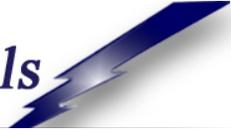


**SANDUSKY CITY SCHOOL DISTRICT**

*Sandusky City Schools*



**Single Audit Reports**

**June 30, 2014**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Sandusky City School District, Erie County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2013 through June 30, 2014. 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

March 16, 2015

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**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$275,791	\$275,791
National School Lunch Program	3L60	10.555	1,029,643	1,029,643
Total Nutrition Cluster			<u>1,305,434</u>	<u>1,305,434</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education-Grants to States	3M20	84.027	867,000	885,633
Special Education-Preschool Grants	3C50	84.173	49,700	45,113
Total Special Education Cluster			<u>916,700</u>	<u>930,746</u>
Adult Basic Education Grant	3660	84.002	121,897	134,008
Title I Grants to Local Educational Agencies	3M00	84.010	2,025,099	1,595,807
Career & Technical Education Basic Grants to States	3L90	84.048	84,500	82,789
Improving Teacher Quality	3Y60	84.367	264,534	259,121
Direct Program:				
Federal Pell Grant Program	N/A	84.063	339,939	339,939
Federal Direct Student Loans	N/A	84.268	626,985	626,985
Total Department of Education			<u>4,379,654</u>	<u>3,969,395</u>
Total Federal Assistance			<u>\$5,685,088</u>	<u>\$5,274,829</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 using 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***

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, 2014, 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 30, 2014, wherein we noted the District adopted GASB No. 65 as disclosed in Note 17.

**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 30, 2014

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

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, 2014. 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, 2014.

**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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 30, 2014, which contained unmodified opinions on those financial statements, wherein we noted the District adopted GASB No. 65 as disclosed in Note 17. 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 30, 2014

**SANDUSKY CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014**

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

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	<u>Special Education Cluster:</u> Grants to State -CFDA #84.027 Preschool Grants -CFDA #84.173  Title I Grants to Local Educational Agencies -CFDA #84.010
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	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, 2014**

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

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# **Comprehensive Annual Financial Report**

**for the year ended June 30, 2014**



**Sandusky City Schools  
Erie County, Ohio**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Prepared by:  
Office of the Treasurer/CFO  
Keith Brown, Interim Treasurer

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## **INTRODUCTORY SECTION**

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# Sandusky City Schools

407 Decatur Street, Sandusky, OH 44870-2442 • 419-984-1005 • [www.scs-k12.net](http://www.scs-k12.net)

*Office of the Treasurer*

---

December 30, 2014

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, 2014 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, 2014 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 (2013-2014), the average daily membership (ADM) was 3,841 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 437 full and part time employees. The District employs 251 certified staff members and 26 administrators. Additionally, the District employs 5 full-time adult education instructors and 155 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%) has 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 (2013-2014 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, 2017.

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, 2015.

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, 2014, approximately 54% of the students reside within the District. Total enrollment as for fiscal year 2013-2014 was 530 which represented 286 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 2014 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 2013-2014 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 2007-2008 school year and the District now has SMART Boards installed in every classroom throughout the school system, the 2011-2012 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 2013-2014 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 2014-2015 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 launched 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 2012-2013. 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, 2013. 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, 2013. 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 2013 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,

  
\_\_\_\_\_  
Keith Brown, Interim Treasurer

  
\_\_\_\_\_  
Eugene T.W. Sanders, Superintendent

# SANDUSKY CITY SCHOOL DISTRICT ERIE COUNTY, OHIO

## LIST OF PRINCIPAL OFFICERS JUNE 30, 2014

<u>Name</u>	<b>Board of Education</b>		<b>Vocation in Private Life</b>
	<b>Began Service as a Board Member <u>January 1</u></b>	<b>Present Term Expires <u>December 31</u></b>	
Mrs. Faith Denslow**	2004+	2013	Homemaker
Mr. Jeff Krabill *	2008	2015	Self Employed
Mrs. Martha Murray	2012	2015	Homemaker
Mrs. Kate Vargo	2012+	2017	Pharm. Rep.
Brigitte Green-Churchwell	2013+	2017	Instructor/BGSU

\*\* President

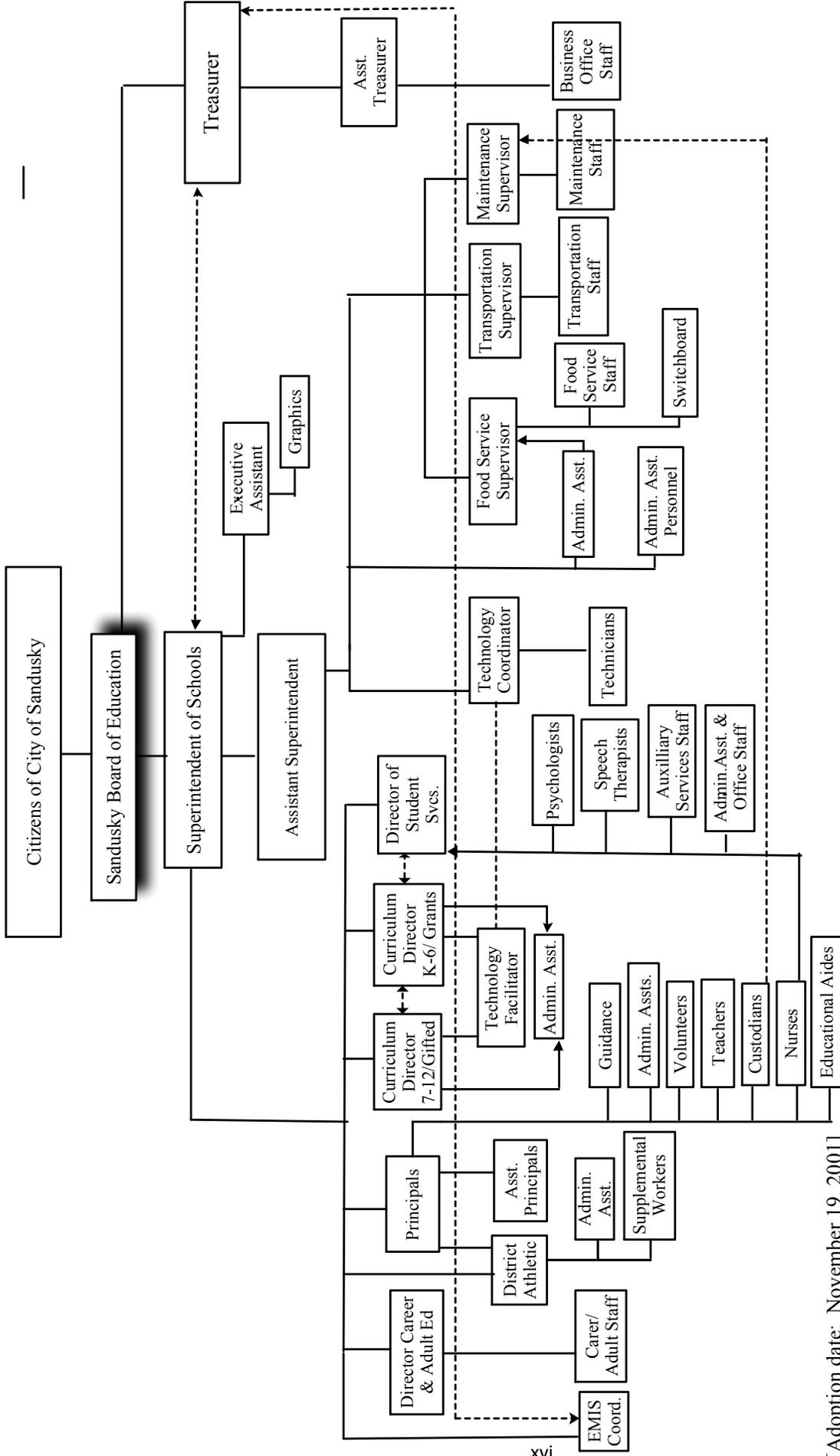
\* Vice President

+ Appointed to fill unexpired term due to a resignation

### Central Office Administrative Staff

Dr. Eugene T.W. Sanders	Superintendent
Mr. Kevin D. Robertson^, CPA	Treasurer/CFO
Mr. Dennis Muratori	Chief of Staff/Transformation Officer
Mrs. Julie McDonald	Chief Academic Officer
Dr. Sally Roth	Curriculum Director
Mr. Keith Brown	Assistant Treasurer
Mrs. Nancy Zechman	Director of Adult & Vocational Education
Mrs. Sabrina Scott	Director of Student Services
Mrs. Claire Grantier	Instructional Technology Facilitator
Mr. Brett Kluiber	Coordinator of Network Technology
Mrs. Faith Palmucci	Administrative Assistant
Mr. Tom Freitas	Food Services Supervisor
Mr. Ted Peters	Transportation Supervisor
Mr. Kevin Toms	Supervisor of Building Services

^ - Keith Brown was named Interim Treasurer on August 1, 2014



[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, 2013**

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, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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, 2014, 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, 2014, 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.

### Emphasis of Matters

As described in Note 17 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information 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 30, 2014, 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 30, 2014

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
**(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, 2014. 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 2014 are as follows:

- Net position of governmental activities increased \$1,217,749 which represents an 11% increase from 2013.
- General revenues accounted for \$39,242,283 in revenue or 78% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$10,925,038 or 22% of total revenues of \$50,167,321.
- The District had \$48,949,572 in expenses related to governmental activities; \$10,925,038 of these expenses were offset by program specific charges for services and grants or contributions. General revenues of \$39,242,283 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 2014?" 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, 2014**  
**(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.

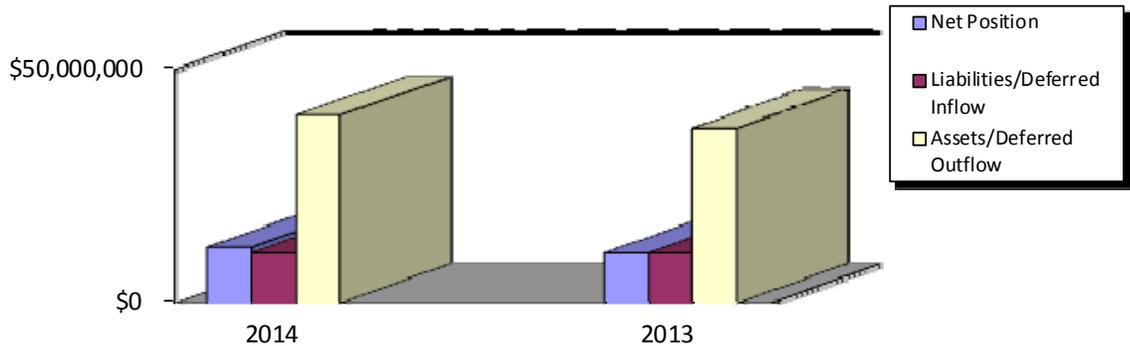
**The District as a Whole**

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 2014 compared to fiscal year 2013:

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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

	Governmental Activities	
	2014	2013 Restated
Assets:		
Current and Other Assets	\$29,177,402	\$27,143,172
Capital Assets	10,960,070	10,280,025
Total Assets	<u>40,137,472</u>	<u>37,423,197</u>
Liabilities:		
Other Liabilities	6,762,894	6,492,385
Long-Term Liabilities	3,995,702	4,253,371
Total Liabilities	<u>10,758,596</u>	<u>10,745,756</u>
Total Deferred Inflows of Resources	<u>17,416,910</u>	<u>15,933,224</u>
Net Position:		
Net Investment in Capital Assets	10,570,451	9,650,349
Restricted	2,261,685	1,306,846
Unrestricted	<u>(870,170)</u>	<u>(212,978)</u>
Total Net Position	<u>\$11,961,966</u>	<u>\$10,744,217</u>



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets exceeded liabilities and deferred inflows of resources by \$11,961,966.

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, 2014, was \$10,570,451. 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.

**Sandusky City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

A portion of the District's net position, \$2,261,685 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.

Total assets increased from fiscal year 2013 to fiscal year 2014 mainly because of an increase in grant monies the District received throughout the year and an increase in capital assets.

Table 2 shows the changes in net position for fiscal years 2014 and 2013.

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

	Governmental Activities	
	2014	2013
Revenues:		
Program Revenues		
Charges for Services and Sales	\$1,909,205	\$1,871,892
Operating Grants and Contributions	9,015,833	8,411,980
General Revenues		
Property Taxes	18,136,965	19,043,359
Grants and Entitlements not Restricted to Specific Programs	19,420,547	18,356,668
Other	1,684,771	805,662
Total Revenues	<u>50,167,321</u>	<u>48,489,561</u>
Program Expenses		
Instruction	32,492,793	30,355,691
Support Services:		
Pupil and Instructional Staff	3,785,600	4,726,627
School Administrative, General		
Administration, Fiscal and Business	4,193,952	3,673,127
Operations and Maintenance	3,063,508	2,590,459
Pupil Transportation	1,680,628	1,362,330
Central	234,488	806,153
Operation of Non-Instructional Services	2,473,124	2,732,734
Extracurricular Activities	959,167	974,228
Interest and Fiscal Charges	66,312	69,213
Total Program Expenses	<u>48,949,572</u>	<u>47,290,562</u>
Change in Net Position	1,217,749	1,198,999
Net Position - Beginning of Year	<u>10,744,217</u>	<u>9,545,218</u>
Net Position - End of Year	<u>\$11,961,966</u>	<u>\$10,744,217</u>

**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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Of the total governmental activities revenues of \$50,167,321, \$10,925,038 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, \$18,136,965 (46%) comes from property tax levies and \$19,420,547 (49%) 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 75% of the District’s revenues for governmental activities.

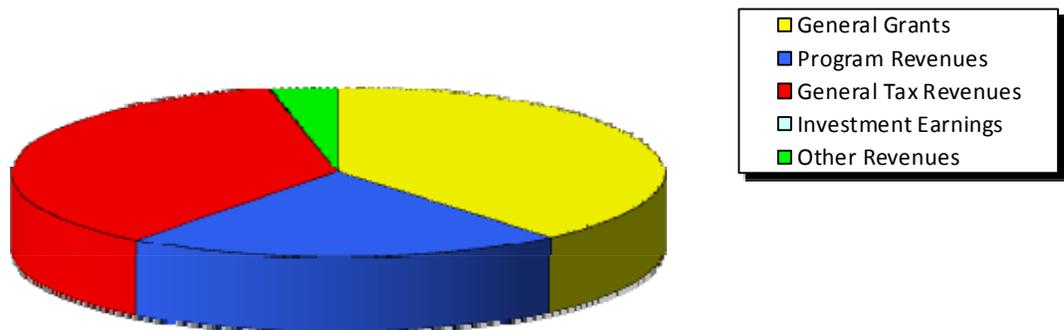
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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 36% of revenue for governmental activities for the District in fiscal year 2014.

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

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Revenues	2014	Percentage
General Grants	\$19,420,547	38.71%
Program Revenues	10,925,038	21.78%
General Tax Revenues	18,136,965	36.15%
Investment Earnings	26,696	0.05%
Other Revenues	1,658,075	3.31%
<b>Total Revenue Sources</b>	<b>\$50,167,321</b>	<b>100.00%</b>



**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

Instruction comprises 66.4% of governmental program expenses. Support services expenses were 26.5% of governmental program expenses. All other program expenses including interest expense were 7.1%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Expenses increased from 2013 to 2014 mainly due to the District increasing their instructional expenses in 2014 when compared to 2013. Revenues increased from 2013 to 2014 mainly due to an increase in Grant and Entitlement monies received in 2014.

**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	
	2014	2013	2014	2013
Instruction	\$32,492,793	\$30,355,691	(\$25,454,415)	(\$24,430,867)
Support Services:				
Pupil and Instructional Staff	3,785,600	4,726,627	(2,884,613)	(3,756,757)
School Administrative, General				
Administration, Fiscal and Business	4,193,952	3,673,127	(4,064,969)	(3,455,949)
Operations and Maintenance	3,063,508	2,590,459	(2,987,733)	(2,522,831)
Pupil Transportation	1,680,628	1,362,330	(1,532,786)	(1,214,653)
Central	234,488	806,153	(213,987)	(793,553)
Operation of Non-Instructional Services	2,473,124	2,732,734	(67,107)	7,784
Extracurricular Activities	959,167	974,228	(752,612)	(770,651)
Interest and Fiscal Charges	66,312	69,213	(66,312)	(69,213)
Total Expenses	<u>\$48,949,572</u>	<u>\$47,290,562</u>	<u>(\$38,024,534)</u>	<u>(\$37,006,690)</u>

**The District’s Funds**

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$23,760,068 (86%) of the total \$27,476,644 governmental funds’ assets.

**General Fund:** Fund balance at June 30, 2014 was (\$688,938), an increase in fund balance of \$11,062 from 2013. The primary reason for the increase in fund balance was the District having an increase in grant monies received when compared to 2013.

**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, 2014**  
(Unaudited)

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During the course of fiscal year 2014, 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 \$42,304,199 and the original budgeted revenue was \$40,694,028. The difference was \$1,610,171. Of this difference, most was due to underestimating intergovernmental revenue.

The District’s ending unobligated actual fund balance for the General fund was \$2,129,716.

**Capital Assets and Long-Term Obligations**

***Capital Assets***

At the fiscal year end, the District had \$10,960,070 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2014 balances compared to fiscal year 2013:

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

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	Governmental Activities	
	2014	2013
Land	\$2,639,184	\$2,485,551
Land Improvements	216,709	208,859
Buildings and Improvements	6,203,087	5,647,824
Furniture and Equipment	972,097	1,130,693
Vehicles	928,993	807,098
Total Net Capital Assets	<u>\$10,960,070</u>	<u>\$10,280,025</u>

Overall, capital assets increased due to current fiscal year depreciation plus deletions being less 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.

***Long-Term Obligations***

At June 30, 2014, the District had \$389,619 in capital leases outstanding, \$136,731 due within one year. Table 5 summarizes bonds outstanding.

**Sandusky City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

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

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	Governmental Activities	
	2014	2013
Capital Leases	\$389,619	\$629,676

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 was renewed in the May 2014 election.

**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 Interim Treasurer, Keith Brown, CPA at kbrown@scs-k12.net, (419) 984-1006 or, Sandusky City School District, 407 Decatur Street, Sandusky, Ohio 44870.

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Sandusky City School District  
Statement of Net Position  
June 30, 2014

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$7,076,727
Receivables (Net):	
Taxes	21,550,195
Accounts	401,915
Interest	3
Intergovernmental	148,562
Nondepreciable Capital Assets	2,639,184
Depreciable Capital Assets, Net	<u>8,320,886</u>
 Total Assets	 <u>40,137,472</u>
Liabilities:	
Accounts Payable	515,824
Accrued Wages and Benefits	5,242,070
Claims Payable	1,005,000
Long-Term Liabilities:	
Due Within One Year	1,244,263
Due In More Than One Year	<u>2,751,439</u>
 Total Liabilities	 <u>10,758,596</u>
Deferred Inflows of Resources:	
Property Taxes	<u>17,416,910</u>
 Total Deferred Inflows of Resources	 <u>17,416,910</u>
Net Position:	
Net Investment in Capital Assets	10,570,451
Restricted for:	
Debt Service	11,895
Capital Projects	1,125,260
Special Trust	224,778
Perpetual Care:	
Expendable	135,929
Nonexpendable	10,000
Other Grants	281,455
Education Foundation	67,501
District Managed Student Activities	96,299
State Grants	10,007
Federal Grants	298,561
Unrestricted	<u>(870,170)</u>
 Total Net Position	 <u>\$11,961,966</u>

See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$21,897,576	\$530,589	\$312,432	(\$21,054,555)
Special	8,277,070	204,393	4,002,828	(4,069,849)
Vocational	1,426,017	0	404,384	(1,021,633)
Adult/Continuing	857,977	633,149	878,219	653,391
Other	34,153	0	72,384	38,231
<b>Support Services:</b>				
Pupil	2,054,942	0	144,952	(1,909,990)
Instructional Staff	1,730,658	0	756,035	(974,623)
General Administration	203,832	0	0	(203,832)
School Administration	2,926,608	0	128,983	(2,797,625)
Fiscal	790,525	0	0	(790,525)
Business	272,987	0	0	(272,987)
Operations and Maintenance	3,063,508	75,775	0	(2,987,733)
Pupil Transportation	1,680,628	0	147,842	(1,532,786)
Central	234,488	0	20,501	(213,987)
Operation of Non-Instructional Services	2,473,124	258,744	2,147,273	(67,107)
Extracurricular Activities	959,167	206,555	0	(752,612)
Interest and Fiscal Charges	66,312	0	0	(66,312)
<b>Totals</b>	<b>\$48,949,572</b>	<b>\$1,909,205</b>	<b>\$9,015,833</b>	<b>(38,024,534)</b>

**General Revenues:**

Property Taxes Levied for:

General Purposes	17,374,591
Capital Projects Purposes	762,374
Grants and Entitlements, Not Restricted	19,420,547
Revenue in Lieu of Taxes	100,209
Unrestricted Contributions	66,046
Investment Earnings	26,696
Other Revenues	1,491,820

Total General Revenues 39,242,283

Change in Net Position 1,217,749

Net Position - Beginning of Year 10,744,217

Net Position - End of Year \$11,961,966

See accompanying notes to the basic financial statements.

Sandusky City School District  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$2,842,986	\$2,532,983	\$5,375,969
<b>Receivables (Net):</b>			
Taxes	20,633,067	917,128	21,550,195
Accounts	284,012	117,903	401,915
Interest	3	0	3
Intergovernmental	0	148,562	148,562
<b>Total Assets</b>	<b>23,760,068</b>	<b>3,716,576</b>	<b>27,476,644</b>
<b>Liabilities:</b>			
Accounts Payable	322,650	182,330	504,980
Accrued Wages and Benefits	4,710,746	531,324	5,242,070
Compensated Absences	690,921	32,194	723,115
<b>Total Liabilities</b>	<b>5,724,317</b>	<b>745,848</b>	<b>6,470,165</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	18,724,689	824,481	19,549,170
Grants and Other Taxes	0	194,562	194,562
<b>Total Deferred Inflows of Resources</b>	<b>18,724,689</b>	<b>1,019,043</b>	<b>19,743,732</b>
<b>Fund Balances:</b>			
Nonspendable	0	10,000	10,000
Restricted	0	2,080,963	2,080,963
Assigned	208,268	26,673	234,941
Unassigned	(897,206)	(165,951)	(1,063,157)
<b>Total Fund Balances</b>	<b>(688,938)</b>	<b>1,951,685</b>	<b>1,262,747</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$23,760,068</b>	<b>\$3,716,576</b>	<b>\$27,476,644</b>

See accompanying notes to the basic financial statements.

Sandusky City School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2014

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Total Governmental Fund Balance \$1,262,747

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.

Capital assets used in the operation of Governmental Funds 10,960,070

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

Delinquent Property Taxes	2,132,260	
Intergovernmental	94,562	
Other Receivables	<u>100,000</u>	
		2,326,822

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.

Internal Service Net Position 684,914

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 (2,882,968)

Long-term liabilities are not due and payable in the current  
 period and, therefore, are not reported in the funds.

(389,619)

Net Position of Governmental Activities \$11,961,966

See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$17,538,257	\$769,621	\$18,307,878
Tuition and Fees	1,354,777	0	1,354,777
Investment Earnings	16,154	10,542	26,696
Intergovernmental	22,410,814	5,755,740	28,166,554
Extracurricular Activities	46,396	157,312	203,708
Charges for Services	85,239	265,482	350,721
Revenue in Lieu of Taxes	100,209	0	100,209
Gifts and Donations	0	100,000	100,000
Other Revenues	521,306	1,036,562	1,557,868
<b>Total Revenues</b>	<b>42,073,152</b>	<b>8,095,259</b>	<b>50,168,411</b>
Expenditures:			
Current:			
Instruction:			
Regular	20,458,117	289,373	20,747,490
Special	6,430,291	1,843,055	8,273,346
Vocational	1,304,300	82,074	1,386,374
Adult/Continuing	628,795	228,533	857,328
Other	0	83,472	83,472
Support Services:			
Pupil	2,059,104	105,316	2,164,420
Instructional Staff	1,114,918	649,782	1,764,700
General Administration	203,832	0	203,832
School Administration	2,727,391	121,379	2,848,770
Fiscal	799,484	23,001	822,485
Business	141,047	132,016	273,063
Operations and Maintenance	3,007,642	48,823	3,056,465
Pupil Transportation	1,505,369	191,182	1,696,551
Central	524,753	104,261	629,014
Operation of Non-Instructional Services	74,077	2,433,927	2,508,004
Extracurricular Activities	775,160	272,671	1,047,831
Capital Outlay	0	607,530	607,530
Debt Service:			
Principal Retirement	240,057	0	240,057
Interest and Fiscal Charges	66,312	0	66,312
<b>Total Expenditures</b>	<b>42,060,649</b>	<b>7,216,395</b>	<b>49,277,044</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>12,503</b>	<b>878,864</b>	<b>891,367</b>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	535	0	535
Transfers In	0	1,976	1,976
Transfers (Out)	(1,976)	0	(1,976)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,441)</b>	<b>1,976</b>	<b>535</b>
<b>Net Change in Fund Balance</b>	<b>11,062</b>	<b>880,840</b>	<b>891,902</b>
<b>Fund Balance - Beginning of Year</b>	<b>(700,000)</b>	<b>1,070,845</b>	<b>370,845</b>
<b>Fund Balance - End of Year</b>	<b>(\$688,938)</b>	<b>\$1,951,685</b>	<b>\$1,262,747</b>

See accompanying notes to the basic financial statements.

Sandusky City School District  
 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, 2014

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Net Change in Fund Balance - Total Governmental Funds \$891,902

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	1,330,334	
Depreciation Expense	(582,447)	
		747,887

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. (67,842)

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

Delinquent Property Taxes	(170,913)	
Intergovernmental	69,823	
Other	100,000	
		(1,090)

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net position. 240,057

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		104,387
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The internal service fund used by management to charge back costs  
 to individual funds is not reported in the entity-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.

Change in Net Position - Internal Service Funds		(697,552)
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Change in Net Position of Governmental Activities		\$1,217,749
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See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Net Position  
Proprietary Fund  
June 30, 2014

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	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$1,700,758</u>
Total Assets	<u>1,700,758</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	10,844
Claims Payable	<u>1,005,000</u>
Total Liabilities	<u>1,015,844</u>
Net Position:	
Unrestricted	<u>684,914</u>
Total Net Position	<u><u>\$684,914</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2014

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	<u>Governmental Activities- Internal Service Fund</u>
Operating Revenues:	
Charges for Services	<u>\$5,401,927</u>
Total Operating Revenues	<u>5,401,927</u>
Operating Expenses:	
Contactual Services	5,647,701
Other	<u>454,763</u>
Total Operating Expenses	<u>6,102,464</u>
Operating Income (Loss)	<u>(700,537)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>2,985</u>
Total Non-Operating Revenues (Expenses)	<u>2,985</u>
Change in Net Position	(697,552)
Net Position - Beginning of Year	<u>1,382,466</u>
Net Position - End of Year	<u><u>\$684,914</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2014

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	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$5,401,927
Cash Payments for Claims	(5,221,583)
Cash Payments for Other Disbursements	<u>(454,763)</u>
Net Cash Provided (Used) by Operating Activities	<u>(274,419)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>2,985</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>2,985</u>
Net Increase (Decrease) in Cash and Cash Equivalent	(271,434)
Cash and Cash Equivalents - Beginning of Year	<u>1,972,192</u>
Cash and Cash Equivalents - End of Year	<u>1,700,758</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(700,537)
Changes in Assets & Liabilities:	
Increase (Decrease) in Payables	(83,882)
Increase (Decrease) in Claims Payables	<u>510,000</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$274,419)</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014

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	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$8,385,384	\$116,640
Receivables (Net):		
Taxes	0	794,565
Accounts	0	525
Interest	16,025	0
Total Assets	<u>8,401,409</u>	<u>911,730</u>
Liabilities:		
Accounts Payable	0	8,876
Other Liabilities	0	902,854
Total Liabilities	<u>0</u>	<u>\$911,730</u>
Net Position:		
Held in Trust	<u>8,401,409</u>	
Total Net Position	<u>\$8,401,409</u>	

See accompanying notes to the basic financial statements.

Sandusky City School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2014

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	Private Purpose Trust
Additions:	
Donations	\$66,830
Investment Earnings	676,158
Other	<u>11,180</u>
Total Additions	<u>754,168</u>
Deductions:	
Scholarships	<u>254,432</u>
Total Deductions	<u>254,432</u>
Change in Net Position	499,736
Net Position - Beginning of Year	<u>7,901,673</u>
Net Position - End of Year	<u><u>\$8,401,409</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, 2014**

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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 155 non-certified employees, 257 certified employees, 5 full-time adult education instructors and 26 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's significant accounting policies are described below.

**Reporting Entity**

The reporting entity has been defined in accordance with the appropriate GASB Statement. 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.

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 government's 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).

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 \$51,328 to TRECA in fiscal year 2014 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.

**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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**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.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 2014, 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 2014. 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, 2014.

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 2014 amounted to \$16,154, \$10,542 credited to other governmental funds and \$2,985 credited to the internal service fund.

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 \$4,102,394. 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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expensed/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

**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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**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, 2014 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, 2014 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

**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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 can be used only for the specific purposes imposed by a formal action (board resolution) of the District’s Board of Education. The Board of Education is the highest level of decision making authority for the District. Those committed resources cannot be used for any other purpose unless the District’s Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

Assigned – resources intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts are intended to be used for specific purposes as approved through the District’s formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

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

**Net Position**

Net position represents the difference between assets, deferred outflows of resources, and liabilities, deferred inflows of resources. 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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 \$2,261,685 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, 2014 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
General	\$688,938
Other Governmental Funds:	
Auxiliary Services	7,820
Public School Preschool	3,287
Title VIB	22,358
Improving Teacher Quality	9,859
Food Service	122,627

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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, 2014, \$10,161,705 of the District's bank balance of \$11,258,816 was exposed to custodial credit risk as discussed below, while \$1,097,111 was covered by FDIC.

**Investments**

As of June 30, 2014, the District had the following investments and maturities:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Funds	\$352,613	0.00
Stock	<u>4,102,394</u>	0.00
	<u>\$4,455,007</u>	
Portfolio Weighted Average Maturity		0.00

*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.

*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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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, 2014:

	<u>Fair Value</u>	<u>% of Total</u>
Money Market Funds	\$352,613	7.91%
Stock	<u>4,102,394</u>	<u>92.09%</u>
	<u><u>\$4,455,007</u></u>	<u><u>100.00%</u></u>

**Note 5 - Interfund Transactions**

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Interfund transactions at June 30, 2014, consisted of the following transfers in and transfers out:

	Transfers	
	<u>In</u>	<u>Out</u>
General Fund	\$0	\$1,976
Other Governmental Funds	<u>1,976</u>	<u>0</u>
Total All Funds	<u><u>\$1,976</u></u>	<u><u>\$1,976</u></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.

**Note 6 - Property Taxes**

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Real property taxes collected in 2014 were levied after April 1, 2013 on the assessed values as of January 1, 2013, 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 2013.

Public utility personal property taxes received in calendar year 2014 were levied after April 1, 2013, on the value as of December 31, 2012. 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.

Real property taxes are payable annually or semi-annually. In 2014, 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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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. 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 represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2014. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2014 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 inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2014, was \$1,908,378 for General Fund and \$92,647 for Other Governmental Funds and is recognized as revenue.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$443,263,180
Public Utility Personal	<u>16,854,120</u>
Total	<u><u>\$460,117,300</u></u>

**Note 7 – Receivables**

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Receivables at June 30, 2014 consisted of taxes, accounts (billings for user charged services and student fees), interest 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.

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**

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Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

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**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$2,485,551	\$153,633	\$0	\$2,639,184
<b>Capital Assets, being depreciated:</b>				
Land Improvements	349,690	22,468	0	372,158
Buildings & Improvements	14,794,397	844,150	0	15,638,547
Furniture & Equipment	3,054,763	25,781	102,778	2,977,766
Vehicles	2,360,227	284,302	196,653	2,447,876
Totals at Historical Cost	<u>23,044,628</u>	<u>1,330,334</u>	<u>299,431</u>	<u>24,075,531</u>
Less Accumulated Depreciation:				
Land Improvements	140,831	14,618	0	155,449
Buildings & Improvements	9,146,573	288,887	0	9,435,460
Furniture & Equipment	1,924,070	169,587	87,988	2,005,669
Vehicles	1,553,129	109,355	143,601	1,518,883
Total Accumulated Depreciation	<u>12,764,603</u>	<u>582,447</u>	<u>231,589</u>	<u>13,115,461</u>
Governmental Activities Capital Assets, Net	<u>\$10,280,025</u>	<u>\$747,887</u>	<u>\$67,842</u>	<u>\$10,960,070</u>

Depreciation expense was charged to governmental functions as follows

Instruction:

Regular	\$347,227
Special	10,326
Vocational	7,307
Adult	649

Support Services:

School Administration	15,974
Fiscal	1,192
Operations and Maintenance	27,580
Pupil Transportation	93,671
Central	47,787
Operation of Non-Instructional Services	18,405
Extracurricular Activities	12,329
Total Depreciation Expense	<u>\$582,447</u>

**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. A capital lease generally is an agreement which transfers the 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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 2014 totaled \$240,057 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, 2014:

Fiscal Year Ending June 30	Payment
2015	\$160,860
2016	159,960
2017	137,555
Total Minimum Lease Payments	\$458,375
Amount Representing Interest	(68,756)
Present Value of Minimum Lease Payments	<u>\$389,619</u>

**Note 10 - Long-Term Obligations**

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

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
Capital Leases	\$629,676	\$0	\$240,057	\$389,619	\$136,731
Total Long Term Debt	629,676	0	240,057	389,619	136,731
Compensated Absences	3,623,695	928,965	946,577	3,606,083	1,107,532
Total Governmental Activities	<u>\$4,253,371</u>	<u>\$928,965</u>	<u>\$1,186,634</u>	<u>\$3,995,702</u>	<u>\$1,244,263</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.

**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 2014, the District has contracted with Ohio Casualty Insurance Company to provide insurance coverage in the below amounts.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

<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 \$1,005,000 reported in the basic financial statements at June 30, 2014, 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:

	<u>Beginning</u> <u>Balance</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance</u> <u>End of Year</u>
2014	\$495,000	\$6,157,701	\$5,647,701	\$1,005,000
2013	558,000	5,478,052	5,541,052	495,000

**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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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, 2014, 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, 2014, 2013, and 2012 were \$925,872, \$885,288, and \$852,576, 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.

**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).

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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.

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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 11% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 11% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2014, 2013, and 2012 were \$2,681,556, \$2,724,024, and \$3,134,760, respectively; 83% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012. 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

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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premium. The Medicare Part B premium for calendar year 2014 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 2014, the actuarially required allocation was 0.76%. District contributions for the years ended June 30, 2014, 2013 and 2012 were \$50,262, \$46,794, and \$45,674, 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, 2014, the health care allocation was 0.14%. 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 2014, 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. The District contributions assigned to health care for the years ended June 30, 2014, 2013, and 2012 were \$9,259, \$10,118, and \$33,494, respectively; contributions equaled the required contributions for each year.

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.

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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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, 2014, 2013 and 2012. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2014, 2013, and 2012 were \$191,539, \$194,573, and \$223,911, 83% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012.

**Note 14 – Contingencies**

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**Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

**Litigation**

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

**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, 2014, the reserve activity was as follows:

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2013	\$0
Current Year Set Aside Requirements	517,373
Qualified Disbursements	(883,112)
Set Aside Reserve Balance as of June 30, 2014	(\$365,739)
Restricted Cash as of June 30, 2014	\$0

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**

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:

Fund Balances	General	Other Governmental Funds	Total
<b>Nonspendable:</b>			
Perpetual Care	\$0	\$10,000	\$10,000
<b>Total Nonspendable</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>
<b>Restricted for:</b>			
Other Grants	0	181,455	181,455
Special Trust	0	224,778	224,778
District Managed Student Activity	0	96,299	96,299
Title I School Improvement	0	6,911	6,911
Education Foundation	0	67,501	67,501
Able/Job Grant	0	10,007	10,007
Vocational Education	0	1,727	1,727
EHA Preschool Grant	0	932	932
Adult Basic Education	0	730	730
Title I	0	311,951	311,951
Perpetual Care	0	135,929	135,929
Debt Service	0	11,895	11,895
Permanent Improvement	0	1,030,848	1,030,848
<b>Total Restricted</b>	<b>0</b>	<b>2,080,963</b>	<b>2,080,963</b>
<b>Assigned to:</b>			
Public Schools	61,433	0	61,433
Replacement	0	26,673	26,673
Encumbrances	146,835	0	146,835
<b>Total Assigned</b>	<b>208,268</b>	<b>26,673</b>	<b>234,941</b>
<b>Unassigned (Deficit)</b>	<b>(897,206)</b>	<b>(165,951)</b>	<b>(1,063,157)</b>
<b>Total Fund Balance</b>	<b>(\$688,938)</b>	<b>\$1,951,685</b>	<b>\$1,262,747</b>

**Sandusky City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2014**

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**Note 17 – Change in Accounting Principles**

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The District adopted the provisions of GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement Number 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the District.

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## **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, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$18,522,276	\$18,813,565	\$18,826,495	\$12,930
Revenue in lieu of taxes	94,518	100,140	100,209	69
Tuition and Fees	612,228	648,646	649,092	446
Investment Earnings	7,718	8,177	8,183	6
Intergovernmental	21,138,030	22,395,423	22,410,814	15,391
Charges for Services	80,398	85,180	85,239	59
Other Revenues	238,860	253,068	253,242	174
<b>Total Revenues</b>	<b>40,694,028</b>	<b>42,304,199</b>	<b>42,333,274</b>	<b>29,075</b>
Expenditures:				
Current:				
Instruction:				
Regular	20,690,887	21,065,816	20,447,086	618,730
Special	6,399,021	6,513,282	6,324,721	188,561
Vocational	1,333,851	1,357,669	1,318,364	39,305
Other	71,574	72,852	70,743	2,109
Support Services:				
Pupil	1,981,344	2,016,723	1,958,338	58,385
Instructional Staff	1,286,942	1,309,922	1,271,999	37,923
General Administration	204,810	208,467	202,432	6,035
School Administration	2,781,489	2,831,156	2,749,193	81,963
Fiscal	812,699	827,211	803,263	23,948
Business	144,555	147,137	142,877	4,260
Operations and Maintenance	3,119,510	3,175,212	3,083,289	91,923
Pupil Transportation	1,507,502	1,534,420	1,489,998	44,422
Central	586,001	596,465	579,197	17,268
Operation of Non-Instructional Services	50,345	51,244	49,760	1,484
Extracurricular Activities	723,572	736,493	715,171	21,322
Debt Service:				
Principal Retirement	240,057	240,057	240,057	0
Interest and Fiscal Charges	66,312	66,312	66,312	0
<b>Total Expenditures</b>	<b>42,000,471</b>	<b>42,750,438</b>	<b>41,512,800</b>	<b>1,237,638</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,306,443)</b>	<b>(446,239)</b>	<b>820,474</b>	<b>1,266,713</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	505	535	535	0
Advances In	31,091	32,940	32,963	23
Transfers (Out)	(1,999)	(2,035)	(1,976)	59
<b>Total Other Financing Sources (Uses)</b>	<b>29,597</b>	<b>31,440</b>	<b>31,522</b>	<b>82</b>
<b>Net Change in Fund Balance</b>	<b>(1,276,846)</b>	<b>(414,799)</b>	<b>851,996</b>	<b>1,266,795</b>
<b>Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>1,277,720</b>	<b>1,277,720</b>	<b>1,277,720</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>\$874</b>	<b>\$862,921</b>	<b>\$2,129,716</b>	<b>\$1,266,795</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, 2014**

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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 2014, 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 2014.

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 appropriated.

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, 2014**

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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	\$11,062
Revenue Accruals	260,195
Expenditure Accruals	931,383
Advances In	32,963
Encumbrances	(384,504)
Funds Budgeted Elsewhere	897
Budget Basis	<u><u>\$851,996</u></u>

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## **COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

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## **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 2014.

### **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 2014.

Sandusky City School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Other (Nonmajor) Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$1,320,460	\$11,895	\$1,054,699	\$145,929	\$2,532,983
<b>Receivables (Net):</b>					
Taxes	0	0	917,128	0	917,128
Accounts	117,903	0	0	0	117,903
Intergovernmental	148,562	0	0	0	148,562
<b>Total Assets</b>	<b>1,586,925</b>	<b>11,895</b>	<b>1,971,827</b>	<b>145,929</b>	<b>3,716,576</b>
<b>Liabilities:</b>					
Accounts Payable	92,505	0	89,825	0	182,330
Accrued Wages and Benefits	531,324	0	0	0	531,324
Compensated Absences	32,194	0	0	0	32,194
<b>Total Liabilities</b>	<b>656,023</b>	<b>0</b>	<b>89,825</b>	<b>0</b>	<b>745,848</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	0	0	824,481	0	824,481
Grants and Other Taxes	194,562	0	0	0	194,562
<b>Total Deferred Inflows of Resources</b>	<b>194,562</b>	<b>0</b>	<b>824,481</b>	<b>0</b>	<b>1,019,043</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	10,000	10,000
Restricted	902,291	11,895	1,030,848	135,929	2,080,963
Assigned	0	0	26,673	0	26,673
Unassigned	(165,951)	0	0	0	(165,951)
<b>Total Fund Balances</b>	<b>736,340</b>	<b>11,895</b>	<b>1,057,521</b>	<b>145,929</b>	<b>1,951,685</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,586,925</b>	<b>\$11,895</b>	<b>\$1,971,827</b>	<b>\$145,929</b>	<b>\$3,716,576</b>

Sandusky City School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Other (Nonmajor) Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$0	\$0	\$769,621	\$0	\$769,621
Investment Earnings	6,608	0	0	3,934	10,542
Intergovernmental	5,581,933	0	173,807	0	5,755,740
Extracurricular Activities	157,312	0	0	0	157,312
Charges for Services	265,482	0	0	0	265,482
Gifts and Donations	100,000	0	0	0	100,000
Other Revenues	310,394	0	726,168	0	1,036,562
<b>Total Revenues</b>	<b>6,421,729</b>	<b>0</b>	<b>1,669,596</b>	<b>3,934</b>	<b>8,095,259</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	132,733	0	156,640	0	289,373
Special	1,815,142	0	27,913	0	1,843,055
Vocational	82,074	0	0	0	82,074
Adult/Continuing	228,533	0	0	0	228,533
Other	83,472	0	0	0	83,472
<b>Support Services:</b>					
Pupil	105,316	0	0	0	105,316
Instructional Staff	642,198	0	7,584	0	649,782
School Administration	121,379	0	0	0	121,379
Fiscal	5,556	0	17,445	0	23,001
Business	132,016	0	0	0	132,016
Operations and Maintenance	0	0	48,823	0	48,823
Pupil Transportation	1,032	0	190,150	0	191,182
Central	37,601	0	66,660	0	104,261
Operation of Non-Instructional Services	2,388,583	0	41,904	3,440	2,433,927
Extracurricular Activities	254,574	0	18,097	0	272,671
Capital Outlay	58,500	0	549,030	0	607,530
<b>Total Expenditures</b>	<b>6,088,709</b>	<b>0</b>	<b>1,124,246</b>	<b>3,440</b>	<b>7,216,395</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>333,020</b>	<b>0</b>	<b>545,350</b>	<b>494</b>	<b>878,864</b>
<b>Other Financing Sources (Uses):</b>					
Transfers In	1,976	0	0	0	1,976
<b>Total Other Financing Sources (Uses)</b>	<b>1,976</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,976</b>
<b>Net Change in Fund Balance</b>	<b>334,996</b>	<b>0</b>	<b>545,350</b>	<b>494</b>	<b>880,840</b>
<b>Fund Balance - Beginning of Year</b>	<b>401,344</b>	<b>11,895</b>	<b>512,171</b>	<b>145,435</b>	<b>1,070,845</b>
<b>Fund Balance - End of Year</b>	<b>\$736,340</b>	<b>\$11,895</b>	<b>\$1,057,521</b>	<b>\$145,929</b>	<b>\$1,951,685</b>

## **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 58 and the Combining Statement of Revenues, Expenditures and Changes in Fund Balance on page 62. 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 94.

**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.

**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.

**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**

**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.

**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  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2014

	Adult Education	Other Grants	Special Trust	District Managed Student Activity
Assets:				
Equity in Pooled Cash and Investments	\$0	\$182,894	\$224,778	\$102,230
Receivables (Net):				
Accounts	0	100,000	0	4,015
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<b>0</b>	<b>282,894</b>	<b>224,778</b>	<b>106,245</b>
Liabilities:				
Accounts Payable	0	1,439	0	9,946
Accrued Wages and Benefits	0	0	0	0
Compensated Absences	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>1,439</b>	<b>0</b>	<b>9,946</b>
Deferred Inflows of Resources:				
Grants and Other Taxes	0	100,000	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>
Fund Balances:				
Restricted	0	181,455	224,778	96,299
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>0</b>	<b>181,455</b>	<b>224,778</b>	<b>96,299</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$0</b>	<b>\$282,894</b>	<b>\$224,778</b>	<b>\$106,245</b>

Auxiliary Services	Public School PreSchool	SchoolNet OneNet	Able/Job Grant	Adult Basic Education	Title VI B	Vocational Education
\$51,569	\$14,405	\$0	\$10,007	\$1,509	\$64,588	\$1,711
495	0	0	0	335	3,139	16
0	9,100	0	0	8,959	62,901	0
<u>52,064</u>	<u>23,505</u>	<u>0</u>	<u>10,007</u>	<u>10,803</u>	<u>130,628</u>	<u>1,727</u>
4,183	0	0	0	386	4,890	0
24,024	24,192	0	0	728	126,195	0
31,677	0	0	0	0	0	0
<u>59,884</u>	<u>24,192</u>	<u>0</u>	<u>0</u>	<u>1,114</u>	<u>131,085</u>	<u>0</u>
0	2,600	0	0	8,959	21,901	0
0	2,600	0	0	8,959	21,901	0
0	0	0	10,007	730	0	1,727
(7,820)	(3,287)	0	0	0	(22,358)	0
<u>(7,820)</u>	<u>(3,287)</u>	<u>0</u>	<u>10,007</u>	<u>730</u>	<u>(22,358)</u>	<u>1,727</u>
<u>\$52,064</u>	<u>\$23,505</u>	<u>\$0</u>	<u>\$10,007</u>	<u>\$10,803</u>	<u>\$130,628</u>	<u>\$1,727</u>

Continued

Sandusky City School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2014

	Basic Educational Opportunity Grant	Title I	EHA PreSchool Grant	Improving Teacher Quality
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$0	\$534,268	\$8,251	\$33,234
<b>Receivables (Net):</b>				
Accounts	0	4,597	121	775
Intergovernmental	0	48,022	0	19,580
<b>Total Assets</b>	<b>0</b>	<b>586,887</b>	<b>8,372</b>	<b>53,589</b>
<b>Liabilities:</b>				
Accounts Payable	0	47,578	1,933	10,745
Accrued Wages and Benefits	0	179,336	5,507	39,623
Compensated Absences	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>226,914</b>	<b>7,440</b>	<b>50,368</b>
<b>Deferred Inflows of Resources:</b>				
Grants and Other Taxes	0	48,022	0	13,080
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>48,022</b>	<b>0</b>	<b>13,080</b>
<b>Fund Balances:</b>				
Restricted	0	311,951	932	0
Unassigned	0	0	0	(9,859)
<b>Total Fund Balances</b>	<b>0</b>	<b>311,951</b>	<b>932</b>	<b>(9,859)</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$0</b>	<b>\$586,887</b>	<b>\$8,372</b>	<b>\$53,589</b>

Food Service	Education Foundation	Title I School Improvement	Total Nonmajor Special Revenue Funds
\$13,289	\$67,501	\$10,226	\$1,320,460
4,274	0	136	117,903
0	0	0	148,562
<u>17,563</u>	<u>67,501</u>	<u>10,362</u>	<u>1,586,925</u>
9,298	0	2,107	92,505
130,375	0	1,344	531,324
517	0	0	32,194
<u>140,190</u>	<u>0</u>	<u>3,451</u>	<u>656,023</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>194,562</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>194,562</u>
0	67,501	6,911	902,291
(122,627)	0	0	(165,951)
<u>(122,627)</u>	<u>67,501</u>	<u>6,911</u>	<u>736,340</u>
<u>\$17,563</u>	<u>\$67,501</u>	<u>\$10,362</u>	<u>\$1,586,925</u>

Sandusky City School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2014

	Adult Education	Other Grants	Special Trust	District Managed Student Activity
Revenues:				
Investment Earnings	\$0	\$0	\$409	\$0
Intergovernmental	228,533	0	0	0
Extracurricular Activities	0	0	0	157,312
Charges for Services	0	0	0	6,738
Gifts and Donations	0	100,000	0	0
Other Revenues	0	104,169	330	40,947
<b>Total Revenues</b>	<b>228,533</b>	<b>204,169</b>	<b>739</b>	<b>204,997</b>
Expenditures:				
Current:				
Instruction:				
Regular	0	12,192	0	0
Special	0	11,145	0	0
Vocational	0	0	0	0
Adult/Continuing	228,533	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	0	5,019	0	0
Instructional Staff	0	113	0	0
School Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	25,001	0	0
Operation of Non-Instructional Services	0	24,132	0	0
Extracurricular Activities	0	50,847	262	203,465
Capital Outlay	0	2,234	56,266	0
<b>Total Expenditures</b>	<b>228,533</b>	<b>130,683</b>	<b>56,528</b>	<b>203,465</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>73,486</b>	<b>(55,789)</b>	<b>1,532</b>
Other Financing Sources (Uses):				
Transfers In	0	0	1,976	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>1,976</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>73,486</b>	<b>(53,813)</b>	<b>1,532</b>
<b>Fund Balance - Beginning of Year</b>	<b>0</b>	<b>107,969</b>	<b>278,591</b>	<b>94,767</b>
<b>Fund Balance - End of Year</b>	<b>\$0</b>	<b>\$181,455</b>	<b>\$224,778</b>	<b>\$96,299</b>

Auxiliary Services	Public School PreSchool	SchoolNet OneNet	Able/Job Grant	Adult Basic Education	Title VI B	Vocational Education
\$70	\$0	\$0	\$0	\$0	\$0	\$0
389,550	116,967	12,600	25,896	117,600	782,000	78,736
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
389,620	116,967	12,600	25,896	117,600	782,000	78,736
0	120,367	0	174	0	0	0
0	0	0	0	0	631,036	0
0	0	0	0	0	0	82,074
0	0	0	0	0	0	0
0	0	0	0	83,472	0	0
0	0	0	25,896	0	74,401	0
0	0	0	0	32,323	13,159	699
0	0	0	0	5,564	75,126	0
0	0	0	0	0	5,556	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	12,600	0	0	0	0
397,498	0	0	0	0	22,595	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
397,498	120,367	12,600	26,070	121,359	821,873	82,773
(7,878)	(3,400)	0	(174)	(3,759)	(39,873)	(4,037)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(7,878)	(3,400)	0	(174)	(3,759)	(39,873)	(4,037)
58	113	0	10,181	4,489	17,515	5,764
(\$7,820)	(\$3,287)	\$0	\$10,007	\$730	(\$22,358)	\$1,727

Continued

Sandusky City School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2014

	Basic Educational Opportunity Grant	Title I	EHA PreSchool Grant	Improving Teacher Quality
<b>Revenues:</b>				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	339,939	1,777,799	45,500	239,034
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Gifts and Donations	0	0	0	0
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>339,939</b>	<b>1,777,799</b>	<b>45,500</b>	<b>239,034</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	0	0	0
Special	0	1,024,321	46,186	102,454
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	352,263	0	145,208
School Administration	0	40,689	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Pupil Transportation	0	1,032	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	339,939	41,722	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>339,939</b>	<b>1,460,027</b>	<b>46,186</b>	<b>247,662</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>317,772</b>	<b>(686)</b>	<b>(8,628)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	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>0</b>	<b>317,772</b>	<b>(686)</b>	<b>(8,628)</b>
<b>Fund Balance - Beginning of Year</b>	<b>0</b>	<b>(5,821)</b>	<b>1,618</b>	<b>(1,231)</b>
<b>Fund Balance - End of Year</b>	<b>\$0</b>	<b>\$311,951</b>	<b>\$932</b>	<b>(\$9,859)</b>

Food Service	Education Foundation	Title I School Improvement	Total Nonmajor Special Revenue Funds
\$0	\$6,129	\$0	\$6,608
1,336,979	0	90,800	5,581,933
0	0	0	157,312
258,744	0	0	265,482
0	0	0	100,000
7,093	157,855	0	310,394
<u>1,602,816</u>	<u>163,984</u>	<u>90,800</u>	<u>6,421,729</u>
0	0	0	132,733
0	0	0	1,815,142
0	0	0	82,074
0	0	0	228,533
0	0	0	83,472
0	0	0	105,316
0	0	98,433	642,198
0	0	0	121,379
0	0	0	5,556
0	132,016	0	132,016
0	0	0	1,032
0	0	0	37,601
1,562,697	0	0	2,388,583
0	0	0	254,574
0	0	0	58,500
<u>1,562,697</u>	<u>132,016</u>	<u>98,433</u>	<u>6,088,709</u>
<u>40,119</u>	<u>31,968</u>	<u>(7,633)</u>	<u>333,020</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,976</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,976</u>
<u>40,119</u>	<u>31,968</u>	<u>(7,633)</u>	<u>334,996</u>
<u>(162,746)</u>	<u>35,533</u>	<u>14,544</u>	<u>401,344</u>
<u>(\$122,627)</u>	<u>\$67,501</u>	<u>\$6,911</u>	<u>\$736,340</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, 2014

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$203,250	\$204,283	\$1,033
Total Revenues	203,250	204,283	1,033
Expenditures:			
Current:			
Instruction:			
Regular	23,224	12,302	10,922
Special	40,542	21,476	19,066
Support Services:			
Pupil	9,475	5,019	4,456
Instructional Staff	213	113	100
Central	47,197	25,001	22,196
Operation of Non-Instructional Services	48,798	25,849	22,949
Extracurricular Activities	106,449	56,388	50,061
Capital Outlay	4,217	2,234	1,983
Total Expenditures	280,115	148,382	131,733
Net Change in Fund Balance	(76,865)	55,901	132,766
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	114,407	114,407	0
Fund Balance - End of Year	\$37,542	\$170,308	\$132,766

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, 2014

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$10,819	\$409	(\$10,410)
Other Revenues	8,729	330	(8,399)
Total Revenues	<u>19,548</u>	<u>739</u>	<u>(18,809)</u>
Expenditures:			
Current:			
Instruction:			
Extracurricular Activities	956	262	694
Capital Outlay	<u>224,595</u>	<u>61,529</u>	<u>163,066</u>
Total Expenditures	<u>225,551</u>	<u>61,791</u>	<u>163,760</u>
Excess of Revenues Over (Under) Expenditures	<u>(206,003)</u>	<u>(61,052)</u>	<u>144,951</u>
Other Financing Sources (Uses):			
Transfers In	<u>52,270</u>	<u>1,976</u>	<u>(50,294)</u>
Total Other Financing Sources (Uses)	<u>52,270</u>	<u>1,976</u>	<u>(50,294)</u>
Net Change in Fund Balance	(153,733)	(59,076)	94,657
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>283,853</u>	<u>283,853</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$130,120</u></u>	<u><u>\$224,777</u></u>	<u><u>\$94,657</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, 2014

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$153,545	\$155,461	\$1,916
Charges for Services	6,655	6,738	83
Other Revenues	30,342	30,721	379
Total Revenues	190,542	192,920	2,378
Expenditures:			
Current:			
Extracurricular Activities	283,082	221,988	61,094
Total Expenditures	283,082	221,988	61,094
Excess of Revenues Over (Under) Expenditures	(92,540)	(29,068)	63,472
Other Financing Sources (Uses):			
Transfers In	8,889	9,000	111
Transfers (Out)	(2,326)	(1,824)	502
Total Other Financing Sources (Uses)	6,563	7,176	613
Net Change in Fund Balance	(85,977)	(21,892)	64,085
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	111,886	111,886	0
Fund Balance - End of Year	\$25,909	\$89,994	\$64,085

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, 2014

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$70	\$70	\$0
Intergovernmental	389,545	389,550	5
Total Revenues	389,615	389,620	5
Expenditures:			
Current:			
Operation of Non-Instructional Services	426,086	380,063	46,023
Total Expenditures	426,086	380,063	46,023
Net Change in Fund Balance	(36,471)	9,557	46,028
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	36,471	36,471	0
Fund Balance - End of Year	\$0	\$46,028	\$46,028

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, 2014

	Public School PreSchool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$130,167	\$121,067	(\$9,100)
Total Revenues	130,167	121,067	(9,100)
Expenditures:			
Current:			
Instruction:			
Regular	141,977	120,308	21,669
Total Expenditures	141,977	120,308	21,669
Net Change in Fund Balance	(11,810)	759	12,569
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,810	11,810	0
Fund Balance - End of Year	\$0	\$12,569	\$12,569

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, 2014

	SchoolNet OneNet Fund		
	Final Budget	Actual	Variance from 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 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, 2014

	Able/Job Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,896	\$25,896	\$0
Total Revenues	25,896	25,896	0
Expenditures:			
Current:			
Instruction:			
Regular	685	497	188
Support Services:			
Pupil	35,716	25,896	9,820
Total Expenditures	36,401	26,393	10,008
Net Change in Fund Balance	(10,505)	(497)	10,008
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,505	10,505	0
Fund Balance - End of Year	\$0	\$10,008	\$10,008

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, 2014

	Adult Basic Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$130,856	\$121,897	(\$8,959)
Total Revenues	<u>130,856</u>	<u>121,897</u>	<u>(8,959)</u>
Expenditures:			
Current:			
Instruction:			
Adult/continuing	103,279	96,126	7,153
Support Services:			
Instructional Staff	35,139	32,705	2,434
School Administration	6,058	5,638	420
Total Expenditures	<u>144,476</u>	<u>134,469</u>	<u>10,007</u>
Net Change in Fund Balance	(13,620)	(12,572)	1,048
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>13,620</u>	<u>13,620</u>	<u>0</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$1,048</u>	<u>\$1,048</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, 2014

	Title VI B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,017,459	\$867,000	(\$150,459)
Total Revenues	<u>1,017,459</u>	<u>867,000</u>	<u>(150,459)</u>
Expenditures:			
Current:			
Instruction:			
Special	741,645	601,353	140,292
Support Services:			
Pupil	165,645	134,311	31,334
Instructional Staff	37,311	30,253	7,058
School Administration	109,928	89,134	20,794
Operation of Non-Instructional Services	43,969	35,652	8,317
Total Expenditures	<u>1,098,498</u>	<u>890,703</u>	<u>207,795</u>
Excess of Revenues Over (Under) Expenditures	<u>(81,039)</u>	<u>(23,703)</u>	<u>57,336</u>
Other Financing Sources (Uses):			
Transfers In	5,335	4,546	(789)
Transfers (Out)	(5,607)	(4,546)	1,061
Total Other Financing Sources (Uses)	<u>(272)</u>	<u>0</u>	<u>272</u>
Net Change in Fund Balance	(81,311)	(23,703)	57,608
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>83,234</u>	<u>83,234</u>	<u>0</u>
Fund Balance - End of Year	<u>\$1,923</u>	<u>\$59,531</u>	<u>\$57,608</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, 2014

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$80,638	\$78,736	(\$1,902)
Total Revenues	<u>80,638</u>	<u>78,736</u>	<u>(1,902)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	85,656	82,074	3,582
Support Services:			
Instructional Staff	<u>746</u>	<u>715</u>	<u>31</u>
Total Expenditures	<u>86,402</u>	<u>82,789</u>	<u>3,613</u>
Net Change in Fund Balance	(5,764)	(4,053)	1,711
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>5,764</u>	<u>5,764</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$1,711</u></u>	<u><u>\$1,711</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, 2014

	Basic Educational Opportunity Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$339,939	\$339,939	\$0
Total Revenues	339,939	339,939	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	339,939	339,939	0
Total Expenditures	339,939	339,939	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes 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, 2014

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,716,004	\$1,907,799	(\$808,205)
Total Revenues	<u>2,716,004</u>	<u>1,907,799</u>	<u>(808,205)</u>
Expenditures:			
Current:			
Instruction:			
Special	2,139,720	1,445,047	694,673
Support Services:			
Instructional Staff	538,394	363,601	174,793
School Administration	54,563	36,849	17,714
Pupil Transportation	1,528	1,032	496
Central	40,224	27,165	13,059
Operation of Non-Instructional Services	<u>61,734</u>	<u>41,692</u>	<u>20,042</u>
Total Expenditures	<u>2,836,163</u>	<u>1,915,386</u>	<u>920,777</u>
Net Change in Fund Balance	(120,159)	(7,587)	112,572
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>120,159</u>	<u>120,159</u>	<u>0</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$112,572</u>	<u>\$112,572</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, 2014

	EHA PreSchool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$52,047	\$49,700	(\$2,347)
Total Revenues	52,047	49,700	(2,347)
Expenditures:			
Current:			
Instruction:			
Special	55,622	50,270	5,352
Support Services:			
Instructional Staff	89	80	9
Total Expenditures	55,711	50,350	5,361
Excess of Revenues Over (Under) Expenditures	(3,664)	(650)	3,014
Other Financing Sources (Uses):			
Transfers In	72	69	(3)
Transfers (Out)	(76)	(69)	7
Total Other Financing Sources (Uses)	(4)	0	4
Net Change in Fund Balance	(3,668)	(650)	3,018
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,668	3,668	0
Fund Balance - End of Year	\$0	\$3,018	\$3,018

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, 2014

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$419,021	\$264,534	(\$154,487)
Total Revenues	419,021	264,534	(154,487)
Expenditures:			
Current:			
Instruction:			
Special	151,207	94,007	57,200
Support Services:			
Instructional Staff	295,659	183,815	111,844
Total Expenditures	446,866	277,822	169,044
Net Change in Fund Balance	(27,845)	(13,288)	14,557
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	27,825	27,825	0
Fund Balance - End of Year	(\$20)	\$14,537	\$14,557

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, 2014

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,330,546	\$1,336,979	\$6,433
Charges for Services	257,570	258,815	1,245
Other Revenues	5,268	5,293	25
Total Revenues	<u>1,593,384</u>	<u>1,601,087</u>	<u>7,703</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,582,104	1,582,080	24
Total Expenditures	<u>1,582,104</u>	<u>1,582,080</u>	<u>24</u>
Excess of Revenues Over (Under) Expenditures	<u>11,280</u>	<u>19,007</u>	<u>7,727</u>
Other Financing Sources (Uses):			
Advances (Out)	(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	(117)	7,610	7,727
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>369</u>	<u>369</u>	<u>0</u>
Fund Balance - End of Year	<u>\$252</u>	<u>\$7,979</u>	<u>\$7,727</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, 2014

	Education Foundation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$6,128	\$6,129	\$1
Other Revenues	47,494	47,501	7
Total Revenues	53,622	53,630	8
Expenditures:			
Current:			
Support Services:			
Business	173,135	132,504	40,631
Total Expenditures	173,135	132,504	40,631
Excess of Revenues Over (Under) Expenditures	(119,513)	(78,874)	40,639
Other Financing Sources (Uses):			
Transfers In	110,339	110,354	15
Total Other Financing Sources (Uses)	110,339	110,354	15
Net Change in Fund Balance	(9,174)	31,480	40,654
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	35,534	35,534	0
Fund Balance - End of Year	\$26,360	\$67,014	\$40,654

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, 2014

	Title I School Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$200,932	\$117,300	(\$83,632)
Total Revenues	200,932	117,300	(83,632)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	186,633	106,391	80,242
Total Expenditures	186,633	106,391	80,242
Excess of Revenues Over (Under) Expenditures	14,299	10,909	(3,390)
Other Financing Sources (Uses):			
Advances (Out)	(21,668)	(12,352)	9,316
Transfers In	1,350	788	(562)
Transfers (Out)	(1,382)	(788)	594
Total Other Financing Sources (Uses)	(21,700)	(12,352)	9,348
Net Change in Fund Balance	(7,401)	(1,443)	5,958
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	7,401	7,401	0
Fund Balance - End of Year	\$0	\$5,958	\$5,958

## **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, 2014

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Fiscal	11,895	0	11,895
Total Expenditures	11,895	0	11,895
Net Change in Fund Balance	(11,895)	0	11,895
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,895	11,895	0
Fund Balance - End of Year	\$0	\$11,895	\$11,895

## **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  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2014

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,028,026	\$26,673	\$1,054,699
Receivables (Net):			
Taxes	917,128	0	917,128
<b>Total Assets</b>	<b>1,945,154</b>	<b>26,673</b>	<b>1,971,827</b>
Liabilities:			
Accounts Payable	89,825	0	89,825
<b>Total Liabilities</b>	<b>89,825</b>	<b>0</b>	<b>89,825</b>
Deferred Inflows of Resources:			
Property Taxes	824,481	0	824,481
<b>Total Deferred Inflows of Resources</b>	<b>824,481</b>	<b>0</b>	<b>824,481</b>
Fund Balances:			
Restricted	1,030,848	0	1,030,848
Assigned	0	26,673	26,673
<b>Total Fund Balances</b>	<b>1,030,848</b>	<b>26,673</b>	<b>1,057,521</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,945,154</b>	<b>\$26,673</b>	<b>\$1,971,827</b>

Sandusky City School District  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Nonmajor Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2014

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$769,621	\$0	\$769,621
Intergovernmental	173,807	0	173,807
Other Revenues	726,168	0	726,168
<b>Total Revenues</b>	<b>1,669,596</b>	<b>0</b>	<b>1,669,596</b>
Expenditures:			
Current:			
Instruction:			
Regular	156,640	0	156,640
Special	27,913	0	27,913
Support Services:			
Instructional Staff	7,584	0	7,584
Fiscal	17,445	0	17,445
Operations and Maintenance	48,823	0	48,823
Pupil Transportation	190,150	0	190,150
Central	66,660	0	66,660
Operation of Non-Instructional Services	41,904	0	41,904
Extracurricular Activities	18,097	0	18,097
Capital Outlay	549,030	0	549,030
<b>Total Expenditures</b>	<b>1,124,246</b>	<b>0</b>	<b>1,124,246</b>
Net Change in Fund Balance	545,350	0	545,350
Fund Balance - Beginning of Year	485,498	26,673	512,171
Fund Balance - End of Year	<u>\$1,030,848</u>	<u>\$26,673</u>	<u>\$1,057,521</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, 2014

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$828,287	\$828,297	\$10
Intergovernmental	173,805	173,807	2
Other Revenues	726,159	726,168	9
Total Revenues	1,728,251	1,728,272	21
Expenditures:			
Current:			
Instruction:			
Regular	438,261	339,249	99,012
Special	36,060	27,913	8,147
Support Services:			
Instructional Staff	10,202	7,897	2,305
Fiscal	22,536	17,445	5,091
Operations and Maintenance	89,636	69,385	20,251
Pupil Transportation	245,647	190,150	55,497
Central	166,575	128,942	37,633
Operation of Non-Instructional Services	89,431	69,227	20,204
Capital Outlay	823,079	637,128	185,951
Total Expenditures	1,921,427	1,487,336	434,091
Net Change in Fund Balance	(193,176)	240,936	434,112
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	416,734	416,734	0
Fund Balance - End of Year	\$223,558	\$657,670	\$434,112

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, 2014

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

## **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, 2014

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$21,797	\$3,062	(\$18,735)
Other Revenues	106,239	14,924	(91,315)
Total Revenues	128,036	17,986	(110,050)
Expenditures:			
Current:			
Instruction:			
Business	160,900	3,440	157,460
Total Expenditures	160,905	3,440	157,465
Net Change in Fund Balance	(32,869)	14,546	47,415
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	131,383	131,383	0
Fund Balance - End of Year	\$98,514	\$145,929	\$47,415

## **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, 2014

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$40,511	\$40,675	\$164
Other Revenues	14,577	14,636	59
Total Revenues	55,088	55,311	223
Expenditures:			
Current:			
Extracurricular Activities	111,885	70,459	41,426
Total Expenditures	111,885	70,459	41,426
Net Change in Fund Balance	(56,797)	(15,148)	41,649
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	68,841	68,841	0
Fund Balance - End of Year	\$12,044	\$53,693	\$41,649

(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, 2014

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$632,784	\$633,150	\$366
Intergovernmental	228,401	228,533	132
Other Revenues	140,137	140,218	81
Total Revenues	<u>1,001,322</u>	<u>1,001,901</u>	<u>579</u>
Expenditures:			
Current:			
Instruction:			
Adult/continuing	1,011,465	900,352	111,113
Total Expenditures	<u>1,011,465</u>	<u>900,352</u>	<u>111,113</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,143)</u>	<u>101,549</u>	<u>111,692</u>
Other Financing Sources (Uses):			
Advances (Out)	(10,246)	(9,214)	1,032
Total Other Financing Sources (Uses)	<u>(10,246)</u>	<u>(9,214)</u>	<u>1,032</u>
Net Change in Fund Balance	(20,389)	92,335	112,724
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>10,143</u>	<u>10,143</u>	<u>0</u>
Fund Balance - End of Year	<u>(\$10,246)</u>	<u>\$102,478</u>	<u>\$112,724</u>

(1) This fund is split between the General fund and Nonmajor Special Revenue funds in the 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  
Combining Statement of Fiduciary Net Position  
Private Purpose Trust Funds  
June 30, 2014

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	Scholarship Trust	Endowment	Total
Assets:			
Equity in Pooled Cash and Investments	\$584,899	\$7,800,485	\$8,385,384
Receivables (Net):			
Interest	0	16,025	16,025
Total Assets	<u>584,899</u>	<u>7,816,510</u>	<u>8,401,409</u>
Liabilities:			
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Net Position:			
Held in Trust	<u>584,899</u>	<u>7,816,510</u>	<u>8,401,409</u>
Total Net Position	<u>\$584,899</u>	<u>\$7,816,510</u>	<u>\$8,401,409</u>

Sandusky City School District  
 Combining Statement of Changes in Fiduciary Net Position  
 Private Purpose Trust Funds  
 For the Fiscal Year Ended June 30, 2014

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	Scholarship Trust	Endowment	Total
Additions:			
Donations	\$57,109	\$9,721	\$66,830
Investment Earnings	928	675,230	676,158
Other	11,180	0	11,180
Total Additions	<u>69,217</u>	<u>684,951</u>	<u>754,168</u>
Deductions:			
Scholarships	<u>163,754</u>	<u>90,678</u>	<u>254,432</u>
Total Deductions	<u>163,754</u>	<u>90,678</u>	<u>254,432</u>
Change in Net Position	(94,537)	594,273	499,736
Net Position - Beginning of Year	<u>679,436</u>	<u>7,222,237</u>	<u>7,901,673</u>
Net Position - End of Year	<u><u>\$584,899</u></u>	<u><u>\$7,816,510</u></u>	<u><u>\$8,401,409</u></u>

Sandusky City School District  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2014

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$13,278	\$1,361,326	\$1,367,061	\$7,543
<b>Receivables (Net):</b>				
Taxes	705,608	794,565	705,608	794,565
Accounts	0	35	0	35
<b>Total Assets</b>	<b>718,886</b>	<b>2,155,926</b>	<b>2,072,669</b>	<b>802,143</b>
<b>Liabilities:</b>				
Other Liabilities	718,886	2,155,926	2,072,669	802,143
<b>Total Liabilities</b>	<b>\$718,886</b>	<b>\$2,155,926</b>	<b>\$2,072,669</b>	<b>\$802,143</b>
<b>Student Managed Activity</b>				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$91,814	\$151,307	\$134,024	\$109,097
<b>Receivables (Net):</b>				
Accounts	0	490	0	490
<b>Total Assets</b>	<b>91,814</b>	<b>151,797</b>	<b>134,024</b>	<b>109,587</b>
<b>Liabilities:</b>				
Accounts Payable	2,663	8,876	2,663	8,876
Other Liabilities	89,151	142,921	131,361	100,711
<b>Total Liabilities</b>	<b>\$91,814</b>	<b>\$151,797</b>	<b>\$134,024</b>	<b>\$109,587</b>
<b>Total All Agency Funds</b>				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$105,092	\$1,512,633	\$1,501,085	\$116,640
<b>Receivables (Net):</b>				
Taxes	705,608	794,565	705,608	794,565
Accounts	0	525	0	525
<b>Total Assets</b>	<b>810,700</b>	<b>2,307,723</b>	<b>2,206,693</b>	<b>911,730</b>
<b>Liabilities:</b>				
Accounts Payable	2,663	8,876	2,663	8,876
Other Liabilities	808,037	2,298,847	2,204,030	902,854
<b>Total Liabilities</b>	<b>\$810,700</b>	<b>\$2,307,723</b>	<b>\$2,206,693</b>	<b>\$911,730</b>

## **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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$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	\$10,570,451
Restricted	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	2,261,685
Unrestricted	1,678,633	638,540	1,209,184	2,064,130	2,146,662	3,098,977	2,185,093	(263,266)	(212,978)	(870,170)
<b>Total Governmental Activities Net Position</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>\$11,961,966</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$110,021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unrestricted	(36,805)	0	0	0	0	0	0	0	0	0
<b>Total Business-Type Activities Net Position</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>\$0</b>
<b>Total Primary Government</b>										
Net Investment in Capital Assets	\$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	\$10,570,451
Restricted	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	2,261,685
Unrestricted	1,641,828	638,540	1,209,184	2,064,130	2,146,662	3,098,977	2,185,093	(263,266)	(212,978)	(870,170)
<b>Total Primary Government Net Position</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>	<b>\$11,961,966</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$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	\$32,492,793
Pupil	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	2,054,942
Instructional Staff	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	1,730,658
General Administration	290,483	262,873	251,748	225,384	219,506	274,123	237,888	194,969	162,727	203,832
School Administration	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	2,926,608
Fiscal	747,826	773,037	816,087	827,379	790,838	724,600	772,658	775,946	757,378	790,525
Business	163,970	171,953	182,226	167,861	173,166	165,646	165,412	154,022	131,172	272,987
Operations and Maintenance	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	3,063,508
Pupil Transportation	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	1,680,628
Central	617,090	1,309,047	878,440	869,701	961,596	1,211,148	1,358,070	1,330,662	806,153	234,488
Operation of Non-Instructional Services	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	2,473,124
Extracurricular Activities	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	959,167
Intergovernmental Pass-through	475,587	425,781	466,340	0	0	0	0	0	0	0
Interest and Fiscal Charges	75,913	68,650	62,932	44,512	26,930	56,430	47,986	49,997	69,213	66,312
<b>Total Governmental Activities Expenses</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>48,949,572</b>
<b>Business-Type Activities:</b>										
Food Service	1,918,480	0	0	0	0	0	0	0	0	0
Adult Education	820,179	0	0	0	0	0	0	0	0	0
<b>Total Business-Type Activities Expenses</b>	<b>2,738,659</b>	<b>0</b>								
<b>Total Primary Government Expenses</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>	<b>\$48,949,572</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Instruction	\$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	\$1,368,131
School Administration	0	0	5,833	0	0	0	0	0	0	0
Operations and Maintenance	31,429	28,694	16,965	24,900	34,410	17,499	20,367	20,345	67,628	75,775
Operation of Non-Instructional Services	0	655,354	644,676	580,145	522,798	407,386	361,815	316,374	303,114	258,744
Extracurricular Activities	314,422	309,071	271,084	233,068	211,569	237,687	227,689	258,825	203,577	206,555
Operating Grants and Contributions	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	9,015,833
Capital Grants and Contributions	0	0	146,949	60,707	57,267	0	0	0	0	0
<b>Total Governmental Activities Program Revenues</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>10,925,038</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	662,188	0	0	0	0	0	0	0	0	0
Adult Education	575,775	0	0	0	0	0	0	0	0	0
Operating Grants and Contributions	1,383,770	0	0	0	0	0	0	0	0	0
Total Business-Type Activities Program Revenues	2,621,733	0	0	0	0	0	0	0	0	0
<b>Total Primary Government Program Revenues</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>\$10,925,038</b>
<b>Net (Expense)/Revenue</b>										
<b>Total Government Net Expense</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>(\$38,024,534)</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Net (Expense)/Revenue</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>(\$38,024,534)</b>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes Levied for General Purposes	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	17,374,591
Property Taxes Levied for Debt Service Purposes	264,594	283,257	293,068	277,686	77,442	0	0	0	0	0
Property Taxes Levied for Capital Projects Purposes	554,784	596,734	572,833	512,033	504,584	787,009	901,848	873,259	823,323	762,374
Grants and Entitlements Not Restricted to Specific Programs	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	19,420,547
Payment in Lieu of Taxes	0	0	0	0	0	92,764	96,184	96,880	102,072	100,209
Unrestricted Contributions	0	0	0	0	0	73,476	119,684	83,824	104,515	66,046
Investment Earnings	227,824	440,921	545,097	406,737	168,072	40,751	64,347	40,283	9,650	26,696
Other Revenues	340,526	390,260	350,511	322,576	335,074	706,190	111,656	377,483	589,425	1,491,820
<b>Total Governmental Activities General Revenues</b>	<b>36,596,286</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>	<b>39,242,283</b>
Transfers	0	0	(543,770)	0	0	0	0	0	0	0
Special Items	0	0	0	0	0	0	0	0	0	0
Business-Type Activities:										
Investment Earnings	0	0	0	0	0	0	0	0	0	0
Total Business-Type Activities General Revenues	0	0	0	0	0	0	0	0	0	0
<b>Change in Net Position</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>	<b>\$1,217,749</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									
	2005	2006	2007	2008	2009	2010	2011(1)	2012	2013	2014
General Fund										
Reserved	\$1,915,740	\$1,664,279	\$1,506,725	\$1,903,046	\$2,536,281	\$1,962,854				
Unreserved	(143,758)	(167,288)	(81,769)	(340,751)	(208,243)	(171,629)				
Nonspendable							\$81,158	\$81,158	\$64,541	\$0
Assigned							106,107	344,766	1,816,219	208,268
Unassigned							281,266	(1,381,982)	(2,580,760)	(897,206)
Total General Fund	1,771,982	1,496,991	1,424,956	1,562,295	2,328,038	1,791,225	\$468,531	(\$956,058)	(\$700,000)	(\$688,938)
All Other Governmental Funds										
Reserved	503,733	379,096	544,164	464,214	310,790	384,961				
Unreserved, Reported in:										
Special Revenue Funds	324,138	61,438	(34,131)	(135,860)	(190,478)	398,779				
Debt Service Funds	120,732	142,945	156,171	269,920	281,697	281,697				
Capital Project Funds	582,865	558,361	345,598	235,258	165,891	146,510				
Permanent Fund	76,174	81,610	86,207	90,256	86,415	87,613				
Nonspendable							\$18,674	\$18,950	\$22,129	\$10,000
Restricted							1,686,944	1,674,006	1,203,970	2,080,963
Assigned							26,673	26,673	26,673	26,673
Unassigned							(107,390)	(153,132)	(181,927)	(165,951)
Total All Other Governmental Funds	\$1,607,642	\$1,223,450	\$1,098,009	\$923,788	\$654,315	\$1,299,560	\$1,624,901	\$1,566,497	\$1,070,845	\$1,951,685

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Taxes	\$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	\$18,307,878
Revenue in Lieu of Taxes	0	0	0	0	0	92,764	96,184	96,880	102,072	100,209
Tuition and Fees	78,315	475,684	701,787	703,259	1,037,870	1,293,012	1,152,390	1,091,477	1,288,703	1,354,777
Investment Earnings	188,216	375,605	497,826	350,636	131,761	40,751	64,347	38,593	15,592	26,696
Intergovernmental	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	28,166,554
Extracurricular Activities	265,631	257,721	271,084	236,953	215,229	224,471	217,955	253,148	203,122	203,708
Charges for Services	0	637,528	631,607	565,621	500,573	469,603	419,837	326,882	382,958	350,721
Gifts and Donations	0	0	0	0	0	0	0	0	0	100,000
Other Revenues	542,372	728,151	1,231,978	806,795	820,605	797,163	253,178	483,921	685,108	1,557,868
<b>Total Revenues</b>	<b>\$43,721,191</b>	<b>\$48,497,061</b>	<b>\$49,125,317</b>	<b>\$50,192,042</b>	<b>\$50,611,678</b>	<b>\$50,842,363</b>	<b>\$50,769,704</b>	<b>\$48,764,270</b>	<b>\$48,641,016</b>	<b>\$50,168,411</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$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	\$31,348,010
Pupil	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	2,164,420
Instructional Staff	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	1,764,700
General Administration	290,483	262,873	251,748	225,384	219,506	274,123	237,888	194,969	162,727	203,832
School Administration	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	2,848,770
Fiscal	750,121	774,424	800,062	849,145	795,071	714,646	802,536	767,150	762,283	822,485
Business	165,455	166,666	179,790	170,505	164,658	198,493	156,735	154,978	131,178	273,063
Operation and Maintenance	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	3,056,465
Pupil Transportation	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	1,696,551
Central	613,444	723,054	846,349	892,227	942,876	1,162,619	1,332,429	1,335,052	1,581,951	629,014
Operation of Non-Instructional Services	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	2,508,004
Extracurricular Activities	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	1,047,831
Intergovernmental Pass-through	475,587	425,781	466,094	0	0	0	0	0	0	0
Capital Outlay	577,370	1,334,529	899,370	807,741	783,844	773,940	412,540	463,250	273,498	607,530
Debt Service										
Principal Retirement	358,226	484,516	476,908	456,362	386,275	211,285	192,320	203,714	284,554	240,057
Interest and Fiscal Charges	76,618	69,354	63,618	45,198	27,431	56,430	47,986	49,997	69,213	66,312
<b>Total Expenditures</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>	<b>\$49,277,044</b>

Debt Service as a Percentage of Noncapital Expenditures      1.05%      1.12%      1.10%      1.01%      0.83%      0.53%      0.47%      0.50%      0.75%      0.64%

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses):										
Issuance of Capital Leases	\$0	\$474,690	\$0	\$0	\$0	\$516,633	\$0	\$674,475	\$0	\$0
Proceeds from Sale of Capital Assets	300	5,055	133,897	0	15,371	96	2,138	1,630	1,010	535
Transfers In	0	40,000	0	166,354	0	56,952	271,377	75,000	40,719	1,976
Transfers (Out)	(2,250)	(40,000)	0	(166,354)	(26)	(56,952)	(271,377)	(75,000)	(40,719)	(1,976)
Total Other Financing Sources (Uses)	(1,950)	479,745	133,897	0	15,345	516,729	2,138	676,105	1,010	535
Net Change in Fund Balances	\$1,771,129	(\$719,103)	(\$152,949)	(\$34,209)	\$470,288	\$108,432	(\$997,353)	(\$1,482,993)	(\$239,594)	\$891,902

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
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
2013	443,263,180	0	16,854,120	460,117,300	1,314,620,857	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 Year	District Direct Rates (1)	Overlapping Rates (1)		
		Erie County	City of Sandusky	Library
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
2013	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 Ten Calendar Years Ago  
Schedule 10

2013		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$37,015,490	8.04%
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%
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%
Key Real Estate Ltd.	2,286,890	0.50%
Providence Residential Community Corp.	2,045,980	0.44%
CNL Income Sandusky Marina LLC	1,913,250	0.42%
	<u>\$71,688,700</u>	<u>15.58%</u>

2003		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$36,402,540	7.11%
Firelands Regional Medical Center	4,066,550	0.79%
S&S Realty Ltd.	3,905,490	0.76%
Sandusky Foundry & Machine	2,060,600	0.40%
Sandusky Housing Trust	1,856,400	0.36%
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>10.86%</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	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
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%
2013	25,624,152	22,180,851	86.56%	1,122,650	23,303,501	90.94%

Source: County Auditor

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

(2) - State reimbursements of rollback and homestead exemptions are included

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

Fiscal Year	General Bonded Debt Outstanding		Debt Service Fund Balance	General Bonded Debt Outstanding		Percentage of Estimated Actual Value of Taxable Property (1)	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Leases		Net General Obligation Bonds				
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%	0.00%	0	
2014	0	389,619	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, 2014  
 Schedule 13

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Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Erie County	\$13,228,845	23.42%	\$3,098,195
Sandusky City	<u>15,472,550</u>	100.00%	<u>15,472,550</u>
Subtotal, Overlapping Debt	<u>28,701,395</u>		<u>18,570,745</u>
District Direct Debt	<u>389,619</u>	100.00%	<u>389,619</u>
Total Direct and Overlapping Debt	<u><u>\$29,091,014</u></u>		<u><u>\$18,960,364</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.

Sandusky City School District, Ohio  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2014	
Assessed value (1)	\$460,117,300
Debt limit (9% of assessed value)	41,410,557
Debt applicable to limit	0
Debt Fund balance	0
Net Debt Applicable to Limit	0
Legal debt margin	<u>\$41,410,557</u>

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$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	\$41,410,557
Total Net Debt Applicable to Limit	548,965	339,329	110,487	0	0	0	0	0	0	0
Legal Debt Margin	<u>\$45,506,484</u>	<u>\$44,825,700</u>	<u>\$48,292,792</u>	<u>\$46,033,309</u>	<u>\$45,459,554</u>	<u>\$44,900,284</u>	<u>\$43,908,633</u>	<u>\$43,642,237</u>	<u>\$41,394,266</u>	<u>\$41,410,557</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.19%	0.75%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2014 is calendar year 2013)

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)
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%
2013	25,793	3,201,413	42,097	7.5%

- 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 Four Fiscal Periods ago (2)  
Schedule 16

2014

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 four 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Certificated Staff Training</b>										
Bachelors Degree	50	52	40	32	39	39	19	15	13	18
Bachelors Degree +12	45	41	35	24	21	21	16	10	7	8
Bachelors Degree +24	75	84	80	88	72	72	64	52	43	36
Masters Degree	100	102	100	103	108	108	100	88	69	66
Masters Degree +12	36	40	44	44	48	48	62	54	58	55
Masters Degree +24	40	41	46	51	71	71	67	60	68	68
<b>Total Certificated Staff Training</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>	<b>251</b>

Source: District Records

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration:	30	30	30	29	25	25	27	27	26	26
Adult Education:	10	11	10	10	6	6	6	6	5	5
Certificated Staff:										
Teaching Staff:										
Preschool	4	4	4	5	5	6	5	5	5	5
Elementary School K-6	138	145	130	127	132	130	128	107	107	107
Jr. High School 7-8	46	41	47	45	43	48	34	40	34	34
High School 9-12	88	89	87	86	92	93	92	82	66	61
Tutors	31	45	41	44	26	26	27	15	15	13
Others	20	17	17	17	15	30	27	12	15	15
Auxiliary Positions:										
Counselors	10	10	10	9	9	9	9	8	7	7
Speech Therapists	5	5	5	5	5	4	4	6	6	6
Psychologists	4	4	4	4	4	4	4	4	3	3
<b>Total Certified Staff</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>	<b>251</b>
Support Staff:										
Secretarial	32	34	33	33	33	33	32	31	32	36
Teacher Aides	38	38	35	36	38	30	50	40	39	39
Technical	0	0	0	0	1	1	1	1	1	1
Cafeteria Workers	38	36	34	34	34	34	30	29	23	23
Custodial	36	35	32	31	30	30	29	24	22	21
Maintenance	4	4	4	4	4	4	4	4	4	4
Bus Driver	25	26	31	33	33	33	30	32	31	30
Mechanics	2	2	2	2	2	2	2	2	1	1
<b>Total Support Staff</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>155</b>
<b>Grand Total</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>	<b>437</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
2005	4,186	\$41,012,516	\$44,671,835	\$9,798	(2.30%)	327	13	96.30%	60.60%
2006	4,058	47,876,864	50,007,497	11,798	8.50%	341	12	94.50%	61.80%
2007	3,864	48,035,885	49,514,548	12,432	(5.18%)	326	12	94.20%	58.12%
2008	3,836	48,962,148	48,794,332	12,764	3.91%	324	12	95.30%	71.50%
2009	3,641	48,986,616	50,272,417	13,454	4.82%	313	12	94.00%	71.00%
2010	3,451	50,265,435	50,986,815	14,565	(1.18%)	333	10	94.00%	74.10%
2011	3,400	51,164,335	51,653,303	15,048	(2.73%)	330	10	93.70%	68.32%
2012	3,811	50,256,404	51,587,516	13,187	1.14%	279	14	93.70%	69.77%
2013	3,855	48,323,568	47,290,562	12,535	(4.94%)	258	15	94.20%	76.34%
2014	3,291	48,429,457	48,949,572	14,716	17.40%	251	13	93.90%	77.73%

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) - Operating Expenditure by Enrollment.

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

School	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Elementary:</b>										
<b>Hancock Elementary (1923/1928/1931/1949/1966)</b>										
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	342	336	320	323	324	327	327	349	343	409
Percent of Capacity (1)	65%	64%	61%	62%	62%	62%	62%	66%	65%	78%
<b>Madison Elementary (1939/1991)</b>										
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	242	203	238	231	151	151	151	151	151	151
Percent of Capacity (1)	97%	81%	95%	92%	60%	60%	60%	60%	60%	60%
<b>Mills Elementary (1954/1991)</b>										
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	295	278	317	304	288	333	333	305	316	371
Percent of Capacity (1)	62%	59%	67%	64%	61%	70%	70%	64%	67%	78%
<b>Monroe Elementary (1894/1903/1991)</b>										
Square feet	32,638	32,638	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Capacity	325	325	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Enrollment	243	240	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Percent of Capacity (1)	75%	74%	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
<b>Ontario Elementary (1952/1968)</b>										
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	356	344	381	368	377	415	415	422	429	452
Percent of Capacity (1)	71%	69%	76%	74%	75%	83%	83%	84%	86%	90%
<b>Osborne Elementary (1890/1991)</b>										
Square feet	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
Enrollment	311	309	324	317	280	340	340	385	374	380
Percent of Capacity (1)	83%	82%	86%	85%	75%	91%	91%	103%	100%	101%

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										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Elementary (continued):</b>											
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	357	358	400	392	389	408	408	402	363	403	403
Percent of Capacity (1)	65%	65%	73%	71%	71%	74%	74%	73%	66%	73%	73%
<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	294	303	336	260	241	450	450	444	420	444	444
Percent of Capacity (1)	59%	61%	67%	52%	48%	90%	90%	89%	84%	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	294	303	336	260	241	450	450	444	420	444	444
Percent of Capacity (1)	59%	61%	67%	52%	48%	90%	90%	89%	84%	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	1,220	1,184	1,191	1,252	1,276	1,119	1,119	861	1,170	1,276	1,276
Percent of Capacity (1)	54%	53%	53%	56%	57%	50%	50%	38%	52%	57%	57%
<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	35	57	57	57	57	57	57	57	57	57	57
Percent of Capacity (1)	20%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%

Source: District Records

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

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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  
MARCH 26, 2015**