenue on the increased value of homes that is due to appreciation and must regularly return to the voters to maintain a constant level of service. Property taxes made up 39% of revenue for governmental activities for the District in fiscal year 2013.

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

---

| Revenues              | 2013         | Percentage |
|-----------------------|--------------|------------|
| General Grants        | \$18,356,668 | 37.9%      |
| Program Revenues      | 10,283,872   | 21.2%      |
| General Tax Revenues  | 19,043,359   | 39.3%      |
| Investment Earnings   | 9,650        | 0.0%       |
| Other Revenues        | 796,012      | 1.6%       |
| Total Revenue Sources | \$48,489,561 | 100.0%     |



**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
(Unaudited)

Instruction comprises 64.2% of governmental program expenses. Support services expenses were 27.8% of governmental program expenses. All other program expenses including interest expense were 8.0%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Expenses decreased from 2012 to 2013 mainly due to the District decreasing their instructional expenses in 2013 when compared to 2012. Revenues remained consistent in fiscal year 2013 as compared to fiscal year 2012.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Governmental Activities**

|   | Total Cost of Services |                     | Net Cost of Services  |                       |
|---|------------------------|---------------------|-----------------------|-----------------------|
|   | 2013                   | 2012                | 2013                  | 2012                  |
| Instruction                             | \$30,355,691           | \$32,320,969        | (\$24,430,867)        | (\$25,791,877)        |
| Support Services:                       |                        |                     |                       |                       |
| Pupil and Instructional Staff           | 4,726,627              | 4,796,871           | (3,756,757)           | (3,881,317)           |
| School Administrative, General          |                        |                     |                       |                       |
| Administration, Fiscal and Business     | 3,673,127              | 3,969,144           | (3,455,949)           | (3,719,803)           |
| Operations and Maintenance              | 2,590,459              | 3,280,303           | (2,522,831)           | (3,259,958)           |
| Pupil Transportation                    | 1,362,330              | 1,918,458           | (1,214,653)           | (1,750,478)           |
| Central                                 | 806,153                | 1,330,662           | (793,553)             | (1,279,010)           |
| Operation of Non-Instructional Services | 2,732,734              | 2,855,443           | 7,784                 | (59,669)              |
| Extracurricular Activities              | 974,228                | 1,065,669           | (770,651)             | (806,844)             |
| Interest and Fiscal Charges             | 69,213                 | 49,997              | (69,213)              | (49,997)              |
| Total Expenses                          | <u>\$47,290,562</u>    | <u>\$51,587,516</u> | <u>(\$37,006,690)</u> | <u>(\$40,598,953)</u> |

**The District’s Funds**

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$22,429,086 (89%) of the total \$25,194,729 governmental funds’ assets.

**General Fund:** Fund balance at June 30, 2013 was (\$700,000), an increase in fund balance of \$256,058 from 2012. The primary reason for the increase in fund balance was the District having an increase in property taxes received and tuition and fees when compared to 2012.

**General Fund Budgeting Highlights**

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



**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
(Unaudited)

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During the course of fiscal year 2013, the District amended its general fund budget at times, however none were significant. The District’s budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the final budgeted revenue was \$39,647,643 and the original budgeted revenue was \$38,273,519. The difference was \$1,374,124. Of this difference, most was due to underestimates of tax and intergovernmental revenue.

The District’s ending unobligated actual fund balance for the General fund was \$775,247.

**Capital Assets and Long-Term Obligations**

**Capital Assets**

At the fiscal year end, the District had \$10,280,025 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2013 balances compared to fiscal year 2012:

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

---

|                            | Governmental Activities |                    |
|----------------------------|-------------------------|--------------------|
|                            | 2013                    | 2012               |
| Land                       | \$2,485,551             | \$1,928,926        |
| Land Improvements          | 208,859                 | 223,459            |
| Buildings and Improvements | 5,647,824               | 4,860,063          |
| Furniture and Equipment    | 1,130,693               | 1,221,147          |
| Vehicles                   | 807,098                 | 776,196            |
| Total Net Capital Assets   | <u>\$10,280,025</u>     | <u>\$9,009,791</u> |

Overall, capital assets decreased due to current fiscal year depreciation plus deletions being greater than current fiscal year additions.

See Note 8 in the notes to the basic financial statements for further details on the District’s capital assets.

**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
(Unaudited)

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***Long-Term Obligations***

At June 30, 2013, the District had \$629,676 in capital leases outstanding, \$240,057 due within one year. Table 5 summarizes bonds outstanding.

**Table 5**  
**Outstanding Debt at Year End**

---

|                | Governmental Activities |           |
|----------------|-------------------------|-----------|
|                | 2013                    | 2012      |
| Capital Leases | \$629,676               | \$914,230 |

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

**For the Future**

On June 30, 2013, Governor John Kasich signed House Bill 59, the state biennium budget bill for fiscal years 2014 and 2015. The budget bill limits the total increased funding that will be provided to public school districts to 6.25 percent in fiscal year 2014 and 10.5 percent in fiscal year 2015, both of which impact the Sandusky City School District. Coupled with the funding gain limits, House Bill 59 also introduced new spending mandates and increased deductions from public school districts to fund charter and non-public options. These funding limits, spending mandates and deduction increases all have to be taken into account in monitoring the operation of the Sandusky City School District and future decisions on pursuing additional revenue or expenditure reductions.

The Erie County reappraisal was completed in calendar year 2012 and the impact of the anticipated valuation reduction was felt starting in fiscal year 2013. For the Sandusky City School District, the impact of the valuation reduction was mitigated by the effect of the rollback of property tax millage and the passage of a continuing 4.9 mill operating levy in November 2012 resulting in a net increase in total property tax revenues for fiscal year 2013. In recent history, new construction in the Sandusky City School District has not played a major role in taxable valuations with the District relying on increased valuations coupled with inside millage to produce any growth in property taxes, along with the passage of new levies.

The Sandusky City School District currently has a \$1.5 million emergency levy that is due to expire at the end of calendar year 2014 that will need to be renewed by the November 2014 election in order to continue uninterrupted collection of these monies that are vital to the continued operation of the school district.

**Contacting the District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer, Kevin Robertson, CPA at [krobertson@scs-k12.net](mailto:krobertson@scs-k12.net), (419) 984-1005 or, Sandusky City School District, 407 Decatur Street, Sandusky, Ohio 44870.

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Sandusky City School District, Ohio  
Statement of Net Position  
June 30, 2013

|                                       | Governmental<br>Activities |
|---------------------------------------|----------------------------|
| Assets:                               |                            |
| Equity in Pooled Cash and Investments | \$4,958,684                |
| Receivables:                          |                            |
| Taxes                                 | 21,584,336                 |
| Accounts                              | 151,094                    |
| Interest                              | 14,052                     |
| Intergovernmental                     | 358,336                    |
| Inventory                             | 76,670                     |
| Nondepreciable Capital Assets         | 2,485,551                  |
| Depreciable Capital Assets, Net       | <u>7,794,474</u>           |
| <br>Total Assets                      | <br><u>37,423,197</u>      |
| Liabilities:                          |                            |
| Accounts Payable                      | 631,541                    |
| Accrued Wages and Benefits            | 5,365,844                  |
| Unearned Revenue                      | 15,933,224                 |
| Claims Payable                        | 495,000                    |
| Long-Term Liabilities:                |                            |
| Due Within One Year                   | 1,186,634                  |
| Due In More Than One Year             | <u>3,066,737</u>           |
| <br>Total Liabilities                 | <br><u>26,678,980</u>      |
| Net Position:                         |                            |
| Net Investment in Capital Assets      | 9,650,349                  |
| Restricted for:                       |                            |
| Debt Service                          | 11,895                     |
| Capital Projects                      | 587,157                    |
| Special Trust                         | 278,591                    |
| Perpetual Care:                       |                            |
| Expendable                            | 135,435                    |
| Nonexpendable                         | 10,000                     |
| Other Grants                          | 107,969                    |
| Education Foundation                  | 35,533                     |
| District Managed Student Activities   | 94,767                     |
| State Grants                          | 35,950                     |
| Federal Grants                        | 9,549                      |
| Unrestricted                          | <u>(212,978)</u>           |
| <br>Total Net Position                | <br><u>\$10,744,217</u>    |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2013

|   | Program Revenues    |                                   |                                       | Net (Expense) Revenue<br>and Changes in Net Position |
|---|---------------------|-----------------------------------|---------------------------------------|--|
|   | Expenses            | Charges for<br>Services and Sales | Operating Grants<br>and Contributions | Governmental<br>Activities                           |
| <b>Governmental Activities:</b>         |                     |                                   |                                       |  |
| <b>Instruction:</b>                     |                     |                                   |                                       |  |
| Regular                                 | \$20,721,772        | \$450,423                         | \$79,199                              | (\$20,192,150)                                       |
| Special                                 | 6,998,887           | 200,746                           | 3,616,195                             | (3,181,946)  |
| Vocational                              | 1,292,533           | 0                                 | 366,352                               | (926,181)  |
| Adult/continuing                        | 894,963             | 646,404                           | 561,409                               | 312,850  |
| Other                                   | 447,536             | 0                                 | 4,096                                 | (443,440)  |
| <b>Support Services:</b>                |                     |                                   |                                       |  |
| Pupil                                   | 1,964,202           | 0                                 | 174,358                               | (1,789,844)  |
| Instructional Staff                     | 2,762,425           | 0                                 | 795,512                               | (1,966,913)  |
| General Administration                  | 162,727             | 0                                 | 0                                     | (162,727)  |
| School Administration                   | 2,621,850           | 0                                 | 217,178                               | (2,404,672)  |
| Fiscal                                  | 757,378             | 0                                 | 0                                     | (757,378)  |
| Business                                | 131,172             | 0                                 | 0                                     | (131,172)  |
| Operations and Maintenance              | 2,590,459           | 67,628                            | 0                                     | (2,522,831)  |
| Pupil Transportation                    | 1,362,330           | 0                                 | 147,677                               | (1,214,653)  |
| Central                                 | 806,153             | 0                                 | 12,600                                | (793,553)  |
| Operation of Non-Instructional Services | 2,732,734           | 303,114                           | 2,437,404                             | 7,784  |
| Extracurricular Activities              | 974,228             | 203,577                           | 0                                     | (770,651)  |
| Interest and Fiscal Charges             | 69,213              | 0                                 | 0                                     | (69,213)   |
| <b>Total Governmental Activities</b>    | <b>\$47,290,562</b> | <b>\$1,871,892</b>                | <b>\$8,411,980</b>                    | <b>(37,006,690)</b>                                  |

**General Revenues:**

Property Taxes Levied for:

|   |            |
|---|------------|
| General Purposes  | 18,220,036 |
| Capital Projects Purposes                                   | 823,323    |
| Grants and Entitlements not Restricted to Specific Programs | 18,356,668 |
| Revenue in Lieu of Taxes                                    | 102,072    |
| Unrestricted Contributions                                  | 104,515    |
| Investment Earnings   | 9,650      |
| Other Revenues  | 589,425    |

**Total General Revenues** 38,205,689

Change in Net Position 1,198,999

Net Position - Beginning of Year 9,545,218

Net Position - End of Year \$10,744,217

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2013

|  | General             | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------------------|--------------------------------|
| <b>Assets:</b>                             |                     |                                |                                |
| Equity in Pooled Cash and Investments      | \$1,533,323         | \$1,453,169                    | \$2,986,492                    |
| <b>Receivables:</b>                        |                     |                                |                                |
| Taxes                                      | 20,660,643          | 923,693                        | 21,584,336                     |
| Accounts                                   | 146,830             | 4,264                          | 151,094                        |
| Interest                                   | 0                   | 14,052                         | 14,052                         |
| Intergovernmental                          | 0                   | 358,336                        | 358,336                        |
| Interfund                                  | 23,749              | 0                              | 23,749                         |
| Inventory                                  | 64,541              | 12,129                         | 76,670                         |
| <b>Total Assets</b>                        | <b>22,429,086</b>   | <b>2,765,643</b>               | <b>25,194,729</b>              |
| <b>Liabilities and Fund Balances:</b>      |                     |                                |                                |
| <b>Liabilities:</b>                        |                     |                                |                                |
| Accounts Payable                           | 322,589             | 214,226                        | 536,815                        |
| Accrued Wages and Benefits                 | 4,744,793           | 621,051                        | 5,365,844                      |
| Compensated Absences                       | 597,677             | 38,663                         | 636,340                        |
| Interfund Payable                          | 0                   | 23,749                         | 23,749                         |
| Deferred Revenue                           | 17,464,027          | 797,109                        | 18,261,136                     |
| <b>Total Liabilities</b>                   | <b>23,129,086</b>   | <b>1,694,798</b>               | <b>24,823,884</b>              |
| <b>Fund Balances:</b>                      |                     |                                |                                |
| Nonspendable                               | 64,541              | 22,129                         | 86,670                         |
| Restricted                                 | 0                   | 1,203,970                      | 1,203,970                      |
| Assigned                                   | 1,816,219           | 26,673                         | 1,842,892                      |
| Unassigned                                 | (2,580,760)         | (181,927)                      | (2,762,687)                    |
| <b>Total Fund Balances</b>                 | <b>(700,000)</b>    | <b>1,070,845</b>               | <b>370,845</b>                 |
| <b>Total Liabilities and Fund Balances</b> | <b>\$22,429,086</b> | <b>\$2,765,643</b>             | <b>\$25,194,729</b>            |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2013

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|  |               |                     |
|--|---------------|---------------------|
| Total Governmental Fund Balance  |               | \$370,845           |
| Amounts reported for governmental activities in the statement of net position are different because:   |               |                     |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  |               | 10,280,025          |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.   |               |                     |
| Delinquent Property Taxes  | 2,303,173     |                     |
| Intergovernmental  | <u>24,739</u> |                     |
|  |               | 2,327,912           |
| An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. |               | 1,382,466           |
| Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.                                      |               |                     |
| Compensated Absences   |               | (2,987,355)         |
| Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.  |               | <u>(629,676)</u>    |
| Net Position of Governmental Activities  |               | <u>\$10,744,217</u> |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2013

|   | General            | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>                                    |                    |                                |                                |
| Taxes   | \$18,295,088       | \$845,593                      | \$19,140,681                   |
| Revenue in Lieu of Taxes                            | 102,072            | 0                              | 102,072                        |
| Tuition and Fees                                    | 1,288,703          | 0                              | 1,288,703                      |
| Investment Earnings                                 | 8,755              | 6,837                          | 15,592                         |
| Intergovernmental                                   | 20,968,010         | 5,854,770                      | 26,822,780                     |
| Extracurricular Activities                          | 48,230             | 154,892                        | 203,122                        |
| Charges for Services                                | 74,374             | 308,584                        | 382,958                        |
| Other Revenues                                      | 418,229            | 266,879                        | 685,108                        |
| <b>Total Revenues</b>                               | <b>41,203,461</b>  | <b>7,437,555</b>               | <b>48,641,016</b>              |
| <b>Expenditures:</b>                                |                    |                                |                                |
| <b>Current:</b>                                     |                    |                                |                                |
| <b>Instruction:</b>                                 |                    |                                |                                |
| Regular   | 19,779,346         | 158,934                        | 19,938,280                     |
| Special   | 5,411,738          | 1,640,918                      | 7,052,656                      |
| Vocational  | 1,263,788          | 88,137                         | 1,351,925                      |
| Adult/continuing                                    | 696,789            | 275,595                        | 972,384                        |
| Other   | 357,186            | 3,919                          | 361,105                        |
| <b>Support Services:</b>                            |                    |                                |                                |
| Pupil   | 1,716,558          | 206,255                        | 1,922,813                      |
| Instructional Staff                                 | 2,003,332          | 836,181                        | 2,839,513                      |
| General Administration                              | 162,727            | 0                              | 162,727                        |
| School Administration                               | 2,508,079          | 209,644                        | 2,717,723                      |
| Fiscal  | 744,703            | 17,580                         | 762,283                        |
| Business  | 123,227            | 7,951                          | 131,178                        |
| Operations and Maintenance                          | 2,881,079          | 46,637                         | 2,927,716                      |
| Pupil Transportation                                | 1,416,422          | 161,679                        | 1,578,101                      |
| Central   | 758,190            | 823,761                        | 1,581,951                      |
| Operation of Non-Instructional Services             | 0                  | 2,812,178                      | 2,812,178                      |
| Extracurricular Activities                          | 810,763            | 331,059                        | 1,141,822                      |
| Capital Outlay                                      | 0                  | 273,498                        | 273,498                        |
| <b>Debt Service:</b>                                |                    |                                |                                |
| Principal Retirement                                | 284,554            | 0                              | 284,554                        |
| Interest and Fiscal Charges                         | 69,213             | 0                              | 69,213                         |
| <b>Total Expenditures</b>                           | <b>40,987,694</b>  | <b>7,893,926</b>               | <b>48,881,620</b>              |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>215,767</b>     | <b>(456,371)</b>               | <b>(240,604)</b>               |
| <b>Other Financing Sources (Uses):</b>              |                    |                                |                                |
| Proceeds from Sale of Capital Assets                | 1,010              | 0                              | 1,010                          |
| Transfers In  | 40,000             | 719                            | 40,719                         |
| Transfers (Out)                                     | (719)              | (40,000)                       | (40,719)                       |
| <b>Total Other Financing Sources (Uses)</b>         | <b>40,291</b>      | <b>(39,281)</b>                | <b>1,010</b>                   |
| <b>Net Change in Fund Balance</b>                   | <b>256,058</b>     | <b>(495,652)</b>               | <b>(239,594)</b>               |
| <b>Fund Balance - Beginning of Year</b>             | <b>(956,058)</b>   | <b>1,566,497</b>               | <b>610,439</b>                 |
| <b>Fund Balance - End of Year</b>                   | <b>(\$700,000)</b> | <b>\$1,070,845</b>             | <b>\$370,845</b>               |

See accompanying notes to the basic financial statements.



Sandusky City School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2013

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Net Change in Fund Balance - Total Governmental Funds (\$239,594)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

|  |                  |           |
|--|------------------|-----------|
| Capital assets used in governmental activities | 1,859,179        |           |
| Depreciation Expense                           | <u>(568,903)</u> |           |
|  |                  | 1,290,276 |

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (20,042)

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

|                           |                 |           |
|---------------------------|-----------------|-----------|
| Delinquent Property Taxes | (97,322)        |           |
| Intergovernmental         | <u>(54,133)</u> |           |
|                           |                 | (151,455) |

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 284,554

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                      |  |         |
|----------------------|--|---------|
| Compensated Absences |  | 880,468 |
|----------------------|--|---------|

The internal service fund used by management to charge back costs to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (845,208)

|   |  |                           |
|---|--|---------------------------|
| Change in Net Position of Governmental Activities |  | <u><u>\$1,198,999</u></u> |
|---|--|---------------------------|

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Net Position  
Proprietary Fund  
June 30, 2013

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|                                       | <u>Governmental<br/>Activities-<br/>Internal Service<br/>Fund</u> |
|---------------------------------------|---|
| Assets:                               |   |
| Equity in Pooled Cash and Investments | <u>\$1,972,192</u>  |
| Total Current Assets                  | <u>1,972,192</u>  |
| Liabilities:                          |   |
| Current Liabilities:                  |   |
| Accounts Payable                      | 94,726  |
| Claims Payable                        | <u>495,000</u>  |
| Total Current Liabilities             | <u>589,726</u>  |
| Net Position:                         |   |
| Unrestricted                          | <u>1,382,466</u>  |
| Total Net Position                    | <u><u>\$1,382,466</u></u>   |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2013

|   | <u>Governmental<br/>Activities-<br/>Internal Service<br/>Fund</u> |
|---|---|
| Operating Revenues:                     |   |
| Charges for Services                    | <u>\$5,110,269</u>  |
| Total Operating Revenues                | <u>5,110,269</u>  |
| Operating Expenses:                     |   |
| Contractual Services                    | 5,541,052   |
| Other Expenses                          | <u>418,996</u>  |
| Total Operating Expenses                | <u>5,960,048</u>  |
| Operating Income (Loss)                 | <u>(849,779)</u>  |
| Non-Operating Revenues (Expenses):      |   |
| Investment Earnings                     | <u>4,571</u>  |
| Total Non-Operating Revenues (Expenses) | <u>4,571</u>  |
| Change in Net Position                  | (845,208)   |
| Net Position - Beginning of Year        | <u>2,227,674</u>  |
| Net Position - End of Year              | <u><u>\$1,382,466</u></u>   |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2013

|  | <u>Governmental<br/>Activities-<br/>Internal Service<br/>Fund</u> |
|--|---|
| Cash Flows from Operating Activities:  |   |
| Cash Received from Customers   | \$5,110,269   |
| Cash Payments for Claims   | (5,521,605)   |
| Cash Payments for Other Disbursements  | <u>(418,996)</u>  |
| Net Cash Provided (Used) by Operating Activities   | <u>(830,332)</u>  |
| Cash Flows from Investing Activities:  |   |
| Earnings on Investments  | <u>4,571</u>  |
| Net Cash Provided (Used) by Cash Flows from Investing Activities                                 | <u>4,571</u>  |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (825,761)   |
| Cash and Cash Equivalents Beginning of Year  | <u>2,797,953</u>  |
| Cash and Cash Equivalents End of Year  | <u><u>1,972,192</u></u>   |
| Reconciliation of Operating Income (Loss) to<br>Net Cash Provided (Used) by Operating Activities |   |
| Operating Income (Loss)  | (849,779)   |
| Changes in Assets & Liabilities:   |   |
| Increase (Decrease) in Payables  | 82,447  |
| Increase (Decrease) in Accrued Liabilities   | <u>(63,000)</u>   |
| Net Cash Provided (Used) by Operating Activities   | <u><u>(\$830,332)</u></u>   |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

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|                                       | Private Purpose<br>Trust     | Agency                      |
|---------------------------------------|------------------------------|-----------------------------|
|                                       | <u>                    </u>  | <u>                    </u> |
| Assets:                               |                              |                             |
| Equity in Pooled Cash and Investments | \$7,901,673                  | \$105,092                   |
| Receivables:                          |                              |                             |
| Taxes                                 | <u>                    0</u> | <u>          705,608</u>    |
| Total Assets                          | <u>          7,901,673</u>   | <u>          810,700</u>    |
| Liabilities:                          |                              |                             |
| Accounts Payable                      | 0                            | 2,663                       |
| Other Liabilities                     | <u>                    0</u> | <u>          808,037</u>    |
| Total Liabilities                     | <u>                    0</u> | <u>          \$810,700</u>  |
| Net Position:                         |                              |                             |
| Held in Trust                         | <u>          7,901,673</u>   |                             |
| Total Net Position                    | <u>          \$7,901,673</u> |                             |

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2013

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|                                  | Private Purpose<br>Trust  |
|----------------------------------|---------------------------|
| Additions:                       |                           |
| Donations                        | \$53,988                  |
| Investment Earnings              | 874,792                   |
| Other                            | 16,841                    |
| Total Additions                  | <u>945,621</u>            |
| Deductions:                      |                           |
| Scholarships                     | <u>140,987</u>            |
| Total Deductions                 | <u>140,987</u>            |
| Change in Net Position           | 804,634                   |
| Net Position - Beginning of Year | <u>7,097,039</u>          |
| Net Position - End of Year       | <u><u>\$7,901,673</u></u> |

See accompanying notes to the basic financial statements.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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

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

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

The District ranks as the 129<sup>th</sup> largest by total enrollment among the 612 public school districts in the State. It currently operates 2 pre K-6 elementary schools, 3 K-6 elementary schools, 1 middle school and 1 comprehensive high school. The District employs 158 non-certified employees, 255 certified employees, 5 full-time adult education instructors and 27 administrators, to provide services to approximately 3,800 students in grades pre-K through 12, 164 adult education students and various community groups.

**Note 2 - Summary of Significant Accounting Policies**

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The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental type activity and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following organizations are described due to their relationship to the District:

Tri-Rivers Educational Computer Association (TRECA) – The District participated in TRECA, a computer consortium. TRECA is an Information Technology Center (ITC) Site (formerly known as a Data Acquisition Site or DA Site) - a consortium of 36 Ohio School Districts located primarily in Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot counties. They provide software, hardware, staff development, and technology integration support for member schools. As one of 20+ ITC-sites around the state, they are a member of the Ohio Education Computer Network (OECN) which provides fiscal, support, and student services statewide to Ohio's school districts. Beyond these core services, TRECA also provides additional services to member schools and contracted institutions. In addition, TRECA is the home of the TRECA Digital Academy, an online digital K-12 community school. The TRECA Board of Directors consists of representatives from participating school districts. The District paid \$40,408 to TRECA in fiscal year 2013 for services provided. Financial information can be obtained from Scott Armstrong, Chief Financial Officer, 100 Executive Drive, Marion, OH 43302.

**Related Organization**

Sandusky Public Library – The Sandusky Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Sandusky Public Library at 114 W. Adams Street, Sandusky, Ohio 44870.



**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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**Public Entity Risk Pool**

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

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

**Fund Accounting**

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

**Governmental Funds**

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

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

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

**Proprietary Funds**

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District has no enterprise funds. The following is a description of the District's internal service fund:

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

## **Fiduciary Funds**

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

## **Basis of Presentation**

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

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

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

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

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the proprietary fund are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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

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

**Basis of Accounting**

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

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

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

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

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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Unearned Revenue and Deferred Revenue – Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2013 are recorded as deferred revenue in the governmental funds.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**Equity in Pooled Cash and Investments**

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

During fiscal year 2013, investments were limited to shares of common stock, corporate bonds and money market funds.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and non-negotiable certificates of deposit, are reported at cost.

The District had no invested funds in STAR Ohio during fiscal year 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2013.

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 2013 amounted to \$8,755, \$6,837 credited to other governmental funds and \$4,571 credited to the internal service fund.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with gifts of stock to its private-purpose trust fund. No public funds were used to acquire the stock. At the time the common stock was endowed to the District its value was \$3,780,703. The amount of common stock available for expenditure is reported in net position available in trust for scholarships on the statement of fiduciary net position. A committee has been created to authorize the spending of the investment income.

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

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

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**Capital Assets**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

| <u>Description</u>       | <u>Estimates Lives</u> |
|--------------------------|------------------------|
| Land Improvements        | 20 years               |
| Buildings & Improvements | 25 - 50 years          |
| Furniture & Equipment    | 5 - 20 years           |
| Vehicles                 | 6 - 10 years           |

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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**Interfund Activity**

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

**Compensated Absences**

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

In accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on a policy whereby an employee who was hired prior to July 1, 2004 is compensated upon retirement for the greater of (1) sixty five (65) days of sick leave pay regardless of the employee's sick leave balance, or (2) 25% of accrued but unused sick leave up to a maximum of 75 days, plus 10% of all unused sick leave over 300 days. Employees hired on or after July 1, 2004 are eligible for sick leave pay only as in (2) above. This liability exists for employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future and is reported as a component of "future retirement obligation" in the basic financial statements.

The District has entered into a First Opportunity Retirement Incentive (FORI) whereby, upon election, an employee reaching their first year of retirement eligibility (with a minimum age of 60 years or 30 or more years of service) is entitled to receive an additional 30 days of sick leave pay or 12% of their unused sick leave balance, whichever is greater. The corresponding liability for the FORI has been recorded for employees who have elected to retire under the terms of the FORI and is reported as a component of "future retirement obligation" in the governmental fund balance sheet and as a component of long-term liabilities in the statement of net position. Amounts for FORI represent liabilities at June 30, 2013 on the fund financial statements.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2013 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**Accrued Liabilities and Long-Term Obligations**

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

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

**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education. Formal action (resolution) by the Board of Education is needed to establish, modify, or rescind resources.

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

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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**Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents the amount restricted for special trust funds established to support District programs.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$1,306,846 in restricted net position, none were restricted by enabling legislation.

**Parochial Schools**

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

**Estimates**

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

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating.

**Note 3 - Accountability**

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Fund balances at June 30, 2013 included the following individual fund deficits:

| Fund                      | Deficit   |
|---------------------------|-----------|
| General                   | \$700,000 |
| Other Governmental Funds: |           |
| Improving Teacher Quality | 1,231     |
| Food Service              | 162,746   |
| Title I                   | 5,821     |

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.



**Note 4 – Equity in Pooled Cash and Investments**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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

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

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

**Deposits with Financial Institutions**

As of June 30, 2013, \$825,065 of the District's bank balance of \$8,976,497 was covered by the FDIC.

**Investments**

As of June 30, 2013, the District had the following investments and maturities:

|                                     | <u>Fair Value</u>         | <u>Weighted Average<br/>Maturity (Years)</u> |
|-------------------------------------|---------------------------|--|
| Money Market Funds                  | \$253,907                 | 0.00   |
| Corporate Bonds                     | 23,812                    | 5.26   |
| Stock                               | <u>3,780,803</u>          | 0.00   |
|                                     | <u><u>\$4,058,522</u></u> |  |
| Portfolio Weighted Average Maturity |                           | 0.03   |

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

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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*Credit Risk:* The District's stocks were rated ranging from AA- to D, Aa3 to C and AA to C by Standard & Poor's, Moody's Investor Services and Fitch Ratings, respectively. The District's corporate bonds were rated BB- and CCC by Moody's Investor Services and were rated Ba2 and Ca by Standard & Poor's. Money Market Funds were not rated. The District has no investment policy that would further limit its investment choices.

*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, 2013:

|                    | <u>Fair Value</u>  | <u>% of Total</u> |
|--------------------|--------------------|-------------------|
| Money Market Funds | \$253,907          | 6.26%             |
| Corporate Bonds    | 23,812             | 0.59%             |
| Stock              | <u>3,780,803</u>   | <u>93.15%</u>     |
|                    | <u>\$4,058,522</u> | <u>100.00%</u>    |

**Note 5 - Interfund Transactions**

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Interfund transactions at June 30, 2013, consisted of the following interfund receivables, interfund payables, transfers in and transfers out:

|                          | Interfund         |                 | Transfers       |                 |
|--------------------------|-------------------|-----------------|-----------------|-----------------|
|                          | <u>Receivable</u> | <u>Payable</u>  | <u>In</u>       | <u>Out</u>      |
| General Fund             | \$23,749          | \$0             | \$40,000 *      | \$719           |
| Other Governmental Funds | <u>0</u>          | <u>23,749</u>   | <u>719</u>      | <u>40,000 *</u> |
| Total All Funds          | <u>\$23,749</u>   | <u>\$23,749</u> | <u>\$40,719</u> | <u>\$40,719</u> |

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

\*Sidney Frohman Planetary Trust assets are accounted for in the Special Trust Fund. A transfer was made in accordance with the Trust from the Special Trust Fund to the General Fund to cover operating expenses related to the Sidney Frohman Planetarium.

**Note 6 - Property Taxes**

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Real property taxes collected in 2013 were levied after April 1, 2012 on the assessed values as of January 1, 2012, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year. The most recent re-evaluation was completed in 2012.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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Public utility personal property taxes received in calendar year 2013 were levied after April 1, 2012, on the value as of December 31, 2011. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. In 2013, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2013. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2013 on the fund statements. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2013, was \$3,196,616 for General Fund and \$151,323 for Other Governmental Funds and is recognized as revenue.

The assessed values upon which the fiscal year 2013 taxes were collected are:

|  | <u>Amount</u>        |
|--|----------------------|
| Agricultural/Residential and Other Real Estate | \$444,717,630        |
| Public Utility Personal                        | <u>15,218,660</u>    |
| Total  | <u>\$459,936,290</u> |

**Note 7 – Receivables**

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Receivables at June 30, 2013 consisted of taxes, accounts (billings for user charged services and student fees), interest, interfund 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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

|   | Beginning<br>Balance | Additions          | Deletions       | Ending<br>Balance   |
|---|----------------------|--------------------|-----------------|---------------------|
| <b>Governmental Activities</b>                |                      |                    |                 |                     |
| <b>Capital Assets, not being depreciated:</b> |                      |                    |                 |                     |
| Land  | \$1,928,926          | \$556,625          | \$0             | \$2,485,551         |
| <b>Capital Assets, being depreciated:</b>     |                      |                    |                 |                     |
| Land Improvements                             | 349,690              | 0                  | 0               | 349,690             |
| Buildings & Improvements                      | 13,748,808           | 1,045,589          | 0               | 14,794,397          |
| Furniture & Equipment                         | 2,974,543            | 94,185             | 13,965          | 3,054,763           |
| Vehicles                                      | 2,305,345            | 162,780            | 107,898         | 2,360,227           |
| Totals at Historical Cost                     | <u>21,307,312</u>    | <u>1,859,179</u>   | <u>121,863</u>  | <u>23,044,628</u>   |
| Less Accumulated Depreciation:                |                      |                    |                 |                     |
| Land Improvements                             | 126,231              | 14,600             | 0               | 140,831             |
| Buildings & Improvements                      | 8,888,745            | 257,828            | 0               | 9,146,573           |
| Furniture & Equipment                         | 1,753,396            | 175,387            | 4,713           | 1,924,070           |
| Vehicles                                      | 1,529,149            | 121,088            | 97,108          | 1,553,129           |
| Total Accumulated Depreciation                | <u>12,297,521</u>    | <u>568,903</u>     | <u>101,821</u>  | <u>12,764,603</u>   |
| Governmental Activities Capital Assets, Net   | <u>\$9,009,791</u>   | <u>\$1,290,276</u> | <u>\$20,042</u> | <u>\$10,280,025</u> |

Depreciation expense was charged to governmental functions as follows

|   |                  |
|---|------------------|
| Instruction:                            |                  |
| Regular                                 | \$321,317        |
| Special                                 | 9,394            |
| Vocational                              | 12,636           |
| Adult                                   | 1,227            |
| Support Services:                       |                  |
| Pupil                                   | 844              |
| School Administration                   | 14,420           |
| Fiscal                                  | 1,192            |
| Operations and Maintenance              | 26,335           |
| Pupil Transportation                    | 108,308          |
| Central                                 | 46,487           |
| Operation of Non-Instructional Services | 17,935           |
| Extracurricular Activities              | 8,808            |
| Total Depreciation Expense              | <u>\$568,903</u> |

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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

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

Capital assets consisting of building improvements and equipment have been capitalized in the amount of \$746,516, \$839,076, and \$793,500 respectively. These amounts represent the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2013 totaled \$284,554 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, 2013:

| Fiscal Year<br>Ending June 30           | Payment          |
|---|------------------|
| 2014                                    | \$306,369        |
| 2015                                    | 160,860          |
| 2016                                    | 159,960          |
| 2017                                    | 137,555          |
| Total Minimum Lease Payments            | \$764,744        |
| Amount Representing Interest            | (135,068)        |
| Present Value of Minimum Lease Payments | <u>\$629,676</u> |

**Note 10 - Long-Term Obligations**

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

|                                 | Beginning<br>Balance | Issued          | Retired            | Ending<br>Balance  | Due In<br>One Year |
|---------------------------------|----------------------|-----------------|--------------------|--------------------|--------------------|
| <b>Governmental Activities:</b> |                      |                 |                    |                    |                    |
| Capital Leases                  | \$914,230            | \$0             | \$284,554          | \$629,676          | \$240,057          |
| Total Long Term Debt            | 914,230              | 0               | 284,554            | 629,676            | 240,057            |
| Compensated Absences            | 4,431,693            | 91,792          | 899,790            | 3,623,695          | 946,577            |
| Total Governmental Activities   | <u>\$5,345,923</u>   | <u>\$91,792</u> | <u>\$1,184,344</u> | <u>\$4,253,371</u> | <u>\$1,186,634</u> |

Capital lease payments will be paid from the general fund.

Compensated absences and the future retirement obligation will be paid from the fund from which the employee is paid. The payments will be made from the general fund and various other governmental funds.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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**Note 11 - Risk Management**

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**Comprehensive**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2013, the District has contracted with Ohio Casualty Insurance Company to provide insurance coverage in the

| <u>Limits of Coverage</u>    | <u>Coverage</u> | <u>Deductible</u> |
|------------------------------|-----------------|-------------------|
| General Liability            |                 |                   |
| Each Occurrence              | \$1,000,000     | \$2,500           |
| Aggregate                    | 3,000,000       | 0                 |
| Fleet:                       |                 |                   |
| Comprehensive/Collision      | 1,000,000       | 1,000             |
| Umbrella Liability and Fleet | 3,000,000       | 10,000            |
| Buildings and Contents       | 99,711,071      | 10,000            |

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

**Health Benefits**

The District has established a risk management fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$175,000 for each health benefits claim. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

The claims liability of \$495,000 reported in the basic financial statements at June 30, 2013, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The claims liability is expected to be paid in the next fiscal year. Changes in claims activity for the current and previous two fiscal years are as follows:

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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|      | Beginning<br>Balance | Current Year<br>Claims | Claims<br>Payments | Balance<br>End of Year |
|------|----------------------|------------------------|--------------------|------------------------|
| 2013 | \$558,000            | \$5,478,052            | \$5,541,052        | \$495,000              |
| 2012 | 599,000              | 6,131,968              | 6,172,968          | 558,000                |

**Workers' Compensation Rating Program**

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

**Note 12 - Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2013, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2013, 2012, and 2011 were \$885,288, \$852,576, and \$874,680, respectively; contributions equaled the required contributions for each year. The District's unpaid contractually required SERS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.



**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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**State Teachers Retirement System of Ohio**

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2013, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2013, 2012, and 2011 were \$2,724,024, \$3,134,760, and \$3,236,004, respectively; 84% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011. The District's unpaid contractually required STRS contributions (including post employment benefits) at year end (the liability) were recorded in the accrued wages and benefits line item of the government-wide and fund financial statements along with various corresponding expenses/expenditures.

**Note 13- Post Employment Benefits**

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**School Employees Retirement System of Ohio**

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation was 0.74%. District contributions for the years ended June 30, 2013, 2012 and 2011 were \$46,794, \$45,674, and \$47,483, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2013, the health care allocation was 0.16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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The District contributions assigned to health care for the years ended June 30, 2013, 2012, and 2011 were \$10,118, \$33,494, and \$89,342, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**State Teachers Retirement System of Ohio**

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2013, 2012 and 2011. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2013, 2012, and 2011 were \$194,573, \$223,911, and \$231,143, 84% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

**Note 14 – Contingencies**

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**Litigation**

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

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**Note 15 - Statutory Reserves**

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The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2013, the reserve activity was as follows:

|   | Capital<br>Acquisition |
|---|------------------------|
| Set Aside Reserve Balance as of June 30, 2012 | \$0                    |
| Current Year Set Aside Requirements           | 538,323                |
| Qualified Disbursements                       | (725,384)              |
| Set Aside Reserve Balance as of June 30, 2013 | <u>(\$187,061)</u>     |
| Restricted Cash as of June 30, 2013           | <u>\$0</u>             |

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

**Note 16 – Fund Balances**

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

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**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2013**

| Fund Balances                     | General            | Other<br>Governmental<br>Funds | Total              |
|-----------------------------------|--------------------|--------------------------------|--------------------|
| <b>Nonspendable:</b>              |                    |                                |                    |
| Perpetual Care                    | \$0                | \$10,000                       | 10,000             |
| Inventory                         | 64,541             | 12,129                         | 76,670             |
| <b>Total Nonspendable</b>         | <b>64,541</b>      | <b>22,129</b>                  | <b>86,670</b>      |
| <b>Restricted for:</b>            |                    |                                |                    |
| Other Grants                      | 0                  | 107,969                        | 107,969            |
| Special Trust                     | 0                  | 278,591                        | 278,591            |
| District Managed Student Activity | 0                  | 94,767                         | 94,767             |
| Auxiliary Services                | 0                  | 58                             | 58                 |
| Public School Preschool           | 0                  | 113                            | 113                |
| Education Foundation              | 0                  | 35,533                         | 35,533             |
| Able/Job Grant                    | 0                  | 10,181                         | 10,181             |
| Vocational Education              | 0                  | 5,764                          | 5,764              |
| Title VI B                        | 0                  | 17,515                         | 17,515             |
| EHA Preschool Grant               | 0                  | 1,618                          | 1,618              |
| Adult Basic Education             | 0                  | 4,489                          | 4,489              |
| Title I                           | 0                  | 14,544                         | 14,544             |
| Perpetual Care                    | 0                  | 135,435                        | 135,435            |
| Debt Service                      | 0                  | 11,895                         | 11,895             |
| Permanent Improvement             | 0                  | 485,498                        | 485,498            |
| <b>Total Restricted</b>           | <b>0</b>           | <b>1,203,970</b>               | <b>1,203,970</b>   |
| <b>Assigned to:</b>               |                    |                                |                    |
| Public Schools                    | 72,624             | 0                              | 72,624             |
| Budgetary Resource                | 1,539,377          | 0                              | 1,539,377          |
| Replacement                       | 0                  | 26,673                         | 26,673             |
| Encumbrances                      | 204,218            | 0                              | 204,218            |
| <b>Total Assigned</b>             | <b>1,816,219</b>   | <b>26,673</b>                  | <b>1,842,892</b>   |
| <b>Unassigned (Deficit)</b>       | <b>(2,580,760)</b> | <b>(181,927)</b>               | <b>(2,762,687)</b> |
| <b>Total Fund Balance</b>         | <b>(\$700,000)</b> | <b>\$1,070,845</b>             | <b>\$370,845</b>   |

**Note 17 – Change in Accounting Principles**

The District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements and GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB Statement No. 62 incorporates Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants' (AICPA) accounting and financial reporting guidance issued on or before November 30, 1989 into GASB authoritative literature. GASB Statement No. 63 provides financial reporting guidance for deferred outflows and inflows of resources and net position.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | General<br>Fund    |                    |                    |                               |
|---|--------------------|--------------------|--------------------|-------------------------------|
|   | Original<br>Budget | Final<br>Budget    | Actual             | Variance from<br>Final Budget |
| <b>Revenues:</b>  |                    |                    |                    |                               |
| Taxes   | \$17,048,578       | \$17,660,669       | \$17,670,208       | \$9,539                       |
| Revenue in lieu of taxes  | 98,481             | 102,017            | 102,072            | 55                            |
| Tuition and Fees  | 592,725            | 614,005            | 614,337            | 332                           |
| Investment Earnings   | 8,447              | 8,750              | 8,755              | 5                             |
| Intergovernmental   | 20,268,717         | 20,996,419         | 21,007,760         | 11,341                        |
| Charges for Services  | 71,758             | 74,334             | 74,374             | 40                            |
| Other Revenues  | 184,813            | 191,449            | 191,552            | 103                           |
| <b>Total Revenues</b>   | <b>38,273,519</b>  | <b>39,647,643</b>  | <b>39,669,058</b>  | <b>21,415</b>                 |
| <b>Expenditures:</b>  |                    |                    |                    |                               |
| <b>Current:</b>   |                    |                    |                    |                               |
| <b>Instruction:</b>   |                    |                    |                    |                               |
| Regular   | 16,866,313         | 20,491,730         | 20,131,425         | 360,305                       |
| Special   | 4,707,720          | 5,719,645          | 5,619,077          | 100,568                       |
| Vocational  | 1,098,716          | 1,334,885          | 1,311,414          | 23,471                        |
| Other   | 299,789            | 364,228            | 357,824            | 6,404                         |
| <b>Support Services:</b>  |                    |                    |                    |                               |
| Pupil   | 1,442,516          | 1,752,585          | 1,721,769          | 30,816                        |
| Instructional Staff   | 1,690,176          | 2,053,480          | 2,017,374          | 36,106                        |
| General Administration  | 177,666            | 215,855            | 212,060            | 3,795                         |
| School Administration   | 2,114,129          | 2,568,562          | 2,523,399          | 45,163                        |
| Fiscal  | 626,861            | 761,605            | 748,214            | 13,391                        |
| Business  | 105,495            | 128,171            | 125,917            | 2,254                         |
| Operations and Maintenance  | 2,559,755          | 3,109,975          | 3,055,292          | 54,683                        |
| Pupil Transportation  | 1,226,592          | 1,490,248          | 1,464,045          | 26,203                        |
| Central   | 719,596            | 874,273            | 858,901            | 15,372                        |
| Extracurricular Activities  | 625,238            | 759,633            | 746,276            | 13,357                        |
| <b>Total Expenditures</b>   | <b>34,260,562</b>  | <b>41,624,875</b>  | <b>40,892,987</b>  | <b>731,888</b>                |
| <b>Excess of Revenues Over (Under) Expenditures</b>   | <b>4,012,957</b>   | <b>(1,977,232)</b> | <b>(1,223,929)</b> | <b>753,303</b>                |
| <b>Other Financing Sources (Uses):</b>  |                    |                    |                    |                               |
| Proceeds from Sale of Capital Assets  | 974                | 1,009              | 1,010              | 1                             |
| Advances In   | 90,518             | 93,767             | 93,818             | 51                            |
| Advances (Out)  | (27,617)           | (33,553)           | (32,963)           | 590                           |
| Transfers (Out)   | (602)              | (732)              | (719)              | 13                            |
| <b>Total Other Financing Sources (Uses)</b>   | <b>63,273</b>      | <b>60,491</b>      | <b>61,146</b>      | <b>655</b>                    |
| <b>Net Change in Fund Balance</b>   | <b>4,076,230</b>   | <b>(1,916,741)</b> | <b>(1,162,783)</b> | <b>753,958</b>                |
| <b>Fund Balance - Beginning of Year (includes<br/>prior year encumbrances appropriated)</b> | <b>1,938,030</b>   | <b>1,938,030</b>   | <b>1,938,030</b>   | <b>0</b>                      |
| <b>Fund Balance - End of Year</b>   | <b>\$6,014,260</b> | <b>\$21,289</b>    | <b>\$775,247</b>   | <b>\$753,958</b>              |

See accompanying notes to the required supplementary information.



**Sandusky City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Fiscal Ended June 30, 2013**

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**Note 1 - Budgetary Process**

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All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. During the course of fiscal year 2013, the District amended its budget at several times, however none were significant.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2013.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).

**Sandusky City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Fiscal Ended June 30, 2013**

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4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

|                          | <u>General</u>              |
|--------------------------|-----------------------------|
| GAAP Basis               | \$256,058                   |
| Revenue Accruals         | (1,534,403)                 |
| Expenditure Accruals     | 605,841                     |
| Transfers In             | (40,000)                    |
| Advances In              | 93,818                      |
| Advances (Out)           | (32,963)                    |
| Encumbrances             | (502,470)                   |
| Funds Budgeted Elsewhere | (8,664)                     |
| Budget Basis             | <u><u>(\$1,162,783)</u></u> |

# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service fund. The District has only one Debt Service Fund for fiscal year 2013.

### **Capital Projects Funds**

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

### **Permanent Fund**

The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The District has only one Permanent Fund for fiscal year 2013.

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Nonmajor<br>Permanent<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|-------------------------------------|--|-------------------------------|--|
| <b>Assets:</b>                             |   |                                     |  |                               |  |
| Equity in Pooled Cash and Investments      | \$866,482                               | \$11,895                            | \$443,409                                | \$131,383                     | \$1,453,169                                |
| <b>Receivables:</b>                        |   |                                     |  |                               |  |
| Taxes                                      | 0                                       | 0                                   | 923,693                                  | 0                             | 923,693                                    |
| Accounts                                   | 4,264                                   | 0                                   | 0  | 0                             | 4,264                                      |
| Interest                                   | 0                                       | 0                                   | 0  | 14,052                        | 14,052                                     |
| Intergovernmental                          | 358,336                                 | 0                                   | 0  | 0                             | 358,336                                    |
| Inventory                                  | 12,129                                  | 0                                   | 0  | 0                             | 12,129                                     |
| <b>Total Assets</b>                        | <b>1,241,211</b>                        | <b>11,895</b>                       | <b>1,367,102</b>                         | <b>145,435</b>                | <b>2,765,643</b>                           |
| <b>Liabilities and Fund Balances:</b>      |   |                                     |  |                               |  |
| <b>Liabilities:</b>                        |   |                                     |  |                               |  |
| Accounts Payable                           | 131,665                                 | 0                                   | 82,561                                   | 0                             | 214,226                                    |
| Accrued Wages and Benefits                 | 621,051                                 | 0                                   | 0  | 0                             | 621,051                                    |
| Compensated Absences                       | 38,663                                  | 0                                   | 0  | 0                             | 38,663                                     |
| Interfund Payable                          | 23,749                                  | 0                                   | 0  | 0                             | 23,749                                     |
| Deferred Revenue                           | 24,739                                  | 0                                   | 772,370                                  | 0                             | 797,109                                    |
| <b>Total Liabilities</b>                   | <b>839,867</b>                          | <b>0</b>                            | <b>854,931</b>                           | <b>0</b>                      | <b>1,694,798</b>                           |
| <b>Fund Balances:</b>                      |   |                                     |  |                               |  |
| Nonspendable                               | 12,129                                  | 0                                   | 0  | 10,000                        | 22,129                                     |
| Restricted                                 | 571,142                                 | 11,895                              | 485,498                                  | 135,435                       | 1,203,970                                  |
| Assigned                                   | 0                                       | 0                                   | 26,673                                   | 0                             | 26,673                                     |
| Unassigned                                 | (181,927)                               | 0                                   | 0  | 0                             | (181,927)                                  |
| <b>Total Fund Balances</b>                 | <b>401,344</b>                          | <b>11,895</b>                       | <b>512,171</b>                           | <b>145,435</b>                | <b>1,070,845</b>                           |
| <b>Total Liabilities and Fund Balances</b> | <b>\$1,241,211</b>                      | <b>\$11,895</b>                     | <b>\$1,367,102</b>                       | <b>\$145,435</b>              | <b>\$2,765,643</b>                         |

Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2013

|   | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Nonmajor<br>Permanent<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---|-------------------------------------|--|-------------------------------|--|
| <b>Revenues:</b>                                    |   |                                     |  |                               |  |
| Taxes   | \$0                                     | \$0                                 | \$845,593                                | \$0                           | \$845,593                                  |
| Investment Earnings                                 | 6,837                                   | 0                                   | 0  | 0                             | 6,837                                      |
| Intergovernmental                                   | 5,678,623                               | 0                                   | 176,147                                  | 0                             | 5,854,770                                  |
| Extracurricular Activities                          | 154,892                                 | 0                                   | 0  | 0                             | 154,892                                    |
| Charges for Services                                | 308,584                                 | 0                                   | 0  | 0                             | 308,584                                    |
| Other Revenues                                      | 266,879                                 | 0                                   | 0  | 0                             | 266,879                                    |
| <b>Total Revenues</b>                               | <b>6,415,815</b>                        | <b>0</b>                            | <b>1,021,740</b>                         | <b>0</b>                      | <b>7,437,555</b>                           |
| <b>Expenditures:</b>                                |   |                                     |  |                               |  |
| <b>Current:</b>                                     |   |                                     |  |                               |  |
| <b>Instruction:</b>                                 |   |                                     |  |                               |  |
| Regular   | 92,160                                  | 0                                   | 66,774                                   | 0                             | 158,934                                    |
| Special   | 1,640,918                               | 0                                   | 0  | 0                             | 1,640,918                                  |
| Vocational  | 88,137                                  | 0                                   | 0  | 0                             | 88,137                                     |
| Adult/continuing                                    | 275,595                                 | 0                                   | 0  | 0                             | 275,595                                    |
| Other   | 3,919                                   | 0                                   | 0  | 0                             | 3,919                                      |
| <b>Support Services:</b>                            |   |                                     |  |                               |  |
| Pupil   | 206,255                                 | 0                                   | 0  | 0                             | 206,255                                    |
| Instructional Staff                                 | 836,181                                 | 0                                   | 0  | 0                             | 836,181                                    |
| School Administration                               | 209,644                                 | 0                                   | 0  | 0                             | 209,644                                    |
| Fiscal  | 0                                       | 0                                   | 17,580                                   | 0                             | 17,580                                     |
| Business  | 7,951                                   | 0                                   | 0  | 0                             | 7,951                                      |
| Operations and Maintenance                          | 0                                       | 0                                   | 46,637                                   | 0                             | 46,637                                     |
| Pupil Transportation                                | 3,299                                   | 0                                   | 158,380                                  | 0                             | 161,679                                    |
| Central   | 40,486                                  | 0                                   | 783,275                                  | 0                             | 823,761                                    |
| Operation of Non-Instructional Services             | 2,806,484                               | 0                                   | 0  | 5,694                         | 2,812,178                                  |
| Extracurricular Activities                          | 331,059                                 | 0                                   | 0  | 0                             | 331,059                                    |
| Capital Outlay                                      | 14,193                                  | 0                                   | 259,305                                  | 0                             | 273,498                                    |
| <b>Total Expenditures</b>                           | <b>6,556,281</b>                        | <b>0</b>                            | <b>1,331,951</b>                         | <b>5,694</b>                  | <b>7,893,926</b>                           |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>(140,466)</b>                        | <b>0</b>                            | <b>(310,211)</b>                         | <b>(5,694)</b>                | <b>(456,371)</b>                           |
| <b>Other Financing Sources (Uses):</b>              |   |                                     |  |                               |  |
| Transfers In  | 719                                     | 0                                   | 0  | 0                             | 719  |
| Transfers (Out)                                     | (40,000)                                | 0                                   | 0  | 0                             | (40,000)                                   |
| <b>Total Other Financing Sources (Uses)</b>         | <b>(39,281)</b>                         | <b>0</b>                            | <b>0</b>                                 | <b>0</b>                      | <b>(39,281)</b>                            |
| <b>Net Change in Fund Balance</b>                   | <b>(179,747)</b>                        | <b>0</b>                            | <b>(310,211)</b>                         | <b>(5,694)</b>                | <b>(495,652)</b>                           |
| <b>Fund Balance - Beginning of Year</b>             | <b>581,091</b>                          | <b>11,895</b>                       | <b>822,382</b>                           | <b>151,129</b>                | <b>1,566,497</b>                           |
| <b>Fund Balance - End of Year</b>                   | <b>\$401,344</b>                        | <b>\$11,895</b>                     | <b>\$512,171</b>                         | <b>\$145,435</b>              | <b>\$1,070,845</b>                         |

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

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

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

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

**Public School Preschool** - A fund used to assist school districts in paying the cost of preschool programs for three and four year olds.

**SchoolNet OneNet** - A fund used to account for state funds related to the District's SchoolNet OneNet program.

**Education Foundation** - A fund used to account for the proceeds of any bequest, gift, or endowment given to the school district for the Education Foundation Fund or given without conditions or limitations; or, for the proceeds of a transfer from the General Fund of up to one-half of one per cent of the total estimated appropriations included in the school district's tax budget; or, in the case of a county board of education, an amount not to exceed one-half of one percent of the funds received by the county board pursuant to Section 3317.11 of the Revised Code. All boards of education must receipt any interest earnings on the principal of the Education Foundation Fund into the Fund. Monies in the Fund shall be expended only by resolution adopted by a majority of the members of the board for operating or capital costs of any existing or new and innovative program designed to enhance or promote education within the district, such as scholarships for students or teachers.

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

**Adult Basic Education** - A fund used to account for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Title VI B** - A fund used to account Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

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

**Basic Educational Opportunity Grant** - Provision of funds to assist in making available the benefits of post-secondary education to qualified students.

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

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

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

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

**Food Service** - A fund used to account for all revenues and expenditures related to food service operations.



## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Adult Education** - The adult education is used to account for educational opportunities offered on a tuition basis to adults living within the community. This fund is split between a special revenue fund and the general fund for GAAP reporting purposes. The special revenue portion only accounts for grant monies the District received and spent during the fiscal year and is included in the Nonmajor Special Revenue Funds - Combining Balance Sheet on page 61 and the Combining Statement of Revenues, Expenditures and Changes in Fund Balance on page 65. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) is shown combined (not split between the special revenue fund and general fund) and is included in the Other General Funds section on page 97.

**Race to the Top** - A competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

**Stimulus Title II** - A fund used to account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

**Title I School Improvement** - A fund used to account for grant monies to help raise the achievement of students in the District.

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2013

|  | Other<br>Grants  | Special<br>Trust | District<br>Managed<br>Student Activity | Auxiliary<br>Services |
|--|------------------|------------------|---|-----------------------|
| <b>Assets:</b>                             |                  |                  |   |                       |
| Equity in Pooled Cash and Investments      | \$114,405        | \$283,854        | \$111,888                               | \$36,470              |
| <b>Receivables:</b>                        |                  |                  |   |                       |
| Accounts                                   | 114              | 0                | 938                                     | 0                     |
| Intergovernmental                          | 0                | 0                | 0                                       | 0                     |
| Inventory                                  | 0                | 0                | 0                                       | 0                     |
| <b>Total Assets</b>                        | <b>114,519</b>   | <b>283,854</b>   | <b>112,826</b>                          | <b>36,470</b>         |
| <b>Liabilities and Fund Balances:</b>      |                  |                  |   |                       |
| <b>Liabilities:</b>                        |                  |                  |   |                       |
| Accounts Payable                           | 6,550            | 5,263            | 18,059                                  | 13,257                |
| Accrued Wages and Benefits                 | 0                | 0                | 0                                       | 23,155                |
| Compensated Absences                       | 0                | 0                | 0                                       | 0                     |
| Interfund Payable                          | 0                | 0                | 0                                       | 0                     |
| Deferred Revenue                           | 0                | 0                | 0                                       | 0                     |
| <b>Total Liabilities</b>                   | <b>6,550</b>     | <b>5,263</b>     | <b>18,059</b>                           | <b>36,412</b>         |
| <b>Fund Balances:</b>                      |                  |                  |   |                       |
| Nonspendable                               | 0                | 0                | 0                                       | 0                     |
| Restricted                                 | 107,969          | 278,591          | 94,767                                  | 58                    |
| Unassigned                                 | 0                | 0                | 0                                       | 0                     |
| <b>Total Fund Balances</b>                 | <b>107,969</b>   | <b>278,591</b>   | <b>94,767</b>                           | <b>58</b>             |
| <b>Total Liabilities and Fund Balances</b> | <b>\$114,519</b> | <b>\$283,854</b> | <b>\$112,826</b>                        | <b>\$36,470</b>       |

| Public School<br>PreSchool | SchoolNet<br>OneNet | Education<br>Foundation | Able/Job<br>Grant | Adult Basic<br>Education | Title VI B       | Vocational<br>Education |
|----------------------------|---------------------|-------------------------|-------------------|--------------------------|------------------|-------------------------|
| \$11,811                   | \$0                 | \$35,533                | \$10,504          | \$13,621                 | \$83,224         | \$5,764                 |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0                | 0                       |
| 12,200                     | 0                   | 0                       | 0                 | 23,864                   | 126,000          | 2,439                   |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0                | 0                       |
| <u>24,011</u>              | <u>0</u>            | <u>35,533</u>           | <u>10,504</u>     | <u>37,485</u>            | <u>209,224</u>   | <u>8,203</u>            |
| 0                          | 0                   | 0                       | 323               | 12,651                   | 47,672           | 0                       |
| 22,298                     | 0                   | 0                       | 0                 | 778                      | 144,037          | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0                | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0                | 0                       |
| 1,600                      | 0                   | 0                       | 0                 | 19,567                   | 0                | 2,439                   |
| <u>23,898</u>              | <u>0</u>            | <u>0</u>                | <u>323</u>        | <u>32,996</u>            | <u>191,709</u>   | <u>2,439</u>            |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0                | 0                       |
| 113                        | 0                   | 35,533                  | 10,181            | 4,489                    | 17,515           | 5,764                   |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0                | 0                       |
| <u>113</u>                 | <u>0</u>            | <u>35,533</u>           | <u>10,181</u>     | <u>4,489</u>             | <u>17,515</u>    | <u>5,764</u>            |
| <u>\$24,011</u>            | <u>\$0</u>          | <u>\$35,533</u>         | <u>\$10,504</u>   | <u>\$37,485</u>          | <u>\$209,224</u> | <u>\$8,203</u>          |

Continued

Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2013

|  | Basic<br>Educational<br>Opportunity<br>Grant | Title I          | Drug-Free<br>School<br>Grant | EHA<br>PreSchool<br>Grant |
|--|--|------------------|------------------------------|---------------------------|
| <b>Assets:</b>                             |  |                  |                              |                           |
| Equity in Pooled Cash and Investments      | \$0  | \$120,155        | \$0                          | \$3,664                   |
| <b>Receivables:</b>                        |  |                  |                              |                           |
| Accounts                                   | 0  | 0                | 0                            | 0                         |
| Intergovernmental                          | 0  | 130,799          | 0                            | 4,200                     |
| Inventory                                  | 0  | 0                | 0                            | 0                         |
| <b>Total Assets</b>                        | <b>0</b>                                     | <b>250,954</b>   | <b>0</b>                     | <b>7,864</b>              |
| <b>Liabilities and Fund Balances:</b>      |  |                  |                              |                           |
| <b>Liabilities:</b>                        |  |                  |                              |                           |
| Accounts Payable                           | 0  | 7,019            | 0                            | 0                         |
| Accrued Wages and Benefits                 | 0  | 248,957          | 0                            | 6,246                     |
| Compensated Absences                       | 0  | 0                | 0                            | 0                         |
| Interfund Payable                          | 0  | 0                | 0                            | 0                         |
| Deferred Revenue                           | 0  | 799              | 0                            | 0                         |
| <b>Total Liabilities</b>                   | <b>0</b>                                     | <b>256,775</b>   | <b>0</b>                     | <b>6,246</b>              |
| <b>Fund Balances:</b>                      |  |                  |                              |                           |
| Nonspendable                               | 0  | 0                | 0                            | 0                         |
| Restricted                                 | 0  | 0                | 0                            | 1,618                     |
| Unassigned                                 | 0  | (5,821)          | 0                            | 0                         |
| <b>Total Fund Balances</b>                 | <b>0</b>                                     | <b>(5,821)</b>   | <b>0</b>                     | <b>1,618</b>              |
| <b>Total Liabilities and Fund Balances</b> | <b>\$0</b>                                   | <b>\$250,954</b> | <b>\$0</b>                   | <b>\$7,864</b>            |

| Improving<br>Teacher<br>Quality | Food<br>Service  | Adult<br>Education | Race to<br>the Top | Stimulus<br>Title II | Title I<br>School<br>Improvement | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|---------------------------------|------------------|--------------------|--------------------|----------------------|----------------------------------|---|
| \$27,823                        | \$365            | \$0                | \$0                | \$0                  | \$7,401                          | \$866,482                                     |
| 0                               | 3,212            | 0                  | 0                  | 0                    | 0                                | 4,264   |
| 32,334                          | 0                | 0                  | 0                  | 0                    | 26,500                           | 358,336                                       |
| 0                               | 12,129           | 0                  | 0                  | 0                    | 0                                | 12,129  |
| <u>60,157</u>                   | <u>15,706</u>    | <u>0</u>           | <u>0</u>           | <u>0</u>             | <u>33,901</u>                    | <u>1,241,211</u>                              |
| 14,639                          | 3,410            | 0                  | 0                  | 0                    | 2,822                            | 131,665                                       |
| 46,415                          | 124,982          | 0                  | 0                  | 0                    | 4,183                            | 621,051                                       |
| 0                               | 38,663           | 0                  | 0                  | 0                    | 0                                | 38,663  |
| 0                               | 11,397           | 0                  | 0                  | 0                    | 12,352                           | 23,749  |
| 334                             | 0                | 0                  | 0                  | 0                    | 0                                | 24,739  |
| <u>61,388</u>                   | <u>178,452</u>   | <u>0</u>           | <u>0</u>           | <u>0</u>             | <u>19,357</u>                    | <u>839,867</u>                                |
| 0                               | 12,129           | 0                  | 0                  | 0                    | 0                                | 12,129  |
| 0                               | 0                | 0                  | 0                  | 0                    | 14,544                           | 571,142                                       |
| (1,231)                         | (174,875)        | 0                  | 0                  | 0                    | 0                                | (181,927)                                     |
| <u>(1,231)</u>                  | <u>(162,746)</u> | <u>0</u>           | <u>0</u>           | <u>0</u>             | <u>14,544</u>                    | <u>401,344</u>                                |
| <u>\$60,157</u>                 | <u>\$15,706</u>  | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>           | <u>\$33,901</u>                  | <u>\$1,241,211</u>                            |

Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2013

|   | Other<br>Grants  | Special<br>Trust | District<br>Managed<br>Student Activity | Auxiliary<br>Services |
|---|------------------|------------------|---|-----------------------|
| <b>Revenues:</b>                                    |                  |                  |   |                       |
| Investment Earnings                                 | \$0              | \$661            | \$0                                     | \$193                 |
| Intergovernmental                                   | 0                | 0                | 0                                       | 371,909               |
| Extracurricular Activities                          | 0                | 0                | 154,892                                 | 0                     |
| Charges for Services                                | 0                | 0                | 5,470                                   | 0                     |
| Other Revenues                                      | 223,466          | 140              | 29,973                                  | 0                     |
| <b>Total Revenues</b>                               | <b>223,466</b>   | <b>801</b>       | <b>190,335</b>                          | <b>372,102</b>        |
| <b>Expenditures:</b>                                |                  |                  |   |                       |
| <b>Current:</b>                                     |                  |                  |   |                       |
| <b>Instruction:</b>                                 |                  |                  |   |                       |
| Regular   | 10,801           | 0                | 0                                       | 0                     |
| Special   | 0                | 0                | 0                                       | 0                     |
| Vocational  | 0                | 0                | 0                                       | 0                     |
| Adult/continuing                                    | 0                | 0                | 0                                       | 0                     |
| Other   | 0                | 0                | 0                                       | 0                     |
| <b>Support Services:</b>                            |                  |                  |   |                       |
| Pupil   | 0                | 0                | 0                                       | 0                     |
| Instructional Staff                                 | 0                | 0                | 0                                       | 0                     |
| School Administration                               | 0                | 0                | 0                                       | 0                     |
| Business  | 0                | 0                | 0                                       | 0                     |
| Pupil Transportation                                | 0                | 0                | 0                                       | 0                     |
| Central   | 21,248           | 0                | 0                                       | 0                     |
| Operation of Non-Instructional Services             | 10,704           | 0                | 0                                       | 416,693               |
| Extracurricular Activities                          | 131,196          | 0                | 199,863                                 | 0                     |
| Capital Outlay                                      | 0                | 14,193           | 0                                       | 0                     |
| <b>Total Expenditures</b>                           | <b>173,949</b>   | <b>14,193</b>    | <b>199,863</b>                          | <b>416,693</b>        |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>49,517</b>    | <b>(13,392)</b>  | <b>(9,528)</b>                          | <b>(44,591)</b>       |
| <b>Other Financing Sources (Uses):</b>              |                  |                  |   |                       |
| Transfers In  | 719              | 0                | 0                                       | 0                     |
| Transfers (Out)                                     | 0                | (40,000)         | 0                                       | 0                     |
| <b>Total Other Financing Sources (Uses)</b>         | <b>719</b>       | <b>(40,000)</b>  | <b>0</b>                                | <b>0</b>              |
| <b>Net Change in Fund Balance</b>                   | <b>50,236</b>    | <b>(53,392)</b>  | <b>(9,528)</b>                          | <b>(44,591)</b>       |
| <b>Fund Balance - Beginning of Year</b>             | <b>57,733</b>    | <b>331,983</b>   | <b>104,295</b>                          | <b>44,649</b>         |
| <b>Fund Balance - End of Year</b>                   | <b>\$107,969</b> | <b>\$278,591</b> | <b>\$94,767</b>                         | <b>\$58</b>           |

| Public School<br>PreSchool | SchoolNet<br>OneNet | Education<br>Foundation | Able/Job<br>Grant | Adult Basic<br>Education | Title VI B      | Vocational<br>Education |
|----------------------------|---------------------|-------------------------|-------------------|--------------------------|-----------------|-------------------------|
| \$0                        | \$0                 | \$5,983                 | \$0               | \$0                      | \$0             | \$0                     |
| 118,432                    | 12,600              | 0                       | 0                 | 89,997                   | 932,974         | 88,100                  |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 11,292                  | 0                 | 0                        | 0               | 0                       |
| <u>118,432</u>             | <u>12,600</u>       | <u>17,275</u>           | <u>0</u>          | <u>89,997</u>            | <u>932,974</u>  | <u>88,100</u>           |
| 79,577                     | 0                   | 0                       | 1,782             | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 364,200         | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 88,137                  |
| 0                          | 0                   | 0                       | 0                 | 65,144                   | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 3,919           | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 206,255         | 0                       |
| 38,539                     | 0                   | 0                       | 0                 | 20,508                   | 102,391         | 1,313                   |
| 0                          | 0                   | 0                       | 0                 | 5,251                    | 175,333         | 0                       |
| 0                          | 0                   | 7,951                   | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 12,600              | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 59,754          | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| <u>118,116</u>             | <u>12,600</u>       | <u>7,951</u>            | <u>1,782</u>      | <u>90,903</u>            | <u>911,852</u>  | <u>89,450</u>           |
| <u>316</u>                 | <u>0</u>            | <u>9,324</u>            | <u>(1,782)</u>    | <u>(906)</u>             | <u>21,122</u>   | <u>(1,350)</u>          |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 0                          | 0                   | 0                       | 0                 | 0                        | 0               | 0                       |
| 316                        | 0                   | 9,324                   | (1,782)           | (906)                    | 21,122          | (1,350)                 |
| (203)                      | 0                   | 26,209                  | 11,963            | 5,395                    | (3,607)         | 7,114                   |
| <u>\$113</u>               | <u>\$0</u>          | <u>\$35,533</u>         | <u>\$10,181</u>   | <u>\$4,489</u>           | <u>\$17,515</u> | <u>\$5,764</u>          |

Continued

Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2013

|   | Basic<br>Educational<br>Opportunity<br>Grant | Title I          | Drug-Free<br>School<br>Grant | EHA<br>PreSchool<br>Grant |
|---|--|------------------|------------------------------|---------------------------|
| <b>Revenues:</b>                                    |  |                  |                              |                           |
| Investment Earnings                                 | \$0  | \$0              | \$0                          | \$0                       |
| Intergovernmental                                   | 351,038                                      | 1,494,452        | 0                            | 42,767                    |
| Extracurricular Activities                          | 0  | 0                | 0                            | 0                         |
| Charges for Services                                | 0  | 0                | 0                            | 0                         |
| Other Revenues                                      | 0  | 0                | 0                            | 0                         |
| <b>Total Revenues</b>                               | <b>351,038</b>                               | <b>1,494,452</b> | <b>0</b>                     | <b>42,767</b>             |
| <b>Expenditures:</b>                                |  |                  |                              |                           |
| <b>Current:</b>                                     |  |                  |                              |                           |
| <b>Instruction:</b>                                 |  |                  |                              |                           |
| Regular   | 0  | 0                | 0                            | 0                         |
| Special   | 0  | 1,240,744        | 0                            | 337                       |
| Vocational  | 0  | 0                | 0                            | 0                         |
| Adult/continuing                                    | 0  | 0                | 0                            | 0                         |
| Other   | 0  | 0                | 0                            | 0                         |
| <b>Support Services:</b>                            |  |                  |                              |                           |
| Pupil   | 0  | 0                | 0                            | 0                         |
| Instructional Staff                                 | 0  | 294,383          | 1,457                        | 41,639                    |
| School Administration                               | 0  | 26,751           | 0                            | 2,309                     |
| Business  | 0  | 0                | 0                            | 0                         |
| Pupil Transportation                                | 0  | 3,299            | 0                            | 0                         |
| Central   | 0  | 6,638            | 0                            | 0                         |
| Operation of Non-Instructional Services             | 351,223                                      | 37,208           | 0                            | 0                         |
| Extracurricular Activities                          | 0  | 0                | 0                            | 0                         |
| Capital Outlay                                      | 0  | 0                | 0                            | 0                         |
| <b>Total Expenditures</b>                           | <b>351,223</b>                               | <b>1,609,023</b> | <b>1,457</b>                 | <b>44,285</b>             |
| <b>Excess of Revenues Over (Under) Expenditures</b> | <b>(185)</b>                                 | <b>(114,571)</b> | <b>(1,457)</b>               | <b>(1,518)</b>            |
| <b>Other Financing Sources (Uses):</b>              |  |                  |                              |                           |
| Transfers In  | 0  | 0                | 0                            | 0                         |
| Transfers (Out)                                     | 0  | 0                | 0                            | 0                         |
| <b>Total Other Financing Sources (Uses)</b>         | <b>0</b>                                     | <b>0</b>         | <b>0</b>                     | <b>0</b>                  |
| <b>Net Change in Fund Balance</b>                   | <b>(185)</b>                                 | <b>(114,571)</b> | <b>(1,457)</b>               | <b>(1,518)</b>            |
| <b>Fund Balance - Beginning of Year</b>             | <b>185</b>                                   | <b>108,750</b>   | <b>1,457</b>                 | <b>3,136</b>              |
| <b>Fund Balance - End of Year</b>                   | <b>\$0</b>                                   | <b>(\$5,821)</b> | <b>\$0</b>                   | <b>\$1,618</b>            |



| Improving<br>Teacher<br>Quality | Food<br>Service    | Adult<br>Education | Race to<br>the Top | Stimulus<br>Title II | Title I<br>School<br>Improvement | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|---------------------------------|--------------------|--------------------|--------------------|----------------------|----------------------------------|---|
| \$0                             | \$0                | \$0                | \$0                | \$0                  | \$0                              | \$6,837                                       |
| 258,774                         | 1,602,263          | 210,451            | 350                | 0                    | 104,516                          | 5,678,623                                     |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 154,892                                       |
| 0                               | 303,114            | 0                  | 0                  | 0                    | 0                                | 308,584                                       |
| 0                               | 2,008              | 0                  | 0                  | 0                    | 0                                | 266,879                                       |
| <u>258,774</u>                  | <u>1,907,385</u>   | <u>210,451</u>     | <u>350</u>         | <u>0</u>             | <u>104,516</u>                   | <u>6,415,815</u>                              |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 92,160  |
| 35,637                          | 0                  | 0                  | 0                  | 0                    | 0                                | 1,640,918                                     |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 88,137  |
| 0                               | 0                  | 210,451            | 0                  | 0                    | 0                                | 275,595                                       |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 3,919   |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 206,255                                       |
| 246,189                         | 0                  | 0                  | 350                | 583                  | 88,829                           | 836,181                                       |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 209,644                                       |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 7,951   |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 3,299   |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 40,486  |
| 0                               | 1,930,902          | 0                  | 0                  | 0                    | 0                                | 2,806,484                                     |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 331,059                                       |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 14,193  |
| <u>281,826</u>                  | <u>1,930,902</u>   | <u>210,451</u>     | <u>350</u>         | <u>583</u>           | <u>88,829</u>                    | <u>6,556,281</u>                              |
| <u>(23,052)</u>                 | <u>(23,517)</u>    | <u>0</u>           | <u>0</u>           | <u>(583)</u>         | <u>15,687</u>                    | <u>(140,466)</u>                              |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | 719   |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | (40,000)                                      |
| 0                               | 0                  | 0                  | 0                  | 0                    | 0                                | (39,281)                                      |
| (23,052)                        | (23,517)           | 0                  | 0                  | (583)                | 15,687                           | (179,747)                                     |
| 21,821                          | (139,229)          | 0                  | 0                  | 583                  | (1,143)                          | 581,091                                       |
| <u>(\$1,231)</u>                | <u>(\$162,746)</u> | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>           | <u>\$14,544</u>                  | <u>\$401,344</u>                              |

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | Other<br>Grants<br>Fund |           |                               |
|---|-------------------------|-----------|-------------------------------|
|   | Final<br>Budget         | Actual    | Variance from<br>Final Budget |
| Revenues:   |                         |           |                               |
| Other Revenues  | \$222,782               | \$223,352 | \$570                         |
| Total Revenues  | 222,782                 | 223,352   | 570                           |
| Expenditures:   |                         |           |                               |
| Current:  |                         |           |                               |
| Instruction:  |                         |           |                               |
| Regular   | 14,065                  | 11,166    | 2,899                         |
| Support Services:   |                         |           |                               |
| Central   | 26,765                  | 21,248    | 5,517                         |
| Operation of Non-Instructional Services   | 14,365                  | 11,404    | 2,961                         |
| Extracurricular Activities  | 225,461                 | 178,988   | 46,473                        |
| Total Expenditures  | 280,656                 | 222,806   | 57,850                        |
| Excess of Revenues Over (Under) Expenditures  | (57,874)                | 546       | 58,420                        |
| Other Financing Sources (Uses):   |                         |           |                               |
| Transfers In  | 717                     | 719       | 2                             |
| Total Other Financing Sources (Uses)  | 717                     | 719       | 2                             |
| Net Change in Fund Balance  | (57,157)                | 1,265     | 58,422                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 58,098                  | 58,098    | 0                             |
| Fund Balance - End of Year  | \$941                   | \$59,363  | \$58,422                      |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Special<br>Trust<br>Fund |           |                               |
|---|--------------------------|-----------|-------------------------------|
|   | Final<br>Budget          | Actual    | Variance from<br>Final Budget |
| Revenues:   |                          |           |                               |
| Investment Earnings   | \$661                    | \$661     | \$0                           |
| Other Revenues  | 140                      | 140       | 0                             |
| Total Revenues  | 801                      | 801       | 0                             |
| Expenditures:   |                          |           |                               |
| Capital Outlay  | 90,249                   | 44,705    | 45,544                        |
| Total Expenditures  | 90,249                   | 44,705    | 45,544                        |
| Excess of Revenues Over (Under) Expenditures  | (89,448)                 | (43,904)  | 45,544                        |
| Other Financing Sources (Uses):   |                          |           |                               |
| Transfers (Out)   | (80,751)                 | (40,000)  | 40,751                        |
| Total Other Financing Sources (Uses)  | (80,751)                 | (40,000)  | 40,751                        |
| Net Change in Fund Balance  | (170,199)                | (83,904)  | 86,295                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 331,983                  | 331,983   | 0                             |
| Fund Balance - End of Year  | \$161,784                | \$248,079 | \$86,295                      |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | District<br>Managed<br>Student Activity<br>Fund |           |                               |
|---|---|-----------|-------------------------------|
|   | Final<br>Budget                                 | Actual    | Variance from<br>Final Budget |
| Revenues:   |   |           |                               |
| Extracurricular Activities  | \$149,105                                       | \$154,712 | \$5,607                       |
| Charges for Services  | 5,272   | 5,470     | 198                           |
| Other Revenues  | 29,153  | 30,249    | 1,096                         |
| Total Revenues  | 183,530   | 190,431   | 6,901                         |
| Expenditures:   |   |           |                               |
| Current:  |   |           |                               |
| Extracurricular Activities  | 274,705   | 211,542   | 63,163                        |
| Total Expenditures  | 274,705   | 211,542   | 63,163                        |
| Net Change in Fund Balance  | (91,175)  | (21,111)  | 70,064                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 114,585   | 114,585   | 0                             |
| Fund Balance - End of Year  | \$23,410  | \$93,474  | \$70,064                      |

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | Auxiliary<br>Services<br>Fund |          |                               |
|---|-------------------------------|----------|-------------------------------|
|   | Final<br>Budget               | Actual   | Variance from<br>Final Budget |
| Revenues:   |                               |          |                               |
| Investment Earnings   | \$171                         | \$193    | \$22                          |
| Intergovernmental   | 329,170                       | 371,909  | 42,739                        |
| Total Revenues  | 329,341                       | 372,102  | 42,761                        |
| Expenditures:   |                               |          |                               |
| Current:  |                               |          |                               |
| Operation of Non-Instructional Services   | 412,521                       | 437,340  | (24,819)                      |
| Total Expenditures  | 412,521                       | 437,340  | (24,819)                      |
| Excess of Revenues Over (Under) Expenditures  | (83,180)                      | (65,238) | 17,942                        |
| Other Financing Sources (Uses):   |                               |          |                               |
| Transfers In  | 42,772                        | 48,326   | 5,554                         |
| Transfers (Out)   | (45,584)                      | (48,326) | (2,742)                       |
| Total Other Financing Sources (Uses)  | (2,812)                       | 0        | 2,812                         |
| Net Change in Fund Balance  | (85,992)                      | (65,238) | 20,754                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 85,992                        | 85,992   | 0                             |
| Fund Balance - End of Year  | \$0                           | \$20,754 | \$20,754                      |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Public School<br>PreSchool<br>Fund |                 |                               |
|---|------------------------------------|-----------------|-------------------------------|
|   | Final<br>Budget                    | Actual          | Variance from<br>Final Budget |
| Revenues:   |                                    |                 |                               |
| Intergovernmental   | \$134,532                          | \$122,332       | (\$12,200)                    |
| Total Revenues  | <u>134,532</u>                     | <u>122,332</u>  | <u>(12,200)</u>               |
| Expenditures:   |                                    |                 |                               |
| Current:  |                                    |                 |                               |
| Instruction:  |                                    |                 |                               |
| Regular   | 94,976                             | 78,908          | 16,068                        |
| Support Services:   |                                    |                 |                               |
| Instructional Staff   | 46,948                             | 39,005          | 7,943                         |
| Total Expenditures  | <u>141,924</u>                     | <u>117,913</u>  | <u>24,011</u>                 |
| Net Change in Fund Balance  | (7,392)                            | 4,419           | 11,811                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>7,392</u>                       | <u>7,392</u>    | <u>0</u>                      |
| Fund Balance - End of Year  | <u>\$0</u>                         | <u>\$11,811</u> | <u>\$11,811</u>               |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | SchoolNet<br>OneNet<br>Fund |          |                               |
|---|-----------------------------|----------|-------------------------------|
|   | Final<br>Budget             | Actual   | Variance from<br>Final Budget |
| Revenues:   |                             |          |                               |
| Intergovernmental   | \$12,600                    | \$12,600 | \$0                           |
| Total Revenues  | 12,600                      | 12,600   | 0                             |
| Expenditures:   |                             |          |                               |
| Current:  |                             |          |                               |
| Support Services:   |                             |          |                               |
| Central   | 12,600                      | 12,600   | 0                             |
| Total Expenditures  | 12,600                      | 12,600   | 0                             |
| Net Change in Fund Balance  | 0                           | 0        | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 0                           | 0        | 0                             |
| Fund Balance - End of Year  | \$0                         | \$0      | \$0                           |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Education<br>Foundation<br>Fund |          |                               |
|---|---------------------------------|----------|-------------------------------|
|   | Final<br>Budget                 | Actual   | Variance from<br>Final Budget |
| Revenues:   |                                 |          |                               |
| Investment Earnings   | \$5,973                         | \$5,983  | \$10                          |
| Other Revenues  | 11,273                          | 11,292   | 19                            |
| Total Revenues  | 17,246                          | 17,275   | 29                            |
| Expenditures:   |                                 |          |                               |
| Current:  |                                 |          |                               |
| Support Services:   |                                 |          |                               |
| Business  | 42,550                          | 7,951    | 34,599                        |
| Total Expenditures  | 42,550                          | 7,951    | 34,599                        |
| Net Change in Fund Balance  | (25,304)                        | 9,324    | 34,628                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 26,210                          | 26,210   | 0                             |
| Fund Balance - End of Year  | \$906                           | \$35,534 | \$34,628                      |



Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Able/Job<br>Grant<br>Fund |          |                               |
|---|---------------------------|----------|-------------------------------|
|   | Final<br>Budget           | Actual   | Variance from<br>Final Budget |
| Revenues:   |                           |          |                               |
| Intergovernmental   | \$0                       | \$0      | \$0                           |
| Total Revenues  | 0                         | 0        | 0                             |
| Expenditures:   |                           |          |                               |
| Current:  |                           |          |                               |
| Instruction:  |                           |          |                               |
| Regular   | 7,071                     | 3,178    | 3,893                         |
| Support Services:   |                           |          |                               |
| Instructional Staff   | 11,425                    | 5,135    | 6,290                         |
| Total Expenditures  | 18,496                    | 8,313    | 10,183                        |
| Net Change in Fund Balance  | (18,496)                  | (8,313)  | 10,183                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 18,496                    | 18,496   | 0                             |
| Fund Balance - End of Year  | \$0                       | \$10,183 | \$10,183                      |

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | Adult Basic<br>Education<br>Fund |          |                               |
|---|----------------------------------|----------|-------------------------------|
|   | Final<br>Budget                  | Actual   | Variance from<br>Final Budget |
| Revenues:   |                                  |          |                               |
| Intergovernmental   | \$111,702                        | \$89,200 | (\$22,502)                    |
| Total Revenues  | 111,702                          | 89,200   | (22,502)                      |
| Expenditures:   |                                  |          |                               |
| Current:  |                                  |          |                               |
| Instruction:  |                                  |          |                               |
| Adult/continuing  | 82,072                           | 65,144   | 16,928                        |
| Support Services:   |                                  |          |                               |
| Instructional Staff   | 25,919                           | 20,573   | 5,346                         |
| School Administration   | 5,635                            | 4,473    | 1,162                         |
| Total Expenditures  | 113,626                          | 90,190   | 23,436                        |
| Excess of Revenues Over (Under) Expenditures  | (1,924)                          | (990)    | 934                           |
| Other Financing Sources (Uses):   |                                  |          |                               |
| Transfers In  | 6,757                            | 5,396    | (1,361)                       |
| Transfers (Out)   | (6,798)                          | (5,396)  | 1,402                         |
| Total Other Financing Sources (Uses)  | (41)                             | 0        | 41                            |
| Net Change in Fund Balance  | (1,965)                          | (990)    | 975                           |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 1,966                            | 1,966    | 0                             |
| Fund Balance - End of Year  | \$1                              | \$976    | \$975                         |

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | Title VI B<br>Fund |                 |                               |
|---|--------------------|-----------------|-------------------------------|
|   | Final<br>Budget    | Actual          | Variance from<br>Final Budget |
| Revenues:   |                    |                 |                               |
| Intergovernmental   | \$1,064,050        | \$925,974       | (\$138,076)                   |
| Total Revenues  | <u>1,064,050</u>   | <u>925,974</u>  | <u>(138,076)</u>              |
| Expenditures:   |                    |                 |                               |
| Current:  |                    |                 |                               |
| Instruction:  |                    |                 |                               |
| Special   | 440,136            | 372,560         | 67,576                        |
| Other   | 4,630              | 3,919           | 711                           |
| Support Services:   |                    |                 |                               |
| Pupil   | 254,965            | 215,819         | 39,146                        |
| Instructional Staff   | 125,589            | 106,307         | 19,282                        |
| School Administration   | 208,185            | 176,221         | 31,964                        |
| Operation of Non-Instructional Services   | 80,340             | 68,005          | 12,335                        |
| Total Expenditures  | <u>1,113,845</u>   | <u>942,831</u>  | <u>171,014</u>                |
| Excess of Revenues Over (Under) Expenditures  | <u>(49,795)</u>    | <u>(16,857)</u> | <u>32,938</u>                 |
| Other Financing Sources (Uses):   |                    |                 |                               |
| Transfers In  | 649                | 565             | (84)                          |
| Transfers (Out)   | (667)              | (565)           | 102                           |
| Total Other Financing Sources (Uses)  | <u>(18)</u>        | <u>0</u>        | <u>18</u>                     |
| Net Change in Fund Balance  | (49,813)           | (16,857)        | 32,956                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>49,815</u>      | <u>49,815</u>   | <u>0</u>                      |
| Fund Balance - End of Year  | <u>\$2</u>         | <u>\$32,958</u> | <u>\$32,956</u>               |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Vocational<br>Education<br>Fund |                       |                               |
|---|---------------------------------|-----------------------|-------------------------------|
|   | Final<br>Budget                 | Actual                | Variance from<br>Final Budget |
| Revenues:   |                                 |                       |                               |
| Intergovernmental   | \$90,539                        | \$88,100              | (\$2,439)                     |
| Total Revenues  | <u>90,539</u>                   | <u>88,100</u>         | <u>(2,439)</u>                |
| Expenditures:   |                                 |                       |                               |
| Current:  |                                 |                       |                               |
| Instruction:  |                                 |                       |                               |
| Vocational  | 104,220                         | 97,507                | 6,713                         |
| Support Services:   |                                 |                       |                               |
| Instructional Staff   | <u>1,403</u>                    | <u>1,313</u>          | <u>90</u>                     |
| Total Expenditures  | <u>105,623</u>                  | <u>98,820</u>         | <u>6,803</u>                  |
| Net Change in Fund Balance  | (15,084)                        | (10,720)              | 4,364                         |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>15,084</u>                   | <u>15,084</u>         | <u>0</u>                      |
| Fund Balance - End of Year  | <u><u>\$0</u></u>               | <u><u>\$4,364</u></u> | <u><u>\$4,364</u></u>         |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Basic<br>Educational<br>Opportunity<br>Grant<br>Fund |           |                               |
|---|--|-----------|-------------------------------|
|   | Final<br>Budget                                      | Actual    | Variance from<br>Final Budget |
| Revenues:   |  |           |                               |
| Intergovernmental   | \$351,223  | \$351,223 | \$0                           |
| Total Revenues  | 351,223  | 351,223   | 0                             |
| Expenditures:   |  |           |                               |
| Current:  |  |           |                               |
| Operation of Non-Instructional Services   | 351,223  | 351,223   | 0                             |
| Total Expenditures  | 351,223  | 351,223   | 0                             |
| Net Change in Fund Balance  | 0  | 0         | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 0  | 0         | 0                             |
| Fund Balance - End of Year  | \$0  | \$0       | \$0                           |

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | Title I<br>Fund  |                  |                               |
|---|------------------|------------------|-------------------------------|
|   | Final<br>Budget  | Actual           | Variance from<br>Final Budget |
| Revenues:   |                  |                  |                               |
| Intergovernmental   | \$2,466,443      | \$1,469,452      | (\$996,991)                   |
| Total Revenues  | <u>2,466,443</u> | <u>1,469,452</u> | <u>(996,991)</u>              |
| Expenditures:   |                  |                  |                               |
| Current:  |                  |                  |                               |
| Instruction:  |                  |                  |                               |
| Special   | 2,045,681        | 1,219,313        | 826,368                       |
| Support Services:   |                  |                  |                               |
| Instructional Staff   | 551,880          | 328,944          | 222,936                       |
| School Administration   | 46,857           | 27,929           | 18,928                        |
| Pupil Transportation  | 5,535            | 3,299            | 2,236                         |
| Central   | 7,474            | 4,455            | 3,019                         |
| Operation of Non-Instructional Services   | 76,649           | 45,686           | 30,963                        |
| Total Expenditures  | <u>2,734,076</u> | <u>1,629,626</u> | <u>1,104,450</u>              |
| Excess of Revenues Over (Under) Expenditures  | <u>(267,633)</u> | <u>(160,174)</u> | <u>107,459</u>                |
| Other Financing Sources (Uses):   |                  |                  |                               |
| Transfers In  | 41,250           | 24,576           | (16,674)                      |
| Transfers (Out)   | (41,232)         | (24,576)         | 16,656                        |
| Total Other Financing Sources (Uses)  | <u>18</u>        | <u>0</u>         | <u>(18)</u>                   |
| Net Change in Fund Balance  | (267,615)        | (160,174)        | 107,441                       |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>267,616</u>   | <u>267,616</u>   | <u>0</u>                      |
| Fund Balance - End of Year  | <u>\$1</u>       | <u>\$107,442</u> | <u>\$107,441</u>              |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Drug-Free<br>School<br>Grant<br>Fund |         |                               |
|---|--------------------------------------|---------|-------------------------------|
|   | Final<br>Budget                      | Actual  | Variance from<br>Final Budget |
| Revenues:   |                                      |         |                               |
| Intergovernmental   | \$0                                  | \$0     | \$0                           |
| Total Revenues  | 0                                    | 0       | 0                             |
| Expenditures:   |                                      |         |                               |
| Current:  |                                      |         |                               |
| Support Services:   |                                      |         |                               |
| Instructional Staff   | 1,457                                | 1,457   | 0                             |
| Total Expenditures  | 1,457                                | 1,457   | 0                             |
| Net Change in Fund Balance  | (1,457)                              | (1,457) | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 1,457                                | 1,457   | 0                             |
| Fund Balance - End of Year  | \$0                                  | \$0     | \$0                           |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | EHA<br>PreSchool<br>Grant<br>Fund |          |                               |
|---|-----------------------------------|----------|-------------------------------|
|   | Final<br>Budget                   | Actual   | Variance from<br>Final Budget |
| Revenues:   |                                   |          |                               |
| Intergovernmental   | \$51,900                          | \$43,567 | (\$8,333)                     |
| Total Revenues  | 51,900                            | 43,567   | (8,333)                       |
| Expenditures:   |                                   |          |                               |
| Current:  |                                   |          |                               |
| Instruction:  |                                   |          |                               |
| Other   | 427                               | 337      | 90                            |
| Support Services:   |                                   |          |                               |
| Instructional Staff   | 53,406                            | 42,114   | 11,292                        |
| School Administration   | 2,928                             | 2,309    | 619                           |
| Total Expenditures  | 56,761                            | 44,760   | 12,001                        |
| Net Change in Fund Balance  | (4,861)                           | (1,193)  | 3,668                         |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 4,862                             | 4,862    | 0                             |
| Fund Balance - End of Year  | \$1                               | \$3,669  | \$3,668                       |



Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Improving<br>Teacher<br>Quality<br>Fund |           |                               |
|---|---|-----------|-------------------------------|
|   | Final<br>Budget                         | Actual    | Variance from<br>Final Budget |
| Revenues:   |   |           |                               |
| Intergovernmental   | \$388,143                               | \$255,774 | (\$132,369)                   |
| Total Revenues  | 388,143                                 | 255,774   | (132,369)                     |
| Expenditures:   |   |           |                               |
| Current:  |   |           |                               |
| Instruction:  |   |           |                               |
| Special   | 100,212                                 | 66,356    | 33,856                        |
| Support Services:   |   |           |                               |
| Instructional Staff   | 323,378                                 | 214,126   | 109,252                       |
| Total Expenditures  | 423,590                                 | 280,482   | 143,108                       |
| Net Change in Fund Balance  | (35,447)                                | (24,708)  | 10,739                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 35,447                                  | 35,447    | 0                             |
| Fund Balance - End of Year  | \$0                                     | \$10,739  | \$10,739                      |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Food<br>Service<br>Fund |                   |                               |
|---|-------------------------|-------------------|-------------------------------|
|   | Final<br>Budget         | Actual            | Variance from<br>Final Budget |
| Revenues:   |                         |                   |                               |
| Intergovernmental   | \$1,402,089             | \$1,402,089       | \$0                           |
| Charges for Services  | 305,515                 | 305,515           | 0                             |
| Other Revenues  | 2,009                   | 2,009             | 0                             |
| Total Revenues  | <u>1,709,613</u>        | <u>1,709,613</u>  | <u>0</u>                      |
| Expenditures:   |                         |                   |                               |
| Current:  |                         |                   |                               |
| Operation of Non-Instructional Services   | 1,725,880               | 1,725,880         | 0                             |
| Total Expenditures  | <u>1,725,880</u>        | <u>1,725,880</u>  | <u>0</u>                      |
| Excess of Revenues Over (Under) Expenditures  | <u>(16,267)</u>         | <u>(16,267)</u>   | <u>0</u>                      |
| Other Financing Sources (Uses):   |                         |                   |                               |
| Advances In   | 11,397                  | 11,397            | 0                             |
| Total Other Financing Sources (Uses)  | <u>11,397</u>           | <u>11,397</u>     | <u>0</u>                      |
| Net Change in Fund Balance  | (4,870)                 | (4,870)           | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>4,870</u>            | <u>4,870</u>      | <u>0</u>                      |
| Fund Balance - End of Year  | <u><u>\$0</u></u>       | <u><u>\$0</u></u> | <u><u>\$0</u></u>             |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Race to<br>The Top<br>Fund |        |                               |
|---|----------------------------|--------|-------------------------------|
|   | Final<br>Budget            | Actual | Variance from<br>Final Budget |
| Revenues:   |                            |        |                               |
| Intergovernmental   | \$350                      | \$350  | \$0                           |
| Total Revenues  | 350                        | 350    | 0                             |
| Expenditures:   |                            |        |                               |
| Current:  |                            |        |                               |
| Instruction:  |                            |        |                               |
| Instructional Staff   | 350                        | 350    | 0                             |
| Total Expenditures  | 350                        | 350    | 0                             |
| Net Change in Fund Balance  | 0                          | 0      | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 0                          | 0      | 0                             |
| Fund Balance - End of Year  | \$0                        | \$0    | \$0                           |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Stimulus<br>Title II<br>Fund |        |                               |
|---|------------------------------|--------|-------------------------------|
|   | Final<br>Budget              | Actual | Variance from<br>Final Budget |
| Revenues:   |                              |        |                               |
| Intergovernmental   | \$0                          | \$0    | \$0                           |
| Total Revenues  | 0                            | 0      | 0                             |
| Expenditures:   |                              |        |                               |
| Current:  |                              |        |                               |
| Support Services:   |                              |        |                               |
| Instructional Staff   | 587                          | 587    | 0                             |
| Total Expenditures  | 587                          | 587    | (0)                           |
| Excess of Revenues Over (Under) Expenditures  | (587)                        | (587)  | 0                             |
| Net Change in Fund Balance  | (587)                        | (587)  | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 587                          | 587    | 0                             |
| Fund Balance - End of Year  | \$0                          | \$0    | \$0                           |

Sandusky City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

|   | Title I<br>School<br>Improvement<br>Fund |          |                               |
|---|--|----------|-------------------------------|
|   | Final<br>Budget                          | Actual   | Variance from<br>Final Budget |
| Revenues:   |  |          |                               |
| Intergovernmental   | \$151,132                                | \$82,316 | (\$68,816)                    |
| Total Revenues  | 151,132                                  | 82,316   | (68,816)                      |
| Expenditures:   |  |          |                               |
| Current:  |  |          |                               |
| Support Services:   |  |          |                               |
| Instructional Staff   | 176,424                                  | 97,280   | 79,144                        |
| Total Expenditures  | 176,424                                  | 97,280   | 79,144                        |
| Excess of Revenues Over (Under) Expenditures  | (25,292)                                 | (14,964) | 10,328                        |
| Other Financing Sources (Uses):   |  |          |                               |
| Advances In   | 22,678                                   | 12,352   | (10,326)                      |
| Total Other Financing Sources (Uses)  | 22,678                                   | 12,352   | (10,326)                      |
| Net Change in Fund Balance  | (2,614)                                  | (2,612)  | 2                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 2,612                                    | 2,612    | 0                             |
| Fund Balance - End of Year  | (\$2)                                    | (\$0)    | \$2                           |

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service fund. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Retirement Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Debt<br>Service<br>Fund |          |                               |
|---|-------------------------|----------|-------------------------------|
|   | Final<br>Budget         | Actual   | Variance from<br>Final Budget |
| Revenues:   |                         |          |                               |
| Taxes   | \$0                     | \$0      | \$0                           |
| Total Revenues  | 0                       | 0        | 0                             |
| Expenditures:   |                         |          |                               |
| Debt Service:   |                         |          |                               |
| Principal Retirement  | 0                       | 0        | 0                             |
| Interest and Fiscal Charges   | 0                       | 0        | 0                             |
| Total Expenditures  | 0                       | 0        | 0                             |
| Net Change in Fund Balance  | 0                       | 0        | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 11,895                  | 11,895   | 0                             |
| Fund Balance - End of Year  | \$11,895                | \$11,895 | \$0                           |

## **NONMAJOR CAPITAL PROJECT FUNDS**

### **Fund Descriptions**

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

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



Sandusky City School District, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2013

|  | Permanent<br>Improvement | Replacement     | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|--|--------------------------|-----------------|--|
| Assets:                                    |                          |                 |  |
| Equity in Pooled Cash and Investments      | \$416,736                | \$26,673        | \$443,409                                      |
| Receivables:                               |                          |                 |  |
| Taxes                                      | 923,693                  | 0               | 923,693  |
| <b>Total Assets</b>                        | <b>1,340,429</b>         | <b>26,673</b>   | <b>1,367,102</b>                               |
| Liabilities and Fund Balances:             |                          |                 |  |
| Liabilities:                               |                          |                 |  |
| Accounts Payable                           | 82,561                   | 0               | 82,561   |
| Deferred Revenue                           | 772,370                  | 0               | 772,370  |
| <b>Total Liabilities</b>                   | <b>854,931</b>           | <b>0</b>        | <b>854,931</b>                                 |
| Fund Balances:                             |                          |                 |  |
| Restricted                                 | 485,498                  | 0               | 485,498  |
| Assigned                                   | 0                        | 26,673          | 26,673   |
| <b>Total Fund Balances</b>                 | <b>485,498</b>           | <b>26,673</b>   | <b>512,171</b>                                 |
| <b>Total Liabilities and Fund Balances</b> | <b>\$1,340,429</b>       | <b>\$26,673</b> | <b>\$1,367,102</b>                             |

Sandusky City School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2013

|                                | Permanent<br>Improvement | Replacement     | Total<br>Nonmajor<br>Capital Projects<br>Funds |
|--------------------------------|--------------------------|-----------------|--|
| Revenues:                      |                          |                 |  |
| Taxes                          | \$845,593                | \$0             | \$845,593                                      |
| Intergovernmental              | 176,147                  | 0               | 176,147  |
| Total Revenues                 | <u>1,021,740</u>         | <u>0</u>        | <u>1,021,740</u>                               |
| Expenditures:                  |                          |                 |  |
| Current:                       |                          |                 |  |
| Instruction:                   |                          |                 |  |
| Regular                        | 66,774                   | 0               | 66,774   |
| Support Services:              |                          |                 |  |
| Fiscal                         | 17,580                   | 0               | 17,580   |
| Operations and Maintenance     | 46,637                   | 0               | 46,637   |
| Pupil Transportation           | 158,380                  | 0               | 158,380  |
| Central                        | 783,275                  | 0               | 783,275  |
| Capital Outlay                 | <u>259,305</u>           | <u>0</u>        | <u>259,305</u>                                 |
| Total Expenditures             | <u>1,331,951</u>         | <u>0</u>        | <u>1,331,951</u>                               |
| Net Change in Fund Balance     | (310,211)                | 0               | (310,211)                                      |
| Fund Balance Beginning of Year | <u>795,709</u>           | <u>26,673</u>   | <u>822,382</u>                                 |
| Fund Balance - End of Year     | <u>\$485,498</u>         | <u>\$26,673</u> | <u>\$512,171</u>                               |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Permanent<br>Improvement<br>Fund |                  |                               |
|---|----------------------------------|------------------|-------------------------------|
|   | Final<br>Budget                  | Actual           | Variance from<br>Final Budget |
| Revenues:   |                                  |                  |                               |
| Taxes   | \$839,153                        | \$839,153        | \$0                           |
| Intergovernmental   | 176,146                          | 176,146          | 0                             |
| Total Revenues  | <u>1,015,299</u>                 | <u>1,015,299</u> | <u>0</u>                      |
| Expenditures:   |                                  |                  |                               |
| Current:  |                                  |                  |                               |
| Instruction:  |                                  |                  |                               |
| Regular   | 76,328                           | 67,036           | 9,292                         |
| Support Services:   |                                  |                  |                               |
| Fiscal  | 20,017                           | 17,580           | 2,437                         |
| Operations and Maintenance  | 53,101                           | 46,637           | 6,464                         |
| Pupil Transportation  | 180,333                          | 158,380          | 21,953                        |
| Central   | 870,958                          | 764,933          | 106,025                       |
| Extracurricular Activities  | 39,851                           | 35,000           | 4,851                         |
| Capital Outlay  | <u>420,909</u>                   | <u>369,670</u>   | <u>51,239</u>                 |
| Total Expenditures  | <u>1,661,497</u>                 | <u>1,459,236</u> | <u>202,261</u>                |
| Net Change in Fund Balance  | (646,198)                        | (443,937)        | 202,261                       |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>685,244</u>                   | <u>685,244</u>   | <u>0</u>                      |
| Fund Balance - End of Year  | <u>\$39,046</u>                  | <u>\$241,307</u> | <u>\$202,261</u>              |

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Replacement<br>Fund |          |                               |
|---|---------------------|----------|-------------------------------|
|   | Final<br>Budget     | Actual   | Variance from<br>Final Budget |
| Revenues:   |                     |          |                               |
| Taxes   | \$0                 | \$0      | \$0                           |
| Total Revenues  | 0                   | 0        | 0                             |
| Expenditures:   |                     |          |                               |
| Capital Outlay  | 0                   | 0        | (0)                           |
| Total Expenditures  | 0                   | 0        | (0)                           |
| Net Change in Fund Balance  | 0                   | 0        | 0                             |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | 26,673              | 26,673   | 0                             |
| Fund Balance - End of Year  | \$26,673            | \$26,673 | \$0                           |

## **NONMAJOR PERMANENT FUND**

### **Fund Description**

**Permanent Fund** - The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|  | Permanent Fund |           |                            |
|--|----------------|-----------|----------------------------|
|  | Final Budget   | Actual    | Variance from Final Budget |
| Revenues:  |                |           |                            |
| Investment Earnings  | \$21,631       | \$1,257   | (\$20,374)                 |
| Other Revenues   | 102,250        | 5,942     | (96,308)                   |
| Total Revenues   | 123,881        | 7,199     | (116,682)                  |
| Expenditures:  |                |           |                            |
| Current:   |                |           |                            |
| Operation of Non-Instructional Services  | 170,100        | 0         | 170,100                    |
| Total Expenditures   | 170,100        | 0         | 170,100                    |
| Net Change in Fund Balance   | (46,219)       | 7,199     | 53,418                     |
| Fund Balance - Beginning of Year (includes prior year encumbrances appropriated) | 124,185        | 124,185   | 0                          |
| Fund Balance - End of Year   | \$77,966       | \$131,384 | \$53,418                   |

## **OTHER GENERAL FUNDS**

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

### **Fund Descriptions**

**Public School Support** - A fund used to account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

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

Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Public<br>School<br>Support<br>Fund (1) |                        |                               |
|---|---|------------------------|-------------------------------|
|   | Final<br>Budget                         | Actual                 | Variance from<br>Final Budget |
| Revenues:   |   |                        |                               |
| Extracurricular Activities  | \$42,081                                | \$42,301               | \$220                         |
| Other Revenues  | 19,997                                  | 20,101                 | 104                           |
| Total Revenues  | <u>62,078</u>                           | <u>62,402</u>          | <u>324</u>                    |
| Expenditures:   |   |                        |                               |
| Current:  |   |                        |                               |
| Extracurricular Activities  | <u>127,431</u>                          | <u>70,832</u>          | <u>56,599</u>                 |
| Total Expenditures  | <u>127,431</u>                          | <u>70,832</u>          | <u>56,599</u>                 |
| Net Change in Fund Balance  | (65,353)                                | (8,430)                | 56,923                        |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>74,290</u>                           | <u>74,290</u>          | <u>0</u>                      |
| Fund Balance - End of Year  | <u><u>\$8,937</u></u>                   | <u><u>\$65,860</u></u> | <u><u>\$56,923</u></u>        |

(1) This fund is combined with the General fund in GAAP Statements.



Sandusky City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2013

|   | Adult<br>Education<br>Fund (1) |                  |                               |
|---|--------------------------------|------------------|-------------------------------|
|   | Final<br>Budget                | Actual           | Variance from<br>Final Budget |
| Revenues:   |                                |                  |                               |
| Tuition and Fees  | \$646,405                      | \$646,405        | \$0                           |
| Intergovernmental   | 210,451                        | 210,451          | 0                             |
| Other Revenues  | 145,522                        | 145,522          | 0                             |
| Total Revenues  | <u>1,002,378</u>               | <u>1,002,378</u> | <u>0</u>                      |
| Expenditures:   |                                |                  |                               |
| Current:  |                                |                  |                               |
| Instruction:  |                                |                  |                               |
| Adult/continuing  | 1,035,729                      | 931,669          | 104,060                       |
| Total Expenditures  | <u>1,035,729</u>               | <u>931,669</u>   | <u>104,060</u>                |
| Excess of Revenues Over (Under) Expenditures  | <u>(33,351)</u>                | <u>70,709</u>    | <u>104,060</u>                |
| Other Financing Sources (Uses):   |                                |                  |                               |
| Advances In   | 9,214                          | 9,214            | 0                             |
| Advances (Out)  | (93,818)                       | (93,818)         | 0                             |
| Total Other Financing Sources (Uses)  | <u>(84,604)</u>                | <u>(84,604)</u>  | <u>0</u>                      |
| Net Change in Fund Balance  | (117,955)                      | (13,895)         | 104,060                       |
| Fund Balance - Beginning of Year (includes<br>prior year encumbrances appropriated) | <u>13,894</u>                  | <u>13,894</u>    | <u>0</u>                      |
| Fund Balance - End of Year  | <u>(\$104,061)</u>             | <u>(\$1)</u>     | <u>\$104,060</u>              |

(1) This fund is combined with the General fund in GAAP Statements.

## **NONMAJOR FUNDS**

### **Fiduciary Funds**

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

**Scholarship Trust (Private Purpose Trust)** - A fund used to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

**Endowment (Private Purpose Trust)** - A fund used to account for monies set aside from endowments for scholarships for students enrolled in the District. The income from such a fund may be expended, but the principal must remain intact.

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

**Student Managed Activity (Agency Fund)** - A fund used to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

Sandusky City School District, Ohio  
 Combining Statement of Fiduciary Net Position  
 Private Purpose Trust Funds  
 June 30, 2013

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|                                       | Scholarship<br>Trust    | Endowment                 | Total                     |
|---------------------------------------|-------------------------|---------------------------|---------------------------|
| Assets:                               |                         |                           |                           |
| Equity in Pooled Cash and Investments | <u>\$679,436</u>        | <u>\$7,222,237</u>        | <u>\$7,901,673</u>        |
| Total Assets                          | <u>679,436</u>          | <u>7,222,237</u>          | <u>7,901,673</u>          |
| Liabilities:                          |                         |                           |                           |
| Accounts Payable                      | <u>0</u>                | <u>0</u>                  | <u>0</u>                  |
| Total Liabilities                     | <u>0</u>                | <u>0</u>                  | <u>0</u>                  |
| Net Position:                         |                         |                           |                           |
| Held in Trust                         | <u>679,436</u>          | <u>7,222,237</u>          | <u>7,901,673</u>          |
| Total Net Position                    | <u><u>\$679,436</u></u> | <u><u>\$7,222,237</u></u> | <u><u>\$7,901,673</u></u> |

Sandusky City School District, Ohio  
 Combining Statement of Changes in Fiduciary Net Position  
 Private Purpose Trust Funds  
 For the Fiscal Year Ended June 30, 2013

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|                                  | Scholarship<br>Trust    | Endowment                 | Total                     |
|----------------------------------|-------------------------|---------------------------|---------------------------|
| Additions:                       |                         |                           |                           |
| Donations                        | \$53,513                | \$475                     | \$53,988                  |
| Investment Earnings              | 1,291                   | 873,501                   | 874,792                   |
| Other                            | 16,841                  | 0                         | 16,841                    |
| Total Additions                  | <u>71,645</u>           | <u>873,976</u>            | <u>945,621</u>            |
| Deductions:                      |                         |                           |                           |
| Scholarships                     | 71,307                  | 69,680                    | 140,987                   |
| Total Deductions                 | <u>71,307</u>           | <u>69,680</u>             | <u>140,987</u>            |
| Change in Net Position           | 338                     | 804,296                   | 804,634                   |
| Net Position - Beginning of Year | <u>679,098</u>          | <u>6,417,941</u>          | <u>7,097,039</u>          |
| Net Position - End of Year       | <u><u>\$679,436</u></u> | <u><u>\$7,222,237</u></u> | <u><u>\$7,901,673</u></u> |

Sandusky City School District, Ohio  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013

|                                       | District Agency          |                    |                    |                  |
|---------------------------------------|--------------------------|--------------------|--------------------|------------------|
|                                       | Beginning Balance        | Additions          | Deductions         | Ending Balance   |
| Assets:                               |                          |                    |                    |                  |
| Equity in Pooled Cash and Investments | \$3,509                  | \$1,388,523        | \$1,378,754        | \$13,278         |
| Receivables:                          |                          |                    |                    |                  |
| Taxes                                 | 753,371                  | 705,608            | 753,371            | 705,608          |
| Intergovernmental                     | 2,602                    | 0                  | 2,602              | 0                |
| <b>Total Assets</b>                   | <b>759,482</b>           | <b>2,094,131</b>   | <b>2,134,727</b>   | <b>718,886</b>   |
| Liabilities:                          |                          |                    |                    |                  |
| Other Liabilities                     | 759,482                  | 2,094,131          | 2,134,727          | 718,886          |
| <b>Total Liabilities</b>              | <b>\$759,482</b>         | <b>\$2,094,131</b> | <b>\$2,134,727</b> | <b>\$718,886</b> |
|                                       |                          |                    |                    |                  |
|                                       | Student Managed Activity |                    |                    |                  |
|                                       | Beginning Balance        | Additions          | Deductions         | Ending Balance   |
| Assets:                               |                          |                    |                    |                  |
| Equity in Pooled Cash and Investments | \$95,916                 | \$118,829          | \$122,931          | \$91,814         |
| Receivables:                          |                          |                    |                    |                  |
| Accounts                              | 50                       | 0                  | 50                 | 0                |
| <b>Total Assets</b>                   | <b>95,966</b>            | <b>118,829</b>     | <b>122,981</b>     | <b>91,814</b>    |
| Liabilities:                          |                          |                    |                    |                  |
| Accounts Payable                      | 1,094                    | 2,663              | 1,094              | 2,663            |
| Other Liabilities                     | 94,872                   | 116,166            | 121,887            | 89,151           |
| <b>Total Liabilities</b>              | <b>\$95,966</b>          | <b>\$118,829</b>   | <b>\$122,981</b>   | <b>\$91,814</b>  |
|                                       |                          |                    |                    |                  |
|                                       | Total All Agency Funds   |                    |                    |                  |
|                                       | Beginning Balance        | Additions          | Deductions         | Ending Balance   |
| Assets:                               |                          |                    |                    |                  |
| Equity in Pooled Cash and Investments | \$99,425                 | \$1,507,352        | \$1,501,685        | \$105,092        |
| Receivables:                          |                          |                    |                    |                  |
| Taxes                                 | 753,371                  | 705,608            | 753,371            | 705,608          |
| Accounts                              | 50                       | 0                  | 50                 | 0                |
| Intergovernmental                     | 2,602                    | 0                  | 2,602              | 0                |
| <b>Total Assets</b>                   | <b>855,448</b>           | <b>2,212,960</b>   | <b>2,257,708</b>   | <b>810,700</b>   |
| Liabilities:                          |                          |                    |                    |                  |
| Accounts Payable                      | 1,094                    | 2,663              | 1,094              | 2,663            |
| Other Liabilities                     | 854,354                  | 2,210,297          | 2,256,614          | 808,037          |
| <b>Total Liabilities</b>              | <b>\$855,448</b>         | <b>\$2,212,960</b> | <b>\$2,257,708</b> | <b>\$810,700</b> |

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# STATISTICAL SECTION

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## **STATISTICAL SECTION**

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

### **CONTENTS**

**FINANCIAL TRENDS:** These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

**REVENUE CAPACITY:** These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

**DEBT CAPACITY:** These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

**ECONOMIC AND DEMOGRAPHIC INFORMATION:** These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

**OPERATING INFORMATION:** These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

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



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

|  | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                    |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
|  | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012               | 2013                |
| <b>Governmental Activities</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |
| Net Investment in Capital Assets                   | \$9,514,906         | \$9,577,678         | \$9,904,226         | \$9,618,666         | \$9,733,381         | \$10,002,744        | \$9,053,163         | \$8,898,289         | \$8,095,561        | \$9,650,349         |
| Restricted   | 1,577,690           | 2,460,505           | 2,277,541           | 2,342,360           | 1,661,477           | 1,926,356           | 1,693,031           | 1,612,452           | 1,712,923          | 1,306,846           |
| Unrestricted                                       | 1,155,888           | 1,678,633           | 638,540             | 1,209,184           | 2,064,130           | 2,146,662           | 3,098,977           | 2,185,093           | (263,266)          | (212,978)           |
| <b>Total Governmental Activities Net Position</b>  | <b>\$12,248,484</b> | <b>\$13,716,816</b> | <b>\$12,820,307</b> | <b>\$13,170,210</b> | <b>\$13,458,988</b> | <b>\$14,075,762</b> | <b>\$13,845,171</b> | <b>\$12,695,834</b> | <b>\$9,545,218</b> | <b>\$10,744,217</b> |
| <b>Business-Type Activities</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |
| Net Investment in Capital Assets                   | \$118,279           | \$110,021           | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                | \$0                 |
| Unrestricted                                       | 69,613              | (36,805)            | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                  | 0                   |
| <b>Total Business-Type Activities Net Position</b> | <b>\$187,892</b>    | <b>\$73,216</b>     | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>         | <b>\$0</b>          |
| <b>Total Primary Government</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |
| Net Investment in Capital Assets                   | \$9,633,185         | \$9,687,699         | \$9,904,226         | \$9,618,666         | \$9,733,381         | \$10,002,744        | \$9,053,163         | \$8,898,289         | \$8,095,561        | \$9,650,349         |
| Restricted   | 1,577,690           | 2,460,505           | 2,277,541           | 2,342,360           | 1,661,477           | 1,926,356           | 1,693,031           | 1,612,452           | 1,712,923          | 1,306,846           |
| Unrestricted                                       | 1,225,501           | 1,641,828           | 638,540             | 1,209,184           | 2,064,130           | 2,146,662           | 3,098,977           | 2,185,093           | (263,266)          | (212,978)           |
| <b>Total Primary Government Net Position</b>       | <b>\$12,436,376</b> | <b>\$13,790,032</b> | <b>\$12,820,307</b> | <b>\$13,170,210</b> | <b>\$13,458,988</b> | <b>\$14,075,762</b> | <b>\$13,845,171</b> | <b>\$12,695,834</b> | <b>\$9,545,218</b> | <b>\$10,744,217</b> |

Source: District Records

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

|  | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
| <b>Expenses</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities:</b>                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Instruction                                    | \$24,857,772        | \$25,884,229        | \$29,028,772        | \$28,612,515        | \$28,381,015        | \$31,120,235        | \$32,423,935        | \$33,000,997        | \$32,320,969        | \$30,355,691        |
| Pupil  | 1,713,629           | 1,795,398           | 1,892,558           | 1,848,395           | 1,966,662           | 1,949,122           | 1,810,155           | 1,808,990           | 1,905,257           | 1,964,202           |
| Instructional Staff                            | 1,596,772           | 1,567,099           | 2,843,356           | 2,604,516           | 2,345,780           | 1,976,782           | 2,334,671           | 2,178,795           | 2,891,614           | 2,762,425           |
| General Administration                         | 200,544             | 290,483             | 262,873             | 251,748             | 225,384             | 219,506             | 274,123             | 237,888             | 194,969             | 162,727             |
| School Administration                          | 2,899,700           | 3,155,898           | 3,093,269           | 3,294,800           | 3,260,728           | 3,143,151           | 2,993,558           | 3,078,638           | 2,844,207           | 2,621,850           |
| Fiscal   | 776,412             | 747,826             | 773,037             | 816,087             | 827,379             | 790,838             | 724,600             | 772,658             | 775,946             | 757,378             |
| Business                                       | 149,517             | 163,970             | 171,953             | 182,226             | 167,861             | 173,166             | 165,646             | 165,412             | 154,022             | 131,172             |
| Operations and Maintenance                     | 4,607,211           | 4,278,015           | 4,597,967           | 4,441,639           | 4,266,515           | 4,131,032           | 3,488,446           | 3,587,482           | 3,280,303           | 2,590,459           |
| Pupil Transportation                           | 1,408,368           | 1,424,910           | 1,505,074           | 1,678,854           | 1,605,498           | 1,560,103           | 1,595,977           | 1,541,087           | 1,918,458           | 1,362,330           |
| Central  | 658,779             | 617,090             | 1,309,047           | 878,440             | 869,701             | 961,596             | 1,211,148           | 1,358,070           | 1,330,662           | 806,153             |
| Operation of Non-Instructional Services        | 189,885             | 365,104             | 2,883,539           | 3,116,826           | 3,398,658           | 3,051,796           | 2,920,946           | 2,697,028           | 2,855,443           | 2,732,734           |
| Extracurricular Activities                     | 1,057,758           | 1,091,654           | 1,151,621           | 1,259,230           | 1,434,639           | 1,168,160           | 987,180             | 1,178,272           | 1,065,669           | 974,228             |
| Intergovernmental Pass-through                 | 483,133             | 475,587             | 425,781             | 466,340             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Interest and Fiscal Charges                    | 91,145              | 75,913              | 68,650              | 62,932              | 44,512              | 26,930              | 56,430              | 47,986              | 49,997              | 69,213              |
| <b>Total Governmental Activities Expenses</b>  | <b>40,690,625</b>   | <b>41,933,176</b>   | <b>50,007,497</b>   | <b>49,514,548</b>   | <b>48,794,332</b>   | <b>50,272,417</b>   | <b>50,986,815</b>   | <b>51,653,303</b>   | <b>51,587,516</b>   | <b>47,290,562</b>   |
| <b>Business-Type Activities:</b>               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Food Service                                   | 1,857,460           | 1,918,480           | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Adult Education                                | 867,829             | 820,179             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| <b>Total Business-Type Activities Expenses</b> | <b>2,725,289</b>    | <b>2,738,659</b>    | <b>0</b>            | <b>0</b>            | <b>0</b>            | <b>0</b>            | <b>0</b>            | <b>0</b>            | <b>0</b>            | <b>0</b>            |
| <b>Total Primary Government Expenses</b>       | <b>\$43,415,914</b> | <b>\$44,671,835</b> | <b>\$50,007,497</b> | <b>\$49,514,548</b> | <b>\$48,794,332</b> | <b>\$50,272,417</b> | <b>\$50,986,815</b> | <b>\$51,653,303</b> | <b>\$51,587,516</b> | <b>\$47,290,562</b> |

Source: District Records

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

|  | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  |
| <b>Program Revenues</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Governmental Activities:</b>                        |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services:                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Instruction  | \$128,090             | \$146,638             | \$715,705             | \$1,037,687           | \$1,002,817           | \$1,269,069           | \$1,342,013           | \$1,202,149           | \$1,096,887           | \$1,297,573           |
| Pupil  | 9                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| School Administration                                  | 0                     | 0                     | 0                     | 5,833                 | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Operations and Maintenance                             | 29,151                | 31,429                | 28,694                | 16,965                | 24,900                | 34,410                | 17,499                | 20,367                | 20,345                | 67,628                |
| Operation of Non-Instructional Services                | 0                     | 0                     | 655,354               | 644,676               | 580,145               | 522,798               | 407,386               | 361,815               | 316,374               | 303,114               |
| Extracurricular Activities                             | 326,083               | 314,422               | 309,071               | 271,084               | 233,068               | 211,569               | 237,687               | 227,689               | 258,825               | 203,577               |
| Operating Grants and Contributions                     | 5,138,728             | 6,312,983             | 10,414,800            | 12,407,355            | 10,658,668            | 10,803,543            | 11,209,417            | 10,799,672            | 9,296,132             | 8,411,980             |
| Capital Grants and Contributions                       | 88,275                | 0                     | 0                     | 146,949               | 60,707                | 57,267                | 0                     | 0                     | 0                     | 0                     |
| <b>Total Governmental Activities Program Revenues</b>  | <b>5,710,336</b>      | <b>6,805,472</b>      | <b>12,123,624</b>     | <b>14,530,549</b>     | <b>12,560,305</b>     | <b>12,898,656</b>     | <b>13,214,002</b>     | <b>12,611,692</b>     | <b>10,988,563</b>     | <b>10,283,872</b>     |
| <b>Business-Type Activities:</b>                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services:                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Food Service   | 696,928               | 662,188               | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Adult Education  | 626,650               | 575,775               | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Operating Grants and Contributions                     | 1,296,815             | 1,383,770             | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| <b>Total Business-Type Activities Program Revenues</b> | <b>2,620,393</b>      | <b>2,621,733</b>      | <b>0</b>              | <b>0</b>              | <b>0</b>              | <b>0</b>              | <b>0</b>              | <b>0</b>              | <b>0</b>              | <b>0</b>              |
| <b>Total Primary Government Program Revenues</b>       | <b>\$8,330,729</b>    | <b>\$9,427,205</b>    | <b>\$12,123,624</b>   | <b>\$14,530,549</b>   | <b>\$12,560,305</b>   | <b>\$12,898,656</b>   | <b>\$13,214,002</b>   | <b>\$12,611,692</b>   | <b>\$10,988,563</b>   | <b>\$10,283,872</b>   |
| <b>Net (Expense)/Revenue</b>                           | <b>(\$35,085,185)</b> | <b>(\$35,244,630)</b> | <b>(\$37,883,873)</b> | <b>(\$34,983,999)</b> | <b>(\$36,234,027)</b> | <b>(\$37,373,761)</b> | <b>(\$37,772,813)</b> | <b>(\$39,041,611)</b> | <b>(\$40,598,953)</b> | <b>(\$37,006,690)</b> |
| <b>Total Government Net Expense</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |

Source: District Records

Sandusky City School District, Ohio  
 General Revenues and Total Change in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 3

|   | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  |
| <b>Net (Expense)/Revenue</b>                                | <b>(\$35,085,185)</b> | <b>(\$35,244,630)</b> | <b>(\$37,883,873)</b> | <b>(\$34,983,999)</b> | <b>(\$36,234,027)</b> | <b>(\$37,373,761)</b> | <b>(\$37,772,813)</b> | <b>(\$39,041,611)</b> | <b>(\$40,598,953)</b> | <b>(\$37,006,690)</b> |
| General Revenues and Other Changes in Net Position          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:                                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Taxes   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property Taxes Levied for General Purposes                  | 15,280,800            | 18,066,764            | 18,310,310            | 17,988,435            | 17,786,660            | 18,167,066            | 16,610,254            | 17,233,827            | 16,789,561            | 18,220,036            |
| Property Taxes Levied for Debt Service Purposes             | 256,231               | 264,594               | 283,257               | 293,068               | 277,686               | 77,442                | 0                     | 0                     | 0                     | 0                     |
| Property Taxes Levied for Capital Projects Purposes         | 515,487               | 554,784               | 596,734               | 572,833               | 512,033               | 504,584               | 787,009               | 901,848               | 873,259               | 823,323               |
| Grants and Entitlements Not Restricted to Specific Programs | 16,932,365            | 17,143,794            | 16,892,666            | 16,127,728            | 17,217,113            | 18,738,297            | 19,231,778            | 19,364,728            | 19,187,047            | 18,356,668            |
| Payment in Lieu of Taxes                                    | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 92,764                | 96,184                | 96,880                | 102,072               |
| Unrestricted Contributions                                  | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 73,476                | 119,684               | 83,824                | 104,515               |
| Investment Earnings   | 102,701               | 227,824               | 440,921               | 545,097               | 406,737               | 168,072               | 40,751                | 64,347                | 40,283                | 9,650                 |
| Other Revenues  | 305,452               | 340,526               | 390,260               | 350,511               | 322,576               | 335,074               | 706,190               | 111,656               | 377,483               | 589,425               |
| <b>Total Governmental Activities General Revenues</b>       | <b>33,393,036</b>     | <b>36,598,286</b>     | <b>36,914,148</b>     | <b>35,877,672</b>     | <b>36,522,805</b>     | <b>37,990,535</b>     | <b>37,542,222</b>     | <b>37,892,274</b>     | <b>37,448,337</b>     | <b>38,205,689</b>     |
| Transfers   | 0                     | 0                     | 0                     | (543,770)             | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Special Items   | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Business-Type Activities:                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Investment Earnings   | 1,568                 | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Total Business-Type Activities General Revenues             | 1,568                 | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| <b>Change in Net Position</b>                               | <b>(\$1,690,581)</b>  | <b>\$1,353,656</b>    | <b>(\$969,725)</b>    | <b>\$349,903</b>      | <b>\$288,778</b>      | <b>\$616,774</b>      | <b>(\$230,591)</b>    | <b>(\$1,149,337)</b>  | <b>(\$3,150,616)</b>  | <b>\$1,198,999</b>    |

Source: District Records

Sandusky City School District, Ohio  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Schedule 4

|   | Fiscal Year        |                    |                    |                    |                  |                  |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2004               | 2005               | 2006               | 2007               | 2008             | 2009             | 2010               | 2011(1)            | 2012(1)            | 2013(1)            |
| <b>General Fund</b>                       |                    |                    |                    |                    |                  |                  |                    |                    |                    |                    |
| Reserved                                  | \$891,202          | \$1,915,740        | \$1,664,279        | \$1,506,725        | \$1,903,046      | \$2,536,281      | \$1,962,854        | \$0                | \$0                | \$0                |
| Unreserved                                | (715,758)          | (143,758)          | (167,288)          | (81,769)           | (340,751)        | (208,243)        | (171,629)          | 0                  | 0                  | 0                  |
| <b>Nonspendable</b>                       |                    |                    |                    |                    |                  |                  |                    |                    |                    |                    |
| Assigned                                  |                    |                    |                    |                    |                  |                  |                    | 81,158             | 81,158             | 64,541             |
| Unassigned                                |                    |                    |                    |                    |                  |                  |                    | 106,107            | 344,766            | 1,816,219          |
|   |                    |                    |                    |                    |                  |                  |                    | 281,266            | (1,381,982)        | (2,580,760)        |
| <b>Total General Fund</b>                 | <b>175,444</b>     | <b>1,771,982</b>   | <b>1,496,991</b>   | <b>1,424,956</b>   | <b>1,562,295</b> | <b>2,328,038</b> | <b>1,791,225</b>   | <b>468,531</b>     | <b>(956,058)</b>   | <b>(700,000)</b>   |
| <b>All Other Governmental Funds</b>       |                    |                    |                    |                    |                  |                  |                    |                    |                    |                    |
| Reserved                                  | 547,633            | 503,733            | 379,096            | 544,164            | 464,214          | 310,790          | 384,961            | 0                  | 0                  | 0                  |
| Unreserved, Reported in:                  |                    |                    |                    |                    |                  |                  |                    |                    |                    |                    |
| Special Revenue Funds                     | 439,300            | 324,138            | 61,438             | (34,131)           | (135,860)        | (190,478)        | 398,779            | 0                  | 0                  | 0                  |
| Debt Service Funds                        | 107,780            | 120,732            | 142,945            | 156,171            | 269,920          | 281,697          | 281,697            | 0                  | 0                  | 0                  |
| Capital Project Funds                     | 519,727            | 582,865            | 558,361            | 345,598            | 235,258          | 165,891          | 146,510            | 0                  | 0                  | 0                  |
| Permanent Fund                            | 75,649             | 76,174             | 81,610             | 86,207             | 90,256           | 86,415           | 87,613             | 0                  | 0                  | 0                  |
| <b>Nonspendable</b>                       |                    |                    |                    |                    |                  |                  |                    |                    |                    |                    |
| Restricted                                |                    |                    |                    |                    |                  |                  |                    | 18,674             | 18,950             | 22,129             |
| Assigned                                  |                    |                    |                    |                    |                  |                  |                    | 1,686,944          | 1,674,006          | 1,203,970          |
| Unassigned                                |                    |                    |                    |                    |                  |                  |                    | 26,673             | 26,673             | 26,673             |
|   |                    |                    |                    |                    |                  |                  |                    | (107,390)          | (153,132)          | (181,927)          |
| <b>Total All Other Governmental Funds</b> | <b>\$1,690,089</b> | <b>\$1,607,642</b> | <b>\$1,223,450</b> | <b>\$1,098,009</b> | <b>\$923,788</b> | <b>\$654,315</b> | <b>\$1,299,560</b> | <b>\$1,624,901</b> | <b>\$1,566,497</b> | <b>\$1,070,845</b> |

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance are discussed in the Notes to the Financial Statements.

Sandusky City School District, Ohio  
 Governmental Funds Revenues  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 5

|                            | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         |
| Revenues:                  |              |              |              |              |              |              |              |              |              |              |
| Taxes                      | \$15,580,501 | \$19,936,270 | \$18,632,648 | \$18,269,526 | \$18,915,186 | \$18,657,994 | \$16,889,092 | \$18,130,698 | \$17,743,250 | \$19,140,681 |
| Revenue in Lieu of Taxes   | 0            | 0            | 0            | 0            | 0            | 0            | 92,764       | 96,184       | 96,880       | 102,072      |
| Tuition and Fees           | 76,161       | 78,315       | 475,684      | 701,787      | 703,259      | 1,037,870    | 1,293,012    | 1,152,390    | 1,091,477    | 1,288,703    |
| Investment Earnings        | 88,501       | 188,216      | 375,605      | 497,826      | 350,636      | 131,761      | 40,751       | 64,347       | 38,593       | 15,592       |
| Intergovernmental          | 22,169,907   | 22,710,387   | 27,389,724   | 27,521,509   | 28,613,592   | 29,247,646   | 31,035,507   | 30,435,115   | 28,730,119   | 26,822,780   |
| Extracurricular Activities | 250,147      | 265,631      | 257,721      | 271,084      | 236,953      | 215,229      | 224,471      | 217,955      | 253,148      | 203,122      |
| Charges for Services       | 0            | 0            | 637,528      | 631,607      | 565,621      | 500,573      | 469,603      | 419,837      | 326,882      | 382,958      |
| Other Revenues             | 515,760      | 542,372      | 728,151      | 1,231,978    | 806,795      | 820,605      | 797,163      | 253,178      | 483,921      | 685,108      |
| Total Revenues             | \$38,680,977 | \$43,721,191 | \$48,497,061 | \$49,125,317 | \$50,192,042 | \$50,611,678 | \$50,842,363 | \$50,769,704 | \$48,764,270 | \$48,641,016 |

Source: District Records

Sandusky City School District, Ohio  
 Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 6

|   | Fiscal Year         |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                |
| Instruction                             | \$25,267,920        | \$25,675,149        | \$28,611,269        | \$28,134,701        | \$28,743,949        | \$30,591,006        | \$32,033,762        | \$32,600,905        | \$31,433,897        | \$29,676,350        |
| Pupil                                   | 1,671,810           | 1,797,261           | 1,837,836           | 1,963,948           | 2,052,683           | 1,807,144           | 1,829,347           | 1,836,465           | 1,873,481           | 1,922,813           |
| Instructional Staff                     | 1,605,101           | 1,529,453           | 2,732,868           | 2,540,088           | 2,542,778           | 1,957,169           | 2,309,095           | 2,206,983           | 2,737,651           | 2,839,513           |
| General Administration                  | 200,544             | 290,483             | 262,873             | 251,748             | 225,384             | 219,506             | 274,123             | 237,888             | 194,969             | 162,727             |
| School Administration                   | 2,933,747           | 3,085,533           | 3,050,199           | 3,210,607           | 3,334,918           | 3,120,041           | 2,975,257           | 3,117,435           | 2,850,302           | 2,717,723           |
| Fiscal                                  | 751,115             | 750,121             | 774,424             | 800,062             | 849,145             | 795,071             | 714,646             | 802,536             | 767,150             | 762,283             |
| Business                                | 157,280             | 165,455             | 166,666             | 179,790             | 170,505             | 164,658             | 198,493             | 156,735             | 154,978             | 131,178             |
| Operation and Maintenance               | 3,988,505           | 3,831,026           | 4,050,372           | 3,776,097           | 3,781,806           | 3,744,485           | 3,363,834           | 3,543,944           | 3,243,341           | 2,927,716           |
| Pupil Transportation                    | 1,301,927           | 1,428,252           | 1,296,568           | 1,480,076           | 1,527,984           | 1,556,544           | 1,444,449           | 1,433,007           | 1,711,856           | 1,578,101           |
| Central                                 | 639,614             | 613,444             | 723,054             | 846,349             | 892,227             | 942,876             | 1,162,619           | 1,332,429           | 1,335,052           | 1,581,951           |
| Operation of Non-Instructional Services | 154,312             | 325,029             | 2,814,713           | 3,133,310           | 3,464,353           | 3,012,506           | 2,925,210           | 2,678,475           | 2,846,582           | 2,812,178           |
| Extracurricular Activities              | 1,040,791           | 969,105             | 1,060,887           | 1,189,397           | 1,331,218           | 1,048,179           | 978,170             | 1,169,547           | 1,057,148           | 1,141,822           |
| Intergovernmental Pass-through          | 483,133             | 475,587             | 425,781             | 466,094             | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Capital Outlay                          | 1,630,296           | 577,370             | 1,334,529           | 899,370             | 807,741             | 783,844             | 773,940             | 412,540             | 463,250             | 273,498             |
| Debt Service                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal Retirement                    | 368,346             | 358,226             | 484,516             | 476,908             | 456,362             | 386,275             | 211,285             | 192,320             | 203,714             | 284,554             |
| Interest and Fiscal Charges             | 102,414             | 76,618              | 69,354              | 63,618              | 45,198              | 27,431              | 56,430              | 47,986              | 49,997              | 69,213              |
| <b>Total Expenditures</b>               | <b>\$42,296,855</b> | <b>\$41,948,112</b> | <b>\$49,695,909</b> | <b>\$49,412,163</b> | <b>\$50,226,251</b> | <b>\$50,156,735</b> | <b>\$51,250,660</b> | <b>\$51,769,195</b> | <b>\$50,923,368</b> | <b>\$48,881,620</b> |

Debt Service as a Percentage of Noncapital Expenditures      1.12%      1.05%      1.12%      1.10%      1.01%      0.83%      0.53%      0.47%      0.50%      0.75%

Source: District Records



Sandusky City School District, Ohio  
 Other Financing Sources and Uses and Net Change in Fund Balances  
 Governmental Funds,  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 7

|                                      | Fiscal Year   |             |             |             |            |           |           |             |               |             |
|--------------------------------------|---------------|-------------|-------------|-------------|------------|-----------|-----------|-------------|---------------|-------------|
|                                      | 2004          | 2005        | 2006        | 2007        | 2008       | 2009      | 2010      | 2011        | 2012          | 2013        |
| Other Financing Sources (Uses):      |               |             |             |             |            |           |           |             |               |             |
| Issuance of Capital Leases           | \$0           | \$0         | \$474,690   | \$0         | \$0        | \$0       | \$516,633 | \$0         | \$674,475     | \$0         |
| Proceeds from Sale of Capital Assets | 1,227         | 300         | 5,055       | 133,897     | 0          | 15,371    | 96        | 2,138       | 1,630         | 1,010       |
| Transfers In                         | 40,000        | 0           | 40,000      | 0           | 166,354    | 0         | 56,952    | 271,377     | 75,000        | 40,719      |
| Transfers (Out)                      | (65,000)      | (2,250)     | (40,000)    | 0           | (166,354)  | (26)      | (56,952)  | (271,377)   | (75,000)      | (40,719)    |
| Total Other Financing Sources (Uses) | (23,773)      | (1,950)     | 479,745     | 133,897     | 0          | 15,345    | 516,729   | 2,138       | 676,105       | 1,010       |
| Net Change in Fund Balances          | (\$3,639,651) | \$1,771,129 | (\$719,103) | (\$152,949) | (\$34,209) | \$470,288 | \$108,432 | (\$997,353) | (\$1,482,993) | (\$239,594) |

Source: District Records

Sandusky City School District, Ohio  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Calendar Years (1)  
 Schedule 8

| Calendar Year | Real Property Assessed Value | Tangible Personal Property Assessed Value | Public Utilities Personal Assessed Value | Total Assessed Value | Total Estimated Actual Value | Total Direct Rate |
|---------------|------------------------------|---|--|----------------------|------------------------------|-------------------|
| 2003          | \$421,567,300                | \$64,275,034                              | \$17,514,670                             | \$503,357,004        | \$1,438,162,869              | 71.35             |
| 2004          | 424,339,140                  | 70,733,492                                | 16,654,580                               | 511,727,212          | 1,462,077,749                | 71.35             |
| 2005          | 423,965,430                  | 61,717,130                                | 16,151,090                               | 501,833,650          | 1,433,810,429                | 71.35             |
| 2006          | 475,044,720                  | 47,462,890                                | 15,306,600                               | 537,814,210          | 1,536,612,029                | 71.35             |
| 2007          | 479,749,690                  | 16,223,675                                | 15,507,850                               | 511,481,215          | 1,461,374,900                | 76.75             |
| 2008          | 476,798,370                  | 16,445,780                                | 11,862,000                               | 505,106,150          | 1,443,160,429                | 76.85             |
| 2009          | 472,478,410                  | 13,774,340                                | 12,639,290                               | 498,892,040          | 1,425,405,829                | 76.90             |
| 2010          | 474,487,430                  | 0   | 13,386,270                               | 487,873,700          | 1,393,924,857                | 76.90             |
| 2011          | 470,895,600                  | 0   | 14,018,140                               | 484,913,740          | 1,385,467,829                | 76.91             |
| 2012          | 444,717,630                  | 0   | 15,218,660                               | 459,936,290          | 1,314,103,686                | 82.03             |

Source: County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information.

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. House Bill 66 phased out tangible personal property with the last collection during 2010. Telephone personal property was assessed at 10% for 2009, 5% for 2010, and eliminated in 2011.

Sandusky City School District, Ohio  
 Direct and Overlapping Property Tax Rates  
 Last Ten Calendar Years  
 Schedule 9

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| Calendar<br>Year | District<br>Direct Rates (1) | Overlapping Rates (1) |                     |         |
|------------------|------------------------------|-----------------------|---------------------|---------|
|                  |                              | Erie<br>County        | City of<br>Sandusky | Library |
| 2003             | 71.35                        | 8.30                  | 4.25                | 0.70    |
| 2004             | 71.35                        | 8.80                  | 4.25                | 0.70    |
| 2005             | 71.35                        | 8.80                  | 4.25                | 0.70    |
| 2006             | 71.35                        | 8.80                  | 4.25                | 0.70    |
| 2007             | 76.75                        | 8.80                  | 4.25                | 0.70    |
| 2008             | 76.85                        | 8.80                  | 4.25                | 0.70    |
| 2009             | 76.90                        | 8.80                  | 4.25                | 1.50    |
| 2010             | 76.90                        | 8.80                  | 4.25                | 1.50    |
| 2011             | 76.91                        | 8.80                  | 4.25                | 1.50    |
| 2012             | 82.03                        | 8.80                  | 4.25                | 1.50    |

Source: County Auditor

(1) - The components that make up the District Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Sandusky City School District, Ohio  
Principal Property Tax Payers  
Current and Nine Calendar Years Ago  
Schedule 10

| 2012                                   |                     |                                    |
|--|---------------------|------------------------------------|
| Taxpayer                               | Assessed Value      | Percentage of Total Assessed Value |
| Cedar Fair LP                          | \$37,342,510        | 8.12%                              |
| Ohio Edison Company                    | 11,549,030          | 2.51%                              |
| Norfolk & Western Railway Company      | 4,903,060           | 1.07%                              |
| Firelands Regional Medical Center      | 3,828,320           | 0.83%                              |
| Key Real Estate Ltd.                   | 3,502,480           | 0.76%                              |
| S&S Realty Ltd.                        | 3,327,310           | 0.72%                              |
| Columbia Gas of Ohio                   | 2,524,930           | 0.55%                              |
| Myers Industries Inc.                  | 2,294,440           | 0.50%                              |
| Providence Residential Community Corp. | 2,045,980           | 0.44%                              |
| CNL Income Sandusky Marina LLC         | 1,913,250           | 0.42%                              |
|  | <u>\$73,231,310</u> | <u>15.93%</u>                      |

| 2003                              |                     |                                    |
|-----------------------------------|---------------------|------------------------------------|
| Taxpayer                          | Assessed Value      | Percentage of Total Assessed Value |
| Cedar Fair LP                     | \$36,402,540        | 7.23%                              |
| Firelands Regional Medical Center | 4,066,550           | 0.81%                              |
| S&S Realty Ltd.                   | 3,905,490           | 0.78%                              |
| Sandusky Foundry & Machine        | 2,060,600           | 0.41%                              |
| Sandusky Housing Trust            | 1,856,400           | 0.37%                              |
| Fort James Operating Co.          | 1,834,980           | 0.36%                              |
| Sandusky Limited                  | 1,834,440           | 0.36%                              |
| Key Real Estate                   | 1,315,820           | 0.26%                              |
| Sandusky Bay Kiwanis              | 1,277,500           | 0.25%                              |
| Stein Associates                  | 1,029,590           | 0.20%                              |
|                                   | <u>\$55,583,910</u> | <u>11.04%</u>                      |

Source: County Auditor

Sandusky City School District, Ohio  
Property Tax Levies and Collections  
Last Ten Calendar Years  
Schedule 11

| Calendar Year (1) | Taxes Levied for the Calendar Year | Collected within the Calendar Year of the Levy |                    | Collections in Subsequent Years (2) | Total Collections to Date |                    |
|-------------------|------------------------------------|--|--------------------|-------------------------------------|---------------------------|--------------------|
|                   |                                    | Amount   | Percentage of Levy |                                     | Amount                    | Percentage of Levy |
| 2003              | 17,652,495                         | 16,948,132                                     | 96.01%             | 704,363                             | 17,652,495                | 100.00%            |
| 2004              | 20,442,705                         | 19,382,866                                     | 94.82%             | 800,794                             | 20,183,660                | 98.73%             |
| 2005              | 21,223,829                         | 20,481,044                                     | 96.50%             | 742,785                             | 21,223,829                | 100.00%            |
| 2006              | 20,720,288                         | 19,775,595                                     | 95.44%             | 944,693                             | 20,720,288                | 100.00%            |
| 2007              | 19,393,383                         | 18,429,294                                     | 95.03%             | 964,089                             | 19,393,383                | 100.00%            |
| 2008              | 19,473,593                         | 18,217,297                                     | 93.55%             | 997,192                             | 19,214,489                | 98.67%             |
| 2009              | 19,576,235                         | 18,305,209                                     | 93.51%             | 901,441                             | 19,206,650                | 98.11%             |
| 2010              | 20,126,714                         | 18,994,615                                     | 94.38%             | 1,132,099                           | 20,126,714                | 100.00%            |
| 2011              | 20,271,460                         | 18,904,661                                     | 93.26%             | 1,106,137                           | 20,010,798                | 98.71%             |
| 2012              | 23,609,523                         | 20,103,937                                     | 85.15%             | 819,623                             | 20,923,560                | 88.62%             |

Source: County Auditor

(1) - Per county auditor, amounts in earlier years based on fiscal years; amounts have been readjusted to reflect calendar year.

(2) - Per county auditor, amounts are reported for collections of prior year taxes. It could not be determined which year delinquent payments are for so total amount is reflected in year in which it was collected.

Sandusky City School District, Ohio  
 Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Schedule 12

| Fiscal Year | General Bonded Debt Outstanding<br>General Obligation Bonds | Capital Leases | Debt Service Fund Balance | General Bonded Debt Outstanding<br>Net General Obligation Bonds | Percentage of Estimated Actual Value of Taxable Property (1) | Percentage of Personal Income (1) | Per Capita |
|-------------|---|----------------|---------------------------|---|--|-----------------------------------|------------|
| 2004        | 885,000   | 917,901        | 122,236                   | 762,764   | 0.05%  | 0.03%                             | 27         |
| 2005        | 695,000   | 811,143        | 146,035                   | 548,965   | 0.04%  | 0.02%                             | 20         |
| 2006        | 505,000   | 1,052,785      | 165,671                   | 339,329   | 0.02%  | 0.01%                             | 12         |
| 2007        | 320,000   | 822,345        | 209,513                   | 110,487   | 0.01%  | 0.00%                             | 4          |
| 2008        | 135,000   | 581,716        | 298,281                   | 0   | 0.00%  | 0.00%                             | 0          |
| 2009        | 0   | 330,441        | 281,697                   | 0   | 0.00%  | 0.00%                             | 0          |
| 2010        | 0   | 635,789        | 281,697                   | 0   | 0.00%  | 0.00%                             | 0          |
| 2011        | 0   | 443,469        | 11,895                    | 0   | 0.00%  | 0.00%                             | 0          |
| 2012        | 0   | 914,230        | 11,895                    | 0   | 0.00%  | 0.00%                             | 0          |
| 2013        | 0   | 629,676        | 11,895                    | 0   | 0.00%  | N/A                               | N/A        |

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

Sandusky City School District, Ohio  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2013  
 Schedule 13

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| Governmental Unit                 | Debt<br>Outstanding        | Estimated<br>Percentage<br>Applicable (1) | Estimated<br>Share of<br>Direct and<br>Overlapping<br>Debt |
|-----------------------------------|----------------------------|---|--|
| Erie County                       | \$14,755,030               | 23.45%                                    | \$3,460,055  |
| Sandusky City                     | <u>16,976,874</u>          | 100.00%                                   | <u>16,976,874</u>  |
| Subtotal, Overlapping Debt        | <u>31,731,904</u>          |   | <u>20,436,929</u>  |
| District Direct Debt              | <u>629,676</u>             | 100.00%                                   | <u>629,676</u>   |
| Total Direct and Overlapping Debt | <u><u>\$32,361,580</u></u> |   | <u><u>\$21,066,605</u></u>                                 |

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Legal Debt Margin Calculation for Fiscal Year 2013

|                                   |               |
|-----------------------------------|---------------|
| Assessed value (1)                | \$459,936,290 |
| Debt limit (9% of assessed value) | 41,394,266    |
| Debt applicable to limit          | 0             |
| Debt Fund balance                 | 0             |
| Net Debt Applicable to Limit      | 0             |
| Legal debt margin                 | \$41,394,266  |

|                                    | Fiscal Year  |              |              |              |              |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | 2004         | 2005         | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         |
| Debt Limit                         | \$45,302,130 | \$46,055,449 | \$45,165,029 | \$48,403,279 | \$46,033,309 | \$45,459,554 | \$44,900,284 | \$43,908,633 | \$43,642,237 | \$41,394,266 |
| Total Net Debt Applicable to Limit | 762,764      | 548,965      | 339,329      | 110,487      | 0            | 0            | 0            | 0            | 0            | 0            |
| Legal Debt Margin                  | \$44,539,366 | \$45,506,484 | \$44,825,700 | \$48,292,792 | \$46,033,309 | \$45,459,554 | \$44,900,284 | \$43,908,633 | \$43,642,237 | \$41,394,266 |

|  |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 1.68% | 1.19% | 0.75% | 0.23% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2013 is calendar year 2012)



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

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| Calendar Year | Population (1) | Personal Income (Thousands of Dollars) (2) | Per Capita Personal Income (3) | Unemployment Rate (4) |
|---------------|----------------|--|--------------------------------|-----------------------|
| 2003          | 27,844         | 2,565,919                                  | 32,699                         | 6.1%                  |
| 2004          | 27,844         | 2,588,899                                  | 33,038                         | 6.5%                  |
| 2005          | 27,844         | 2,602,778                                  | 33,464                         | 6.4%                  |
| 2006          | 27,844         | 2,693,496                                  | 34,730                         | 5.9%                  |
| 2007          | 27,844         | 2,770,246                                  | 35,807                         | 5.9%                  |
| 2008          | 27,844         | 2,827,187                                  | 36,446                         | 7.3%                  |
| 2009          | 27,844         | 2,693,239                                  | 34,939                         | 11.5%                 |
| 2010          | 25,793         | 2,786,959                                  | 36,177                         | 10.4%                 |
| 2011          | 25,793         | 2,928,925                                  | 38,161                         | 8.7%                  |
| 2012          | 25,793         | 3,112,036                                  | 40,735                         | 7.3%                  |

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie County
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie County
  - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average for Erie County

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

2013

| Major Employers (3)                 | Type | Number of Employees | Employer's Percentage of Total Employment |
|-------------------------------------|------|---------------------|---|
| Cedar Fair/CedarPoint               | Serv | (4)                 | (5)                                       |
| Erie County Government              | Govt | (4)                 | (5)                                       |
| Firelands Regional Medical Center   | Serv | (4)                 | (5)                                       |
| Flex-N-Gate/Ventra Sandusky LLC     | Mfg  | (4)                 | (5)                                       |
| Freudenberg NOK                     | Mfg  | (4)                 | (5)                                       |
| International Automotive Components | Mfg  | (4)                 | (5)                                       |
| Kalahari Resorts                    | Serv | (4)                 | (5)                                       |
| Kyklos Bearing Inc.                 | Mfg  | (4)                 | (5)                                       |
| Sandusky City Schools               | Govt | (4)                 | (5)                                       |
| State of Ohio                       | Govt | (4)                 | (5)                                       |

2010

| Major Employers (3)                 | Type  | Number of Employees | Employer's Percentage of Total Employment |
|-------------------------------------|-------|---------------------|---|
| Cedar Fair/CedarPoint               | Serv  | (4)                 | (5)                                       |
| Kyklos Bearing Inc.                 | Mfg   | (4)                 | (5)                                       |
| Firelands Regional Medical Center   | Serv  | (4)                 | (5)                                       |
| Ford Motor Co/ACH                   | Mfg   | (4)                 | (5)                                       |
| Freudenberg NOK                     | Mfg   | (4)                 | (5)                                       |
| International Automotive Components | Mfg   | (4)                 | (5)                                       |
| Kalahari Resorts                    | Serv  | (4)                 | (5)                                       |
| Meijer Inc.                         | Trade | (4)                 | (5)                                       |
| Sandusky City Schools               | Govt  | (4)                 | (5)                                       |
| State of Ohio                       | Govt  | (4)                 | (5)                                       |

Source: Ohio Department of Development

(1) - For all of Erie County

(2) - Only current fiscal year and three years prior available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Sandusky City School District, Ohio  
 Certificated Staff Training  
 Last Ten Fiscal Years  
 Schedule 17

|  | Fiscal Year |            |            |            |            |            |            |            |            |            |
|--|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|  | 2004        | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       |
| <b>Certificated Staff Training</b>       |             |            |            |            |            |            |            |            |            |            |
| Non-Degree                               | 1           | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Bachelors Degree                         | 58          | 50         | 52         | 40         | 32         | 39         | 39         | 19         | 15         | 13         |
| Bachelors Degree +12                     | 43          | 45         | 41         | 35         | 24         | 21         | 21         | 16         | 10         | 7          |
| Bachelors Degree +24                     | 88          | 75         | 84         | 80         | 88         | 72         | 72         | 64         | 52         | 43         |
| Masters Degree                           | 89          | 100        | 102        | 100        | 103        | 108        | 108        | 100        | 88         | 69         |
| Masters Degree +12                       | 31          | 36         | 40         | 44         | 44         | 48         | 48         | 62         | 54         | 58         |
| Masters Degree +24                       | 42          | 40         | 41         | 46         | 51         | 71         | 71         | 67         | 60         | 68         |
| <b>Total Certificated Staff Training</b> | <b>352</b>  | <b>346</b> | <b>360</b> | <b>345</b> | <b>342</b> | <b>359</b> | <b>359</b> | <b>328</b> | <b>279</b> | <b>258</b> |

Source: District Records

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

|                              | Fiscal Year |            |            |            |            |            |            |            |            |            |
|------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                              | 2004        | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       |
| Administration:              | 31          | 30         | 30         | 30         | 29         | 25         | 25         | 27         | 27         | 26         |
| Adult Education:             | 10          | 10         | 11         | 10         | 10         | 6          | 6          | 6          | 6          | 5          |
| Certificated Staff:          |             |            |            |            |            |            |            |            |            |            |
| Teaching Staff:              |             |            |            |            |            |            |            |            |            |            |
| Preschool                    | 4           | 4          | 4          | 4          | 5          | 5          | 6          | 5          | 5          | 5          |
| Elementary School K-6        | 146         | 138        | 145        | 130        | 127        | 132        | 130        | 128        | 107        | 107        |
| Jr. High School 7-8          | 49          | 46         | 41         | 47         | 45         | 43         | 48         | 34         | 40         | 34         |
| High School 9-12             | 87          | 88         | 89         | 87         | 86         | 92         | 93         | 92         | 82         | 66         |
| Tutors                       | 26          | 31         | 45         | 41         | 44         | 26         | 26         | 27         | 15         | 15         |
| Others                       | 21          | 20         | 17         | 17         | 17         | 15         | 30         | 27         | 12         | 15         |
| Auxiliary Positions:         |             |            |            |            |            |            |            |            |            |            |
| Counselors                   | 10          | 10         | 10         | 10         | 9          | 9          | 9          | 9          | 8          | 7          |
| Speech Therapists            | 5           | 5          | 5          | 5          | 5          | 5          | 4          | 4          | 6          | 6          |
| Psychologists                | 4           | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 3          |
| <b>Total Certified Staff</b> | <b>352</b>  | <b>346</b> | <b>360</b> | <b>345</b> | <b>342</b> | <b>331</b> | <b>350</b> | <b>330</b> | <b>279</b> | <b>258</b> |
| Support Staff:               |             |            |            |            |            |            |            |            |            |            |
| Secretarial                  | 31          | 32         | 34         | 33         | 33         | 33         | 33         | 32         | 31         | 32         |
| Teacher Aides                | 48          | 38         | 38         | 35         | 36         | 38         | 30         | 50         | 40         | 39         |
| Technical                    | 0           | 0          | 0          | 0          | 0          | 1          | 1          | 1          | 1          | 1          |
| Cafeteria Workers            | 39          | 38         | 36         | 34         | 34         | 34         | 34         | 30         | 29         | 23         |
| Custodial                    | 40          | 36         | 35         | 32         | 31         | 30         | 30         | 29         | 24         | 22         |
| Maintenance                  | 4           | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 4          |
| Bus Driver                   | 27          | 25         | 26         | 31         | 33         | 33         | 33         | 30         | 32         | 31         |
| Mechanics                    | 2           | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 1          |
| <b>Total Support Staff</b>   | <b>191</b>  | <b>175</b> | <b>175</b> | <b>171</b> | <b>173</b> | <b>175</b> | <b>167</b> | <b>178</b> | <b>163</b> | <b>153</b> |
| <b>Grand Total</b>           | <b>584</b>  | <b>561</b> | <b>576</b> | <b>556</b> | <b>554</b> | <b>537</b> | <b>548</b> | <b>541</b> | <b>475</b> | <b>442</b> |

Source: District Records

Sandusky City School District, Ohio  
 Operating Statistics  
 Last Ten Fiscal Years  
 Schedule 19

| Fiscal Year | Enrollment | Operating Expenditure (1) | Expenses (2) | Cost Per Pupil (3) | Percentage Change | Teaching Staff | Pupil-Teacher Ratio | Student Attendance Percentage | Percentage of Students Receiving Free or Reduced-Price Meals |
|-------------|------------|---------------------------|--------------|--------------------|-------------------|----------------|---------------------|-------------------------------|--|
| 2004        | 4,262      | \$40,298,213              | \$43,415,914 | \$7,842            | 3.40%             | 333            | 13                  | 97.63%                        | 55.60%   |
| 2005        | 4,186      | 41,012,516                | 44,671,835   | 7,662              | (2.30%)           | 327            | 13                  | 96.30%                        | 60.60%   |
| 2006        | 4,058      | 47,876,864                | 50,007,497   | 8,313              | 8.50%             | 341            | 12                  | 94.50%                        | 61.80%   |
| 2007        | 3,864      | 48,035,885                | 49,514,548   | 7,882              | (5.18%)           | 326            | 12                  | 94.20%                        | 58.12%   |
| 2008        | 3,836      | 48,962,148                | 48,794,332   | 8,190              | 3.91%             | 324            | 12                  | 95.30%                        | 71.50%   |
| 2009        | 3,641      | 48,986,616                | 50,272,417   | 8,585              | 4.82%             | 313            | 12                  | 94.00%                        | 71.00%   |
| 2010        | 3,451      | 50,265,435                | 50,986,815   | 8,484              | (1.18%)           | 333            | 10                  | 94.00%                        | 74.10%   |
| 2011        | 3,400      | 51,164,335                | 51,653,303   | 8,252              | (2.73%)           | 330            | 10                  | 93.70%                        | 68.32%   |
| 2012        | 3,811      | 50,256,404                | 51,587,516   | 8,346              | 1.14%             | 279            | 14                  | 93.70%                        | 68.32%   |
| 2013        | 3,855      | 48,323,568                | 47,290,562   | 8,145              | (2.41%)           | 258            | 15                  | 94.20%                        | 88.12%   |

Source: District Records

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6

(2) - Expenses is Total Expenses from Schedule 2

(3) - From Ohio Department of Education

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

| School  | Fiscal Year |        |        |        |        |        |        |        |        |        |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 2004        | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   |
| Elementary:                                   |             |        |        |        |        |        |        |        |        |        |
| Campbell Elementary (1884/1991)               |             |        |        |        |        |        |        |        |        |        |
| Square feet                                   | 28,860      | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (3)    |
| Capacity                                      | 250         | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (3)    |
| Enrollment                                    | 197         | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (3)    |
| Percent of Capacity (1)                       | 79%         | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (2)    | (3)    |
| Hancock Elementary (1923/1928/1931/1949/1966) |             |        |        |        |        |        |        |        |        |        |
| Square feet                                   | 47,223      | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 |
| Capacity                                      | 525         | 525    | 525    | 525    | 525    | 525    | 525    | 525    | 525    | 525    |
| Enrollment                                    | 344         | 342    | 336    | 320    | 323    | 324    | 327    | 327    | 349    | 343    |
| Percent of Capacity (1)                       | 66%         | 65%    | 64%    | 61%    | 62%    | 62%    | 62%    | 62%    | 66%    | 65%    |
| Madison Elementary (1939/1991)                |             |        |        |        |        |        |        |        |        |        |
| Square feet                                   | 29,937      | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 |
| Capacity                                      | 250         | 250    | 250    | 250    | 250    | 250    | 250    | 250    | 250    | 250    |
| Enrollment                                    | 220         | 242    | 203    | 238    | 231    | 151    | 151    | 151    | 151    | 151    |
| Percent of Capacity (1)                       | 88%         | 97%    | 81%    | 95%    | 92%    | 60%    | 60%    | 60%    | 60%    | 60%    |
| Mills Elementary (1954/1991)                  |             |        |        |        |        |        |        |        |        |        |
| Square feet                                   | 38,605      | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 |
| Capacity                                      | 475         | 475    | 475    | 475    | 475    | 475    | 475    | 475    | 475    | 475    |
| Enrollment                                    | 301         | 295    | 278    | 317    | 304    | 288    | 333    | 333    | 305    | 316    |
| Percent of Capacity (1)                       | 63%         | 62%    | 59%    | 67%    | 64%    | 61%    | 70%    | 70%    | 64%    | 67%    |
| Monroe Elementary (1894/1903/1991)            |             |        |        |        |        |        |        |        |        |        |
| Square feet                                   | 32,638      | 32,638 | 32,638 | (2)    | (3)    | (3)    | (3)    | (3)    | (3)    | (3)    |
| Capacity                                      | 325         | 325    | 325    | (2)    | (3)    | (3)    | (3)    | (3)    | (3)    | (3)    |
| Enrollment                                    | 209         | 243    | 240    | (2)    | (3)    | (3)    | (3)    | (3)    | (3)    | (3)    |
| Percent of Capacity (1)                       | 64%         | 75%    | 74%    | (2)    | (3)    | (3)    | (3)    | (3)    | (3)    | (3)    |
| Ontario Elementary (1952/1968)                |             |        |        |        |        |        |        |        |        |        |
| Square feet                                   | 42,347      | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 |
| Capacity                                      | 500         | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    | 500    |
| Enrollment                                    | 354         | 356    | 344    | 381    | 368    | 377    | 415    | 415    | 422    | 429    |
| Percent of Capacity (1)                       | 71%         | 71%    | 69%    | 76%    | 74%    | 75%    | 83%    | 83%    | 84%    | 86%    |

Source: District Records

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

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

| School                                     | Fiscal Year |         |         |         |         |         |         |         |         |         |         |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2004        | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    |         |
| <b>Elementary (continued):</b>             |             |         |         |         |         |         |         |         |         |         |         |
| Osborne Elementary (1890/1991)             |             |         |         |         |         |         |         |         |         |         |         |
| Square feet                                | 43,842      | 43,842  | 43,842  | 43,842  | 43,842  | 43,842  | 43,842  | 43,842  | 43,842  | 43,842  | 43,842  |
| Capacity                                   | 375         | 375     | 375     | 375     | 375     | 375     | 375     | 375     | 375     | 375     | 375     |
| Enrollment                                 | 289         | 311     | 309     | 324     | 317     | 280     | 340     | 340     | 385     | 374     | 374     |
| Percent of Capacity (1)                    | 77%         | 83%     | 82%     | 86%     | 85%     | 75%     | 91%     | 91%     | 103%    | 100%    | 100%    |
| Venice Heights Elementary (1970)           |             |         |         |         |         |         |         |         |         |         |         |
| Square feet                                | 43,740      | 43,740  | 43,740  | 43,740  | 43,740  | 43,740  | 43,740  | 43,740  | 43,740  | 43,740  | 43,740  |
| Capacity                                   | 550         | 550     | 550     | 550     | 550     | 550     | 550     | 550     | 550     | 550     | 550     |
| Enrollment                                 | 324         | 357     | 358     | 400     | 392     | 389     | 408     | 408     | 402     | 363     | 363     |
| Percent of Capacity (1)                    | 59%         | 65%     | 65%     | 73%     | 71%     | 71%     | 74%     | 74%     | 73%     | 66%     | 66%     |
| <b>Junior High:</b>                        |             |         |         |         |         |         |         |         |         |         |         |
| Adams Jr. High (1867/1914/1977)            |             |         |         |         |         |         |         |         |         |         |         |
| Square feet                                | 91,935      | 91,935  | 91,935  | 91,935  | 91,935  | 91,935  | 91,935  | 91,935  | 91,935  | 91,935  | 91,935  |
| Capacity                                   | 500         | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     |
| Enrollment                                 | 316         | 294     | 303     | 336     | 260     | 241     | 450     | 450     | 444     | 444     | 444     |
| Percent of Capacity (1)                    | 63%         | 59%     | 61%     | 67%     | 52%     | 48%     | 90%     | 90%     | 89%     | 89%     | 89%     |
| Jackson Jr. High (1898/1927/1937)          |             |         |         |         |         |         |         |         |         |         |         |
| Square feet                                | 86,994      | 86,994  | 86,994  | 86,994  | 86,994  | 86,994  | 86,994  | 86,994  | 86,994  | 86,994  | 86,994  |
| Capacity                                   | 500         | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     |
| Enrollment                                 | 316         | 294     | 303     | 336     | 260     | 241     | 450     | 450     | 444     | 444     | 444     |
| Percent of Capacity (1)                    | 63%         | 59%     | 61%     | 67%     | 52%     | 48%     | 90%     | 90%     | 89%     | 89%     | 89%     |
| <b>High School:</b>                        |             |         |         |         |         |         |         |         |         |         |         |
| Sandusky High School (1957/1967/1970/1973) |             |         |         |         |         |         |         |         |         |         |         |
| Square feet                                | 370,000     | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 |
| Capacity                                   | 2,250       | 2,250   | 2,250   | 2,250   | 2,250   | 2,250   | 2,250   | 2,250   | 2,250   | 2,250   | 2,250   |
| Enrollment                                 | 1,238       | 1,220   | 1,184   | 1,191   | 1,252   | 1,276   | 1,119   | 1,119   | 861     | 1,170   | 1,170   |
| Percent of Capacity (1)                    | 55%         | 54%     | 53%     | 53%     | 56%     | 57%     | 50%     | 50%     | 38%     | 52%     | 52%     |
| <b>Alternative School:</b>                 |             |         |         |         |         |         |         |         |         |         |         |
| Baker Alternative School (1874/1924)       |             |         |         |         |         |         |         |         |         |         |         |
| Square feet                                | 24,635      | 24,635  | 24,635  | 24,635  | 24,635  | 24,635  | 24,635  | 24,635  | 24,635  | 24,635  | 24,635  |
| Capacity                                   | 175         | 175     | 175     | 175     | 175     | 175     | 175     | 175     | 175     | 175     | 175     |
| Enrollment                                 | 46          | 35      | 57      | 20      | 26      | 20      | 26      | 20      | 26      | 20      | 26      |
| Percent of Capacity (1)                    | 26%         | 20%     | 33%     | 11%     | 15%     | 11%     | 15%     | 11%     | 15%     | 11%     | 15%     |

Source: District Records

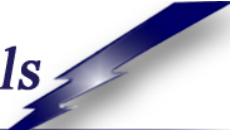
- (1) - Enrollment divided by Capacity
- (2) - School closed
- (3) - Building Sold



**SANDUSKY CITY SCHOOL DISTRICT**

*Sandusky City Schools*

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**Single Audit Reports**

**June 30, 2013**

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2013**

| Federal Grant/<br>Pass Through Grantor<br>Program Title | Pass Through<br>Entity<br>Number | Federal<br>CFDA<br>Number | Receipts           | Non-Cash<br>Receipts | Disbursements      | Non-Cash<br>Disbursements |
|---|----------------------------------|---------------------------|--------------------|----------------------|--------------------|---------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                   |                                  |                           |                    |                      |                    |                           |
| Passed Through Ohio Department of Education:            |                                  |                           |                    |                      |                    |                           |
| Nutrition Cluster:                                      |                                  |                           |                    |                      |                    |                           |
| School Breakfast Program                                | 3L70                             | 10.553                    | \$277,054          | \$0                  | \$277,054          | \$0                       |
| National School Lunch Program                           | 3L60                             | 10.555                    | <u>1,092,226</u>   | <u>200,174</u>       | <u>1,092,226</u>   | <u>200,174</u>            |
| Total Nutrition Cluster                                 |                                  |                           | <u>1,369,280</u>   | <u>200,174</u>       | <u>1,369,280</u>   | <u>200,174</u>            |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                     |                                  |                           |                    |                      |                    |                           |
| Passed Through Ohio Department of Education:            |                                  |                           |                    |                      |                    |                           |
| Special Education Cluster:                              |                                  |                           |                    |                      |                    |                           |
| Special Education-Grants to States                      | 3M20                             | 84.027                    | 925,974            | 0                    | 892,554            | 0                         |
| Special Education-Preschool Grants                      | 3C50                             | 84.173                    | <u>43,567</u>      | <u>0</u>             | <u>44,761</u>      | <u>0</u>                  |
| Total Special Education Cluster                         |                                  |                           | <u>969,541</u>     | <u>0</u>             | <u>937,315</u>     | <u>0</u>                  |
| Adult Basic Education Grant                             | 3660                             | 84.002                    | 89,200             | 0                    | 77,545             | 0                         |
| Title I Grants to Local Educational Agencies            | 3M00                             | 84.010                    | 1,551,768          | 0                    | 1,706,790          | 0                         |
| Career & Technical Education Basic Grants to States     | 3L90                             | 84.048                    | 88,100             | 0                    | 97,420             | 0                         |
| Safe and Drug Free Schools and Communities              | 3D10                             | 84.186                    | 0                  | 0                    | 1,457              | 0                         |
| Education Technology State Grants                       | 3S20                             | 84.318                    | 0                  | 0                    | 588                | 0                         |
| Reading First   | 3Y40                             | 84.357                    | 0                  | 0                    | 0                  | 0                         |
| Improving Teacher Quality                               | 3Y60                             | 84.367                    | 255,774            | 0                    | 263,396            | 0                         |
| Resident Educator Program FY13                          | 3FD0                             | 84.395                    | 350                | 0                    | 350                | 0                         |
|   |                                  |                           | <u>0</u>           | <u>0</u>             | <u>0</u>           | <u>0</u>                  |
| Direct Program:   |                                  |                           |                    |                      |                    |                           |
| Federal Pell Grant Program                              | N/A                              | 84.063                    | 351,223            | 0                    | 351,223            | 0                         |
| Federal Direct Student Loans                            | N/A                              | 84.268                    | <u>615,528</u>     | <u>0</u>             | <u>615,528</u>     | <u>0</u>                  |
| Total Department of Education                           |                                  |                           | <u>3,921,484</u>   | <u>0</u>             | <u>4,051,612</u>   | <u>0</u>                  |
| Total Federal Assistance                                |                                  |                           | <u>\$5,290,764</u> | <u>\$200,174</u>     | <u>\$5,420,892</u> | <u>\$200,174</u>          |

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education  
Sandusky City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2013.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 13, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education  
Sandusky City School District

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

We have audited the Sandusky City School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 13, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 13, 2013

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

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

|              |   |   |
|--------------|---|---|
| (d)(1)(i)    | Type of Financial Statement Opinion   | Unmodified                                |
| (d)(1)(ii)   | Were there any material control weakness conditions reported at the financial statement level (GAGAS)?                                | No  |
| (d)(1)(ii)   | Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?                              | No  |
| (d)(1)(iii)  | Was there any material reported non-compliance at the financial statement level (GAGAS)?  | No  |
| (d)(1)(iv)   | Were there any material internal control weakness conditions reported for major federal programs?                                     | No  |
| (d)(1)(iv)   | Were the any other significant control deficiencies reported for major federal programs?  | No  |
| (d)(1)(v)    | Type of Major Programs' Compliance Opinion  | Unmodified                                |
| (d)(1)(vi)   | Are there any reportable findings under Section .510?   | No  |
| (d)(1)(vii)  | Major Programs (list):<br>Nutrition Cluster:<br>School Breakfast Program -CFDA# 10.553<br>National School Lunch Program -CFDA# 10.555 |   |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs   | Type A: > \$300,000<br>Type B: all others |
| (d)(1)(ix)   | Low Risk Auditee?   | Yes                                       |

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**SANDUSKY CITY SCHOOL DISTRICT**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
***OMB CIRCULAR A-133***  
**June 30, 2013**

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



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURE**

To the Board of Education  
Sandusky City School District

Ohio Rev. Code Section 117.53 states, "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Sandusky City School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy on July 23, 2013 to include harassment, intimidation or bullying of any student "on a school bus" or by an "electronic act."

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*  
Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
December 13, 2013

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# Dave Yost • Auditor of State

**SANDUSKY CITY SCHOOL DISTRICT**

**ERIE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 18, 2014**