

2019

# City of Sandusky, Ohio



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT** *For the year ended December 31, 2019*



OHIO AUDITOR OF STATE  
KEITH FABER

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Columbus, Ohio 43215  
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(800) 282-0370

Members of Council  
City of Sandusky  
240 Columbus Avenue  
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of the City of Sandusky, Erie County, prepared by Rea & Associates, Inc., for the audit period January 1, 2019 through December 31, 2019. 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 City of Sandusky is responsible for compliance with these laws and regulations.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 3, 2020

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# Introductory

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# CITY OF SANDUSKY, OHIO

## COMPREHENSIVE

## ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

Prepared By:

Department of Finance

Michelle Reeder  
Finance Director

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Senior Accountant/Auditor

Heather L. Turner  
Chief Foreman

Renee Hoffman  
Senior Accounting Clerk II

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Senior Accounting Clerk II

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Senior Accounting Clerk II





**CITY OF SANDUSKY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**DEPARTMENT OF FINANCE**  
**MICHELLE REEDER, FINANCE DIRECTOR**

240 Columbus Avenue  
Sandusky, Ohio 44870  
Phone (419) 627-5776  
[www.cityofsandusky.com](http://www.cityofsandusky.com)

July 9, 2020

To the City Commission and Citizens of Sandusky:

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2019, is herewith submitted. This report is prepared according to generally accepted accounting principles (GAAP). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by its financial activity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The independent public accountant has issued an unmodified opinion on the City of Sandusky's basic financial statements for the year ended December 31, 2019. The Independent Auditor's Report is located at the front of the financial section of this report.

State law requires the City to file basic financial statements with the Auditor of State within one hundred fifty days after year end. This report fulfills that requirement.

## **PROFILE OF THE CITY OF SANDUSKY**

The City of Sandusky, located in Erie County, is a home rule municipal corporation founded in 1818 under the laws of the State of Ohio and, as such, operates under its own Charter adopted in 1914. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of the State of Ohio. The City operates under the City Commission - City Manager form of government. The seven City Commissioners are elected at-large and serve four-year terms. The president of the City Commission serves as the Ex-Officio Mayor. The City Manager and Clerk of Commission are appointed by, and serve at the pleasure of, the City Commission. The Law Director and Finance Director report directly to the City Manager.

The City of Sandusky is ideally located. Sandusky Bay on Lake Erie is larger than any of Ohio's inland lakes and in conjunction with Lake Erie provides a wide spectrum of recreational activities to the citizens as well as to visitors. Sandusky is the largest city in Erie County and is the county seat. The population of the City of Sandusky is 25,793, based on the 2010 Census conducted by the U.S. Census Bureau.

The City is served by diversified transportation facilities, including five State and Interstate Highways and is located near the Ohio Turnpike. It is served by CSX and Norfolk Southern Railroad for freight service and Amtrak for daily passenger service. Passenger air service is provided by Cleveland Hopkins International Airport and the Toledo Express Airport, which are each within a one-hour drive of the City. Lake freighters load or unload coal, salt, and other products from shipping docks in the City.

Sandusky Transit System (STS) public transportation has been serving the Sandusky and Erie County community since 1992. STS is largely supported through Federal and State grants. STS provides over 100,000 rides annually, with 55 percent being work related. STS is demand-responsive with a curb-to-curb assistance policy.

Two daily newspapers serve the City. The City is within the broadcast area of television stations in the Cleveland and Toledo areas and numerous AM and FM radio stations. Multi-channel cable TV service, including educational, governmental, and public access channels is provided by Erie County Cablevision.

Several public and private two-year and four-year colleges and universities are within commuting distance including BGSU Firelands College, the University of Toledo, Bowling Green State University, Ohio Business College, and Lorain County Community College. Public education for grades K through 12 is provided by the Sandusky City School District whose boundaries are coterminous with those of the City. Cedar Fair broke ground in 2019 on a five-story building in downtown Sandusky that will house a new degree program in resort and attraction management offered by Bowling Green State University. The first students are expected to enroll in the fall of 2020. This will be a \$14 million investment by Cedar Fair.

The Firelands Regional Medical Center is located in the City and is one of the City's largest employers. Firelands Regional Medical Center has a history rich in the tradition of providing the finest health care services available to the surrounding five-county area. This organization is the result of the merging of Firelands and Providence Hospitals. The Firelands Regional Center Main Campus contains 444 beds and provides the majority of its medical services. The former Providence Hospital location is called the Firelands Regional Center South Campus. It contains an 84 bed skilled-care and rehabilitation unit, along with a family practice and outpatient physical therapy units.

With the City being located on the shores of Sandusky Bay and Lake Erie, many of the commercial and recreational activities are associated with its waterfront location including ferry lines that provide service to certain Lake Erie islands and Canada. Cedar Point Amusement Park, one of the premier amusement parks in the United States, is located on 364 acres on a peninsula within the City limits and includes over 68 rides and attractions, along with hotels, marinas, and a campground.

There are several indoor waterpark resorts located in the area that has made the Sandusky area a year-round tourist destination, including Great Wolf Lodge, Castaway Bay, and the Kalahari Resort and Convention Center.

A public library, several museums, and the historical Sandusky State Theatre are located within the City and other cultural and sporting activities are available in Cleveland and Toledo, which are each within a one-hour drive of the City.

The City of Sandusky provides a full range of services to its citizens including police and fire protection, planning and zoning, street maintenance, public transit, floral parks, recreation, forestry, cemetery, water filtration treatment plant and distribution systems, water pollution control treatment plant and sewer collector systems, and general government services. The City also owns and operates the Mills Creek Golf Course.

The City Commission is required to adopt the original budget by no later than March 31 of each year and final budget amendments must be made prior to the close of the year. The annual budget serves as the foundation for the City's financial planning and control. All funds, except custodial funds, are required to be budgeted. The legal level of control has been established by the City Commission at the fund, department, and object level in all funds.

The City maintains a bond rating of Aa3 with Moody's Investor Services.

The City negotiates with three bargaining units: American Federation of State, County, and Municipal Employees Local No. 1519, the Fraternal Order of Police - Lodge No. 17, and the International Association of Fire Fighters - Local No. 327. Current agreements will expire on December 31, 2021.

## **LOCAL ECONOMY**

Major industries located within the City's boundaries or in close proximity include manufacturers of automotive and automotive components, a theme park, hospital, and local governments such as Erie County and the Sandusky Board of Education.

During the past ten years, the unemployment rate (not seasonally adjusted) has decreased from 12.4 percent in December 2009 to an estimated 5.6 percent in December 2019.

## **LONG-TERM FINANCIAL PLANNING**

The City updated its Strategic Plan and adopted a Bicentennial Vision Plan in 2016. These plans guided City decisions as the City celebrated its bicentennial during 2018. The development of the Strategic Plan was a seven-month process that directly engaged over 2,000 stakeholders, including residents, business owners, visitors, institutional, government, and city-wide leaders. The planning process included five neighborhood tours, three public meetings, and community surveys. The Strategic Plan is a tool that will be used by the City Commission and staff to guide decisions made on behalf of the citizens of the City. The strategy will result in growth and overall positive results in the City if maintained successfully.

The Strategic Plan contains the following general goals that will be the focus of the City's resources:

- Vibrant City
- Livable City
- Connected City
- Destination City
- Celebrated City

The general goals are supported by a list of action plans that will define the paths to accomplishing the goals. Each action plan will:

- Identify the general goal that it supports;
- Define the steps to complete the plan;
- Identify the City department responsible for its completion.

The City recognizes the importance of long-term strategic planning, as evidenced by its Strategic Plan. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the City.

A five-year financial plan shall be updated on an annual basis by the City Manager. The plan shall include all major operating funds along with the capital needs of the Strategic Plan of the City. The purpose of this plan is to:

- Identify major policy issues for City Commission consideration prior to the preparation of the annual budget;
- Establish capital project priorities and make advance preparation for the funding of projects within the five-year horizon;
- Make conservative financial projections for all major operating funds and all capital needs related to the Strategic Plan to provide assurance that adequate funding exists for proposed projects and services;
- Identify financial trends in advance or in the early stages so that timely corrective action can be taken, if needed; and
- Communicate the City's plans to the public and provide an opportunity for the public to offer input.

### **RELEVANT FINANCIAL POLICIES**

The City of Sandusky has a responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public. Sound financial policies are necessary to carry out that responsibility.

The City has established relevant financial policies for investments, capital assets, and the budget. The purpose of the investment policy is to provide for the complete safety of the portfolio's principal value, assure adequate liquidity, and earn a market rate of return. The investment policy is reviewed annually for compliance and to assure the flexibility necessary to effectively manage the investment portfolio.

The goal of the capital assets inventory system and policy is to provide control and accountability over the City's capital assets and to assist departments in gathering and maintaining information needed for the preparation of the annual financial statements. The City recognizes the importance of preserving the community's capital assets and to ensure that future needs are met.

Finally, the budget policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters for the administration to use in directing the day-to-day financial affairs of the City. One-time or special purpose revenues will be used to finance capital projects or for restricted expenditures and not to subsidize recurring personnel costs or other operating costs.

### **MAJOR INITIATIVES**

The City has a unique position as a tourist center due to the City's location on Sandusky Bay, with over twenty-two miles of shoreline within the City limits, and the location of Cedar Point Amusement Park within the City. There are numerous marinas which have developed over the last decade, including a \$5 million, 700 slip marina created from idle industrial space and a 210 slip marina complex completed by a local legal firm which also erected a waterfront office center on that site. The Lyman Harbor Marina project rehabilitated an abandoned industrial site into a transient marina and entertainment complex and received tax incentives for its \$2.94 million project. There are over 8,000 slips available in the Sandusky Bay area.



Cedar Point, a 364-acre amusement and theme park, is located on a peninsula extending into Lake Erie from the City. Developed as a resort area in 1870, Cedar Point is open daily from early May to October attracting in excess of 3 million visitors each season to its numerous rides and attractions. Cedar Point also includes a recreational vehicle area, marina, restaurants, and hotels with a combined capacity of almost 1,100 beds which are open during Cedar Point's season. A water park attraction, with a separate entrance, is included at the park as well. Cedar Point employs 3,700 seasonal employees, primarily college students, and approximately 400 year-round employees. Cedar Point will celebrate their 150th anniversary in 2020.

Significant capital expenditures on new attractions are made every year at Cedar Point. There was a recent transformation of Soak City to the brand-new Cedar Point Shores Water Park, an 18-acre site with three new water attractions and upgraded food locations. Construction at the Hotel Breakers brings a new one hundred fifty-eight room hotel tower that opened in 2018. In 2019 Cedar Point removed the "Dinosaurs Alive!" attraction and added "Forbidden Frontier on Adventure Island". This is similar to an escape room experience but on a much larger scale.

In 2017, the Sports Force Parks at Cedar Point Center made its debut. The state of the art youth sporting complex features multiple fields for soccer, baseball, and lacrosse. In 2018, a groundbreaking was held for the new Indoor Sports Facility at the Cedar Point Center which will be constructed adjacent to the Sports Force Parks property. The 145,000 square foot sports complex will feature ten full-size basketball courts that convert to twenty full-size volleyball courts and a championship arena with retractable seating. This project will be a \$28 million investment by Cedar Point.

In 2019 the Holiday Inn Express hotel was expanded and added an additional five-story building that will include sixty-six additional rooms. This expansion project was an investment of over \$6 million.

In April 2019, the Marketplace at Cooke building opened on Market Street. This is an indoor mall filled with retail shops, food, and entertainment options such as axe throwing and a children's museum.

Sandusky's City Hall was relocated in July 2019 to its new downtown location at 240 Columbus Avenue. This was a transformation of three vacant commercial buildings in Sandusky's downtown that will now house office space, retail businesses, a market, and upscale apartments.

Firelands Regional Medical Center has completed several construction projects including a 600-space parking garage, Firelands Professional Center I, which houses the Cancer Center along with physician offices, Firelands Regional Medical Center's East Tower, which features the main entrance and lobby, and the renovation and relocation of its inpatient rehabilitation unit.

The City has been successful in raising funds through various grant opportunities. These funds help programs that fund fair housing, economic development, public transit, and downtown revitalization efforts. The City has been designated as an Entitlement Community which allows the City to access federal funds directly from the U.S. Department of Housing and Urban Development.

## **AWARDS AND ACKNOWLEDGEMENTS**

In May 2019, the City of Sandusky was crowned as the Best Coastal Small Town according to a nationwide contest conducted by USA Today. Voters nationwide selected Sandusky as the winner. Offering diverse amenities and one-of-a-kind recreation opportunities for both residents and guests won the voters over. The title reaffirms what many people already knew and validates the hard work that has gone into revitalizing the City into a great coastal town.


The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-eighth time a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandusky for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the supervisors of the other various departments of the City of Sandusky. The preparation of the CAFR requires a major effort and we would like to express our appreciation to everyone who assisted and contributed to the presentation of this year's CAFR.

The employees of the City are dedicated to serving the citizens of Sandusky within the best of their capabilities. We wish to take this opportunity to thank the City Commission for its continuing support and to thank our department heads and staff for their diligent efforts to keep Sandusky financially sound and a special place in which people want to live, work, and play. Special acknowledgment is extended to the Local Government Services Section of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Respectfully submitted,



Michelle Reeder  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Sandusky  
Ohio**

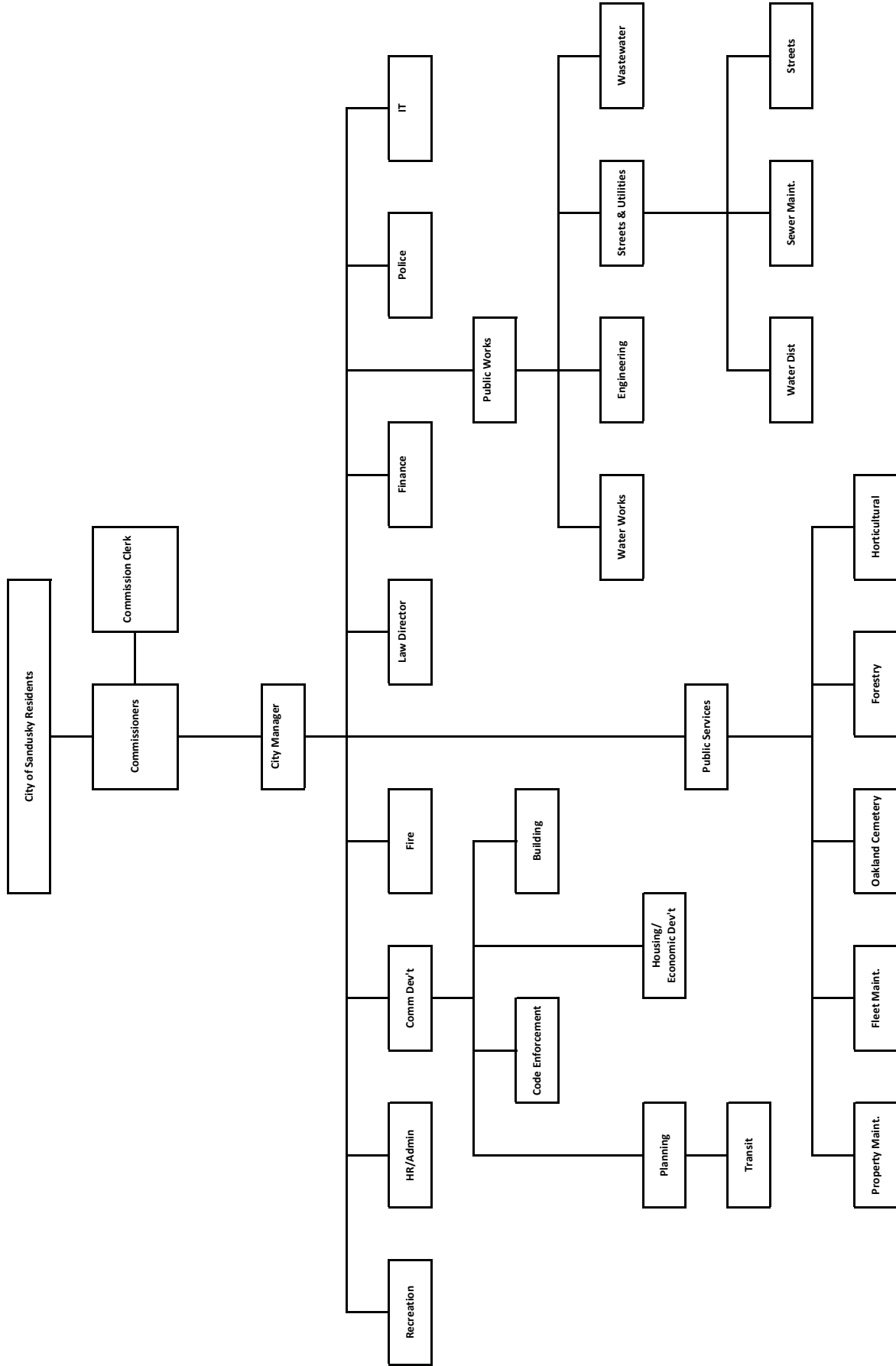
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

ORGANIZATIONAL CHART FOR CITY OF SANDUSKY, OHIO



CITY OF SANDUSKY, OHIO

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ELECTED PUBLIC OFFICIALS  
December 31, 2019

**CITY COMMISSION**

Dennis E. Murray, Jr.  
President/Ex-Officio Mayor  
Term Expires 12-31-21  
First took office 01-01-14

Richard R. Brady  
Vice-President  
Term Expires 12-31-21  
First took office 01-01-14

Naomi R. Twine  
Term Expires 12-31-21  
First took office 01-01-14

Dave Waddington  
Term Expires 12-31-19  
First took office 01-01-16

Nikki Lloyd  
Term Expires 12-31-19  
First took office 01-01-16

Greg Lockhart  
Term Expires 12-31-19  
First took office 01-01-16

C. Wesley Poole  
Term Expires 12-31-19  
First took office 01-01-12

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APPOINTED OFFICIALS  
December 31, 2019

**CITY MANAGER**

Eric L. Wobser

**CLERK OF COMMISSION**

Kelly Kresser

**FINANCE DIRECTOR \***

Michelle Reeder

**LAW DIRECTOR \***

Trevor Hayberger

\*Appointed by City Manager



# Financial

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July 9, 2020

To the City Commission  
City of Sandusky  
Erie County, Ohio  
240 Columbus Ave  
Sandusky, OH 44870

## **Independent Auditor's Report**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio, (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***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 City'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 City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter***

As described in Note 25 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding 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 the Pension and Other Post-Employment Benefits Information as listed in the table of contents, 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual 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 fund financial statements and schedules are the responsibility of management and were derived from and relates 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 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 July 9, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kea & Associates, Inc." in a cursive script.

Medina, Ohio

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**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
Unaudited

The discussion and analysis of the City of Sandusky's financial performance provides an overview of the City's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

**HIGHLIGHTS**

Highlights for 2019 are as follows:

In total, the City's net position increased \$11,272,763, or 16 percent from the prior year. The increase for governmental activities was 71 percent; the increase for business-type activities was less than 1 percent.

The City's Water and Sewer enterprise funds had an operating income in 2019 indicating operating revenues are currently sufficient to cover operating expenses.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the City of Sandusky's financial position.

The statement of net position and the statement of activities provide information about the activities of the City as a whole, presenting both an aggregate and a longer-term view of the City.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. Fund financial statements report the City's most significant funds individually and the City's nonmajor funds in a single column. The City's major funds are the General, Capital Projects, Water, and Sewer funds.

**REPORTING THE CITY AS A WHOLE**

The statement of net position and the statement of activities reflect how the City did financially during 2019. These statements include all assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, bridges, water and sewer lines, and equipment). These factors must be considered when assessing the overall health of the City.

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In the statement of net position and the statement of activities, the City is divided into two types of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including security of persons and property, public health, leisure time activities, community environment, transportation, and general government (which includes the municipal court). These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** - These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's water and sewer services are reported here.

**REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

Fund financial statements provide detailed information about the City's major funds; the General, Capital Projects, Water, and Sewer funds. While the City uses many funds to account for its financial transactions, these are the most significant.

**Governmental Funds** - The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds, as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

**Proprietary Funds** - The City has two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements and use the accrual basis of accounting. The City uses enterprise funds to account for water and sewer operations. The internal service fund is an accounting device used to accumulate and allocate internal costs among other programs and activities. The City's internal service fund accounts for the City's self-insured program for employee health benefits.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net position for 2019 and 2018.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>Assets</u>						
Current and Other Assets	\$34,409,486	\$34,012,255	\$14,125,287	\$16,578,962	\$48,534,773	\$50,591,217
Net Pension Asset	41,053	36,528	37,895	32,395	78,948	68,923
Capital Assets, Net	47,420,665	43,603,854	93,827,979	91,584,677	141,248,644	135,188,531
Total Assets	<u>81,871,204</u>	<u>77,652,637</u>	<u>107,991,161</u>	<u>108,196,034</u>	<u>189,862,365</u>	<u>185,848,671</u>
<u>Deferred Outflows of Resources</u>						
Deferred Charge on Refunding Pension	169,333	253,452	0	0	169,333	253,452
OPEB	9,186,665	4,138,167	2,713,225	1,374,256	11,899,890	5,512,423
Total Deferred Outflows of Resources	<u>2,112,325</u>	<u>2,076,473</u>	<u>437,895</u>	<u>336,468</u>	<u>2,550,220</u>	<u>2,412,941</u>
<u>Liabilities</u>						
Current and Other Liabilities	12,477,460	7,121,413	2,116,091	1,806,110	14,593,551	8,927,523
Long-Term Liabilities						
Pension	33,949,863	23,742,001	8,394,655	4,680,628	42,344,518	28,422,629
OPEB	6,990,558	20,573,756	3,893,144	3,129,174	10,883,702	23,702,930
Other Amounts	9,541,011	11,491,596	41,268,876	44,141,567	50,809,887	55,633,163
Total Liabilities	<u>62,958,892</u>	<u>62,928,766</u>	<u>55,672,766</u>	<u>53,757,479</u>	<u>118,631,658</u>	<u>116,686,245</u>
<u>Deferred Inflows of Resources</u>						
Pension	695,986	2,643,479	134,804	1,113,424	830,790	3,756,903
OPEB	1,043,190	683,281	10,564	233,102	1,053,754	916,383
Other Amounts	2,761,418	2,736,531	0	0	2,761,418	2,736,531
Total Deferred Inflows of Resources	<u>4,500,594</u>	<u>6,063,291</u>	<u>145,368</u>	<u>1,346,526</u>	<u>4,645,962</u>	<u>7,409,817</u>
<u>Net Position</u>						
Net Investment in Capital Assets	34,257,724	35,817,869	52,874,410	48,004,171	87,132,134	83,822,040
Restricted	15,733,846	13,054,388	0	0	15,733,846	13,054,388
Unrestricted (Deficit)	<u>(24,111,529)</u>	<u>(33,743,585)</u>	<u>2,449,737</u>	<u>6,798,582</u>	<u>(21,661,792)</u>	<u>(26,945,003)</u>
Total Net Position	<u>\$25,880,041</u>	<u>\$15,128,672</u>	<u>\$55,324,147</u>	<u>\$54,802,753</u>	<u>\$81,204,188</u>	<u>\$69,931,425</u>

The net pension liability (asset) and the net OPEB liability reported by the City at December 31, 2019, are reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability (asset), and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statements No. 68 and No. 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick leave) are satisfied through paid time off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the City. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and the net OPEB liability, respectively, not accounted for as deferred outflows/inflows.



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Pension/OPEB changes noted in the above table reflect an overall increase in deferred outflows and overall decrease in deferred inflows. These changes are affected by changes in benefits, contribution rates, return on investments, and actuarial assumptions. The increase in the net pension liability and decrease in the net OPEB liability represent the City's proportionate share of the unfunded benefits. For 2019, OPF recognized a change in benefit terms for their OPEB plan. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

Aside from changes related to pension/OPEB, there were few other changes of significance for governmental activities. The increase in net capital assets is generally due to current year additions in excess of annual depreciation. The increase in current and other liabilities is due to contracts and retainage outstanding at year end for ongoing projects and to the issuance of temporary one year bonds for urban renewal projects. The increase in unrestricted net position is largely the result of pension/OPEB changes and primarily those related to OPF OPEB.

For business-type activities, the decrease in current and other assets was primarily due to a decrease in cash and cash equivalents. This was generally due to resources used for the acquisition of capital assets, note a similar increase in net capital assets. The increase in current and other liabilities is due to contracts outstanding at year end for ongoing projects. The decrease in other long-term liabilities represents scheduled debt retirement. The change in unrestricted net position was also largely impacted by the increase in the net pension/OPEB liability.

Table 2 reflects the change in net position for 2019 and 2018.

Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>Revenues</u>						
<u>Program Revenues</u>						
Charges for Services	\$5,254,053	\$5,321,781	\$18,195,072	\$19,128,084	\$23,449,125	\$24,449,865
Operating Grants, Contributions, and Interest	3,152,917	3,202,380	0	0	3,152,917	3,202,380
Capital Grants and Contributions	1,012,091	1,358,887	0	0	1,012,091	1,358,887
<b>Total Program Revenues</b>	<b>9,419,061</b>	<b>9,883,048</b>	<b>18,195,072</b>	<b>19,128,084</b>	<b>27,614,133</b>	<b>29,011,132</b>
<u>General Revenues</u>						
Property Taxes	2,179,678	2,180,491	0	0	2,179,678	2,180,491
Payment in Lieu of Taxes	527,531	574,675	0	0	527,531	574,675
Municipal Income Taxes	12,341,766	12,957,559	0	0	12,341,766	12,957,559
Other Local Taxes	5,688,308	5,687,420	0	0	5,688,308	5,687,420
Franchise Taxes	239,888	340,739	0	0	239,888	340,739
Grants and Entitlements not Restricted to Specific Programs	825,313	754,112	0	0	825,313	754,112
Interest	679,537	398,082	2,193	2,549	681,730	400,631
Other	1,416,656	1,735,814	223,153	766,243	1,639,809	2,502,057
<b>Total General Revenues</b>	<b>23,898,677</b>	<b>24,628,892</b>	<b>225,346</b>	<b>768,792</b>	<b>24,124,023</b>	<b>25,397,684</b>
<b>Total Revenues</b>	<b>33,317,738</b>	<b>34,511,940</b>	<b>18,420,418</b>	<b>19,896,876</b>	<b>51,738,156</b>	<b>54,408,816</b>

(continued)

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Table 2  
Change in Net Position  
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>Program Expenses</u>						
Security of Persons and Property						
Police	\$704,717	\$6,763,079	\$0	\$0	\$704,717	\$6,763,079
Fire	(55,072)	7,409,925	0	0	(55,072)	7,409,925
Other	249,647	254,937	0	0	249,647	254,937
Public Health	472,398	415,721	0	0	472,398	415,721
Leisure Time Activities	1,185,201	1,516,778	0	0	1,185,201	1,516,778
Community Environment	6,022,217	5,360,451	0	0	6,022,217	5,360,451
Transportation	6,308,341	5,364,033	0	0	6,308,341	5,364,033
General Government						
Municipal Court	1,509,873	1,281,692	0	0	1,509,873	1,281,692
Other	5,631,410	5,391,169	0	0	5,631,410	5,391,169
Interest and Fiscal Charges	537,637	502,722	0	0	537,637	502,722
Water	0	0	7,958,913	7,275,299	7,958,913	7,275,299
Sewer	0	0	9,940,111	9,376,853	9,940,111	9,376,853
Total Expenses	<u>22,566,369</u>	<u>34,260,507</u>	<u>17,899,024</u>	<u>16,652,152</u>	<u>40,465,393</u>	<u>50,912,659</u>
Increase in Net Position	10,751,369	251,433	521,394	3,244,724	11,272,763	3,496,157
Net Position Beginning of Year	<u>15,128,672</u>	<u>14,877,239</u>	<u>54,802,753</u>	<u>51,558,029</u>	<u>69,931,425</u>	<u>66,435,268</u>
Net Position End of Year	<u>\$25,880,041</u>	<u>\$15,128,672</u>	<u>\$55,324,147</u>	<u>\$54,802,753</u>	<u>\$81,204,188</u>	<u>\$69,931,425</u>

For governmental activities, the decrease in program revenues from the prior year was primarily due to a decrease in capital grants and contributions due to resources received in the prior year for the Sandusky Bay Initiative. General revenues were fairly similar to the prior year. The substantial decrease in expenses for governmental activities is primarily due to the decrease in OPEB expenses for OPF. As indicated earlier, OPF recognized a change in benefit terms for their OPEB plan changing from a self-insured health care plan to a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. These changes contributed to OPEB expense decreasing from \$1,324,237 in 2018 to a negative OPEB expense of \$13,657,738 for OPF for 2019. The effect of this decrease resulted in a negative expense being reported for the Fire program for 2019. Increases in expenses were generally related to salary and other benefit costs.

The City's business-type activities are largely funded through charges for services which decreased from the prior year despite an increase in rates. The decrease is due to a combination of the timing of billing cycles and a reduction in overall customers. The decrease in general revenues is due to a reimbursement the City received in the prior year from Erie County. The increase in expenses is primarily salary and benefit costs in both the Water and Sewer funds as well as contracted services for sewer projects.

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Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Security of Persons and Property				
Police	\$704,717	\$6,763,079	\$378,989	\$6,391,859
Fire	(55,072)	7,409,925	(1,218,041)	6,405,834
Other	249,647	254,937	249,647	254,937
Public Health	472,398	415,721	334,299	261,925
Leisure Time Activities	1,185,201	1,516,778	562,700	1,190,658
Community Environment	6,022,217	5,360,451	4,427,560	3,059,346
Transportation	6,308,341	5,364,033	2,444,010	1,468,644
General Government				
Municipal Court	1,509,873	1,281,692	95,099	(57,657)
Other	5,631,410	5,391,169	5,335,408	4,899,191
Interest and Fiscal Charges	537,637	502,722	537,637	502,722
Total Expenses	<u>\$22,566,369</u>	<u>\$34,260,507</u>	<u>\$13,147,308</u>	<u>\$24,377,459</u>

While a substantial percentage of the revenues to provide governmental activities services are derived from the City's general revenues (primarily property taxes, municipal income taxes, tourism taxes, and State shared revenues), note that several of the City's programs were able to offset costs through program revenues including the leisure time activities, community environment, and transportation programs. The leisure time activities program receives charges for services in the City's park and recreation programs. The community environment program receives substantial support through various community development block grant programs. The transportation program receives charges for services in the form of permissive motor vehicle license monies. The transportation program also receives operating grants in the form of state levied motor vehicle license fees and gas taxes as well as various grants for construction related projects. Also, note for 2019, the effect on the reduction of expenses for OPEB as has been discussed for the police and fire departments.

For the Municipal Court, under Ohio Law, judges can establish restricted accounts to offset programs of the court. As such, there are various court related funds that provide for certain court activities. Revenues in excess of program costs generated from these other restricted accounts established by the judges are not available to offset the day to day cost of running the court paid from the General Fund.

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**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The City's major governmental funds are the General Fund and the Capital Projects capital projects fund.

Fund balance increased over 10 percent in the General Fund. While revenues had a very modest increase (generally income tax revenue and interest revenue), there was a decrease in expenditures of approximately \$695,000 (generally in the police and fire departments due to OPF pension/OPEB costs).

The substantial decrease in fund balance in the Capital Projects Fund was due to a significant increase in project costs for 2019 (over \$3.8 million increase in capital outlay expenditures). Projects in 2019 included City Hall security and networking, the Columbus/Campbell/Scott intersection improvements, the Sandusky Bay pathway, and the Shoreline Drive and Jackson Street pier rehabilitation projects.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

The City's enterprise funds consist of the Water and Sewer funds. Both the Water and Sewer Funds had an operating income for the year.

For the Water Fund, there was a modest 1.5 percent decrease in net position as both revenues and expenses were similar to the prior year.

The Sewer Fund had a 3 percent increase in net position which was not a significant change. There was a decrease in revenues as the City's reimbursement from Erie County was lower in 2019. There was a slight increase in expenses primarily for personnel related costs (salaries and benefits).

**BUDGETARY HIGHLIGHTS**

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by City officials and department heads and such other budgetary documents as are required by State statute. The annual appropriations ordinance cannot be adopted prior to the second Monday in January of each year per City Charter. The City approves a temporary appropriations ordinance until the annual appropriations are approved. The City's most significant budgeted fund is the General Fund. For revenues, the City reduced the original budget during the year with modest decreases in several revenue sources. Changes from the final budget to actual revenues were not significant; however, the City was unable to meet budget expectations for income taxes (the most significant change). For expenditures, the original budget was reduced almost 12 percent and largely related to lowering the projections for salary and benefit costs in the police department. Changes from the final budget to actual expenditures were not significant.

The General Fund supports many of the City's major activities such as the Police Department and Fire Department as well as most general government operations.

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets - The City's net investment in capital assets for governmental and business-type activities as of December 31, 2019, was \$34,257,724 and \$52,874,410, respectively. The primary additions for governmental activities included construction on the new City Hall, new equipment for City Hall, improvements at the Huron park playground, street improvements, and several new vehicles. Disposals were primarily replaced vehicles. The primary additions for the business-type activities were ongoing construction, water and sewer line improvement/replacement, a new digester at the wastewater treatment plant, and several vehicles. There were no disposals. For further information on the City's capital assets, refer to Note 12 to the basic financial statements.

Debt - At December 31, 2019, the City had \$4,100,000 in bond anticipation notes payable from governmental activities. Notes were issued to retire notes previously issued. In addition, the City issued \$4,700,000 in temporary urban renewal revenue bonds. These bonds are one-year bonds and will be replaced by permanent urban renewal revenue bonds in 2020. The City also has a number of long-term obligations outstanding. These obligations included \$4,829,910 in general obligation bonds and \$1,569,791 in special assessment bonds payable from governmental activities resources and \$1,195,000 in general obligation revenue bonds and \$39,394,393 in Ohio Water Development Authority (OWDA) loans payable from business-type activities.

The City maintains a bond rating of Aa3 with Moody's Investor Services.

In addition to the debt discussed above, the City's long-term obligations also includes the net pension/OPEB liability, compensated absences, and claims. For further information on the City's debt, refer to Notes 18 and 19 to the basic financial statements.

**CURRENT ISSUES**

The City has begun construction on both the Jackson Street Pier and the Shoreline Drive rehabilitation. These projects are a combined \$17 million investment in public infrastructure and green space along the waterfront in downtown Sandusky. Construction is expected to be completed in the summer of 2020.

The City celebrated a groundbreaking ceremony in April 2019 on a new Resort and Attraction Management Facility with Cedar Fair and Bowling Green State University. This higher education collaboration will be located in downtown Sandusky. The \$14 million project will include an academic facility, residential apartments, and retail space. Students are expected to begin enrolling in the fall of 2020.

The Feick Building on East Market Street is being redeveloped to offer 50,000 square feet of leasable space. This is an approximate \$10 million dollar investment and is expected to be completed in early 2021. Upon completion, it will house retail shops and restaurants on the ground floor and the top seven floors will be office space.

Renaissance Too, LLC owns two vacant commercial buildings on East Water Street. These buildings are in the process of being renovated into 15,000 square feet of leasable space for commercial office and residential living space. This is an approximate \$2 million investment and is expected to be completed in the fall of 2020.

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**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Michelle Reeder, Finance Director, 240 Columbus Avenue, Sandusky, Ohio 44870.

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City of Sandusky  
Statement of Net Position  
December 31, 2019

	Governmental Activities	Business-Type Activities*	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$21,342,981	\$10,332,316	\$31,675,297
Cash and Cash Equivalents in Segregated Accounts	29,099	0	29,099
Cash and Cash Equivalents with Escrow Agent	255,500	0	255,500
Accounts Receivable	454,379	1,826,343	2,280,722
Accrued Interest Receivable	38,651	0	38,651
Internal Balances	(766,196)	766,196	0
Due from Other Governments	1,033,423	212,593	1,246,016
Prepaid Items	152,585	52,682	205,267
Municipal Income Taxes Receivable	3,095,111	0	3,095,111
Other Local Taxes Receivable	108,545	0	108,545
Materials and Supplies Inventory	390,051	935,157	1,325,208
Property Taxes Receivable	2,359,089	0	2,359,089
Payment in Lieu of Taxes Receivable	557,968	0	557,968
Notes Receivable	3,484,819	0	3,484,819
Special Assessments Receivable	1,873,481	0	1,873,481
Net Pension Asset	41,053	37,895	78,948
Nondepreciable Capital Assets	16,470,412	6,248,890	22,719,302
Depreciable Capital Assets, Net	30,950,253	87,579,089	118,529,342
<b>Total Assets</b>	<b>81,871,204</b>	<b>107,991,161</b>	<b>189,862,365</b>
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding	169,333	0	169,333
Pension	9,186,665	2,713,225	11,899,890
OPEB	2,112,325	437,895	2,550,220
<b>Total Deferred Outflows of Resources</b>	<b>11,468,323</b>	<b>3,151,120</b>	<b>14,619,443</b>
<u>Liabilities</u>			
Accrued Wages Payable	662,011	259,340	921,351
Accounts Payable	696,864	330,518	1,027,382
Contracts Payable	1,277,417	605,634	1,883,051
Due to Other Governments	437,989	219,976	657,965
Retainage Payable	348,268	0	348,268
Unearned Revenue	82,792	0	82,792
Payroll Withholdings Payable	80,153	0	80,153
Accrued Interest Payable	91,966	700,623	792,589
Notes Payable	4,100,000	0	4,100,000
Temporary Bonds Payable	4,700,000	0	4,700,000
Long-Term Liabilities			
Due Within One Year	2,416,321	3,646,234	6,062,555
Due in More Than One Year			
Net Pension Liability	33,949,863	8,394,655	42,344,518
Net OPEB Liability	6,990,558	3,893,144	10,883,702
Other Amounts Due in More Than One Year	7,124,690	37,622,642	44,747,332
<b>Total Liabilities</b>	<b>62,958,892</b>	<b>55,672,766</b>	<b>118,631,658</b>

(continued)



City of Sandusky  
Statement of Net Position  
December 31, 2019  
(continued)

	Governmental Activities	Business-Type Activities*	Total
<u>Deferred Inflows of Resources</u>			
Property Taxes	\$2,203,450	\$0	\$2,203,450
Payment in Lieu of Taxes	557,968	0	557,968
Pension	695,986	134,804	830,790
OPEB	1,043,190	10,564	1,053,754
Total Deferred Inflows of Resources	<u>4,500,594</u>	<u>145,368</u>	<u>4,645,962</u>
<u>Net Position</u>			
Net Investment in Capital Assets	34,257,724	52,874,410	87,132,134
Restricted for			
Capital Projects	7,167,141	0	7,167,141
Debt Service	1,858,797	0	1,858,797
Other Purposes			
Street Maintenance	1,103,335	0	1,103,335
State Grants	2,090,370	0	2,090,370
Federal Grants	1,021,908	0	1,021,908
Court Operations	718,482	0	718,482
Park Operations	249,043	0	249,043
Cemetery Operations	629,005	0	629,005
Other	895,765	0	895,765
Unrestricted (Deficit)	<u>(24,111,529)</u>	<u>2,449,737</u>	<u>(21,661,792)</u>
Total Net Position	<u>\$25,880,041</u>	<u>\$55,324,147</u>	<u>\$81,204,188</u>

\*After deferred outflows and deferred inflows related to the change in internal proportionate share of pension/OPEB related items have been eliminated.

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Activities  
For the Year Ended December 31, 2019

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$704,717	\$250,894	\$74,834	\$0
Fire	(55,072)	1,134,864	28,105	0
Other	249,647	0	0	0
Public Health	472,398	138,099	0	0
Leisure Time Activities	1,185,201	252,538	29,963	340,000
Community Environment	6,022,217	524,044	883,386	187,227
Transportation	6,308,341	1,242,838	2,136,629	484,864
General Government				
Municipal Court	1,509,873	1,414,774	0	0
Other	5,631,410	296,002	0	0
Interest and Fiscal Charges	537,637	0	0	0
<b>Total Governmental Activities</b>	<b>22,566,369</b>	<b>5,254,053</b>	<b>3,152,917</b>	<b>1,012,091</b>
<u>Business-Type Activities</u>				
Water	7,958,913	7,439,181	0	0
Sewer	9,940,111	10,755,891	0	0
<b>Total Business-Type Activities</b>	<b>17,899,024</b>	<b>18,195,072</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>\$40,465,393</b>	<b>\$23,449,125</b>	<b>\$3,152,917</b>	<b>\$1,012,091</b>

General Revenues

Property Taxes Levied for General Purposes  
Property Taxes Levied for Police and Fire Pension  
Property Taxes Levied for Debt Service  
Payment in Lieu of Taxes  
Municipal Income Taxes Levied for General Purposes  
Municipal Income Taxes Levied for Debt Service  
Municipal Income Taxes Levied for Capital Projects  
Other Local Taxes  
Franchise Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Interest  
Other

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$378,989)	\$0	(\$378,989)
1,218,041	0	1,218,041
(249,647)	0	(249,647)
(334,299)	0	(334,299)
(562,700)	0	(562,700)
(4,427,560)	0	(4,427,560)
(2,444,010)	0	(2,444,010)
(95,099)	0	(95,099)
(5,335,408)	0	(5,335,408)
(537,637)	0	(537,637)
(13,147,308)	0	(13,147,308)
0	(519,732)	(519,732)
0	815,780	815,780
0	296,048	296,048
(13,147,308)	296,048	(12,851,260)
1,535,855	0	1,535,855
252,488	0	252,488
391,335	0	391,335
527,531	0	527,531
11,024,712	0	11,024,712
731,696	0	731,696
585,358	0	585,358
5,688,308	0	5,688,308
239,888	0	239,888
825,313	0	825,313
679,537	2,193	681,730
1,416,656	223,153	1,639,809
23,898,677	225,346	24,124,023
10,751,369	521,394	11,272,763
15,128,672	54,802,753	69,931,425
\$25,880,041	\$55,324,147	\$81,204,188



City of Sandusky  
Balance Sheet  
Governmental Funds  
December 31, 2019

	General	Capital Projects	Other Governmental	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$6,186,451	\$5,951,341	\$5,348,278	\$17,486,070
Cash and Cash Equivalents in Segregated Accounts	29,099	0	0	29,099
Accounts Receivable	347,417	1,797	105,165	454,379
Accrued Interest Receivable	33,576	0	5,075	38,651
Due from Other Governments	336,599	12,758	684,066	1,033,423
Prepaid Items	132,987	13	19,585	152,585
Municipal Income Taxes Receivable	2,746,911	0	348,200	3,095,111
Other Local Taxes Receivable	74,345	0	34,200	108,545
Materials and Supplies Inventory	107,851	0	282,200	390,051
<u>Restricted Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	125,357	0	0	125,357
Cash and Cash Equivalents with Escrow Agent	0	255,500	0	255,500
Property Taxes Receivable	1,662,170	0	696,919	2,359,089
Payment in Lieu of Taxes Receivable	0	0	557,968	557,968
Notes Receivable	0	476,395	3,008,424	3,484,819
Special Assessments Receivable	0	0	1,873,481	1,873,481
<b>Total Assets</b>	<b>\$11,782,763</b>	<b>\$6,697,804</b>	<b>\$12,963,561</b>	<b>\$31,444,128</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$617,856	\$388	\$43,767	\$662,011
Accounts Payable	211,504	80,543	404,817	696,864
Contracts Payable	4,934	991,718	280,765	1,277,417
Due to Other Governments	303,425	7,339	127,225	437,989
Retainage Payable	0	92,768	0	92,768
<u>Restricted Liabilities:</u>				
Retainage Payable	0	255,500	0	255,500
Unearned Revenue	0	0	82,792	82,792
Payroll Withholdings Payable	80,153	0	0	80,153
Accrued Interest Payable	0	72,656	0	72,656
Notes Payable	0	4,100,000	0	4,100,000
Temporary Bonds Payable	0	4,700,000	0	4,700,000
<b>Total Liabilities</b>	<b>1,217,872</b>	<b>10,300,912</b>	<b>939,366</b>	<b>12,458,150</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	1,552,502	0	650,948	2,203,450
Payment in Lieu of Taxes	0	0	557,968	557,968
Unavailable Revenue	2,180,431	12,510	2,627,966	4,820,907
<b>Total Deferred Inflows of Resources</b>	<b>3,732,933</b>	<b>12,510</b>	<b>3,836,882</b>	<b>7,582,325</b>
<u>Fund Balance</u>				
Nonspendable	366,195	13	301,785	667,993
Restricted	0	0	8,013,606	8,013,606
Committed	0	0	72,927	72,927
Assigned	1,031,536	0	0	1,031,536
Unassigned (Deficit)	5,434,227	(3,615,631)	(201,005)	1,617,591
<b>Total Fund Balance (Deficit)</b>	<b>6,831,958</b>	<b>(3,615,618)</b>	<b>8,187,313</b>	<b>11,403,653</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$11,782,763</b>	<b>\$6,697,804</b>	<b>\$12,963,561</b>	<b>\$31,444,128</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
 Reconciliation of Total Governmental Fund Balance  
 to Net Position of Governmental Activities  
 December 31, 2019

Total Governmental Fund Balance		\$11,403,653
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		47,420,665
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Accounts Receivable	216,342	
Accrued Interest Receivable	28,805	
Due from Other Governments	766,619	
Municipal Income Taxes Receivable	1,766,978	
Other Local Taxes Receivable	13,043	
Delinquent Property Taxes Receivable	155,639	
Special Assessments Receivable	1,873,481	
		4,820,907
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(766,196)
Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.		(19,310)
Deferred outflows of resources include deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.		169,333
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds Payable	(4,829,910)	
Special Assessment Bonds Payable	(1,569,791)	
Compensated Absences Payable	(2,547,520)	
		(8,947,221)
The net pension asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Net Pension Asset	41,053	
Deferred Outflows - Pension	9,186,665	
Deferred Inflows - Pension	(695,986)	
Net Pension Liability	(33,949,863)	
Deferred Outflows - OPEB	2,112,325	
Deferred Inflows - OPEB	(1,043,190)	
Net OPEB Liability	(6,990,558)	
		(31,339,554)
An internal service fund is used by management to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		3,137,764
Net Position of Governmental Activities		\$25,880,041

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2019

	General	Capital Projects	Other Governmental	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$1,559,484	\$0	\$653,728	\$2,213,212
Payment in Lieu of Taxes	0	0	527,531	527,531
Municipal Income Taxes	11,578,141	0	1,387,207	12,965,348
Other Local Taxes	5,679,632	0	410,530	6,090,162
Special Assessments	0	0	248,203	248,203
Charges for Services	956,472	712,562	845,372	2,514,406
Fees, Licenses, and Permits	645,390	167,566	453,240	1,266,196
Fines and Forfeitures	1,225,960	0	68,089	1,294,049
Intergovernmental	724,238	465,976	3,531,405	4,721,619
Interest	649,217	2,674	39,166	691,057
Other	889,922	443,309	482,644	1,815,875
<b>Total Revenues</b>	<b>23,908,456</b>	<b>1,792,087</b>	<b>8,647,115</b>	<b>34,347,658</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	4,761,791	86,818	744,522	5,593,131
Fire	4,591,051	598,162	845,405	6,034,618
Other	249,647	0	0	249,647
Public Health	302,874	0	52,009	354,883
Leisure Time Activities	686,711	637,982	14,469	1,339,162
Community Environment	2,641,205	1,514,981	1,919,965	6,076,151
Transportation	465	397,245	3,941,559	4,339,269
General Government				
Municipal Court	1,000,729	52,157	0	1,052,886
Other	3,683,389	1,368,101	140,290	5,191,780
Other	0	0	165,782	165,782
Capital Outlay	0	4,450,255	0	4,450,255
Debt Service:				
Principal Retirement	0	0	2,108,440	2,108,440
Interest and Fiscal Charges	0	184,353	290,898	475,251
<b>Total Expenditures</b>	<b>17,917,862</b>	<b>9,290,054</b>	<b>10,223,339</b>	<b>37,431,255</b>
Excess of Revenues Over (Under) Expenditures	5,990,594	(7,497,967)	(1,576,224)	(3,083,597)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	3,863	24,656	28,519
Transfers In	0	3,681,886	2,279,182	5,961,068
Transfers Out	(5,339,186)	0	(621,882)	(5,961,068)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,339,186)</b>	<b>3,685,749</b>	<b>1,681,956</b>	<b>28,519</b>
Changes in Fund Balance	651,408	(3,812,218)	105,732	(3,055,078)
Fund Balance Beginning of Year	6,180,550	196,600	8,081,581	14,458,731
Fund Balance (Deficit) End of Year	\$6,831,958	(\$3,615,618)	\$8,187,313	\$11,403,653

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2019

Changes in Fund Balance - Total Governmental Funds (\$3,055,078)

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

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Capital Outlay - Nondepreciable Capital Assets	6,751,121	
Capital Outlay - Depreciable Capital Assets	981,197	
Depreciation	<u>(3,846,246)</u>	3,886,072

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position when disposed of resulting in a gain or loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(28,519)	
Gain on Disposal of Capital Assets	3,863	
Loss on Disposal of Capital Assets	<u>(44,605)</u>	(69,261)

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

Delinquent Property Taxes	(33,534)	
Municipal Income Taxes	(623,582)	
Other Local Taxes	8,676	
Special Assessments	(189,334)	
Charges for Services	35,730	
Fees, Licenses, and Permits	(85,839)	
Intergovernmental	(156,023)	
Interest	<u>10,123</u>	(1,033,783)

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

General Obligation Bonds Payable	1,534,867	
Revenue Bonds Payable	410,000	
Special Assessment Bonds Payable	<u>163,573</u>	2,108,440

Interest is reported as an expenditure when due in governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when debt is first issued; however, these amounts are deferred and amortized on the statement of activities. Accounting losses are amortized over the life of the debt on the statement of activities.

Accrued Interest Payable	6,292	
Amortization of Premium	15,441	
Amortization of Deferred Charge on Refunding	<u>(84,119)</u>	(62,386)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (179,524)

(continued)



City of Sandusky  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 of Governmental Funds to Statement of Activities  
 For the Year Ended December 31, 2019  
 (continued)

Except for amounts reported as deferred outflows/inflows, changes in the net pension liability (asset) and net OPEB liability are reported as pension/OPEB expense on the statement of activities.

Pension	(\$5,375,627)	
OPEB	<u>13,222,426</u>	7,846,799

Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.

Pension	2,168,281	
OPEB	<u>36,715</u>	2,204,996

The internal service fund used by management to charge the cost of health insurance to individual funds is not reported on the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.

(894,906)

Change in Net Position of Governmental Activities

\$10,751,369

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
General Fund  
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$1,554,819	\$1,629,322	\$1,559,484	(\$69,838)
Municipal Income Taxes	12,000,000	11,859,012	11,308,024	(550,988)
Other Local Taxes	6,285,000	5,881,566	5,633,830	(247,736)
Charges for Services	1,033,586	998,171	973,830	(24,341)
Fees, Licenses, and Permits	974,800	586,222	568,183	(18,039)
Fines and Forfeitures	1,321,704	1,206,140	1,235,604	29,464
Intergovernmental	668,319	689,852	716,958	27,106
Interest	400,000	426,367	541,130	114,763
Other	411,166	279,059	265,283	(13,776)
<b>Total Revenues</b>	<b>24,649,394</b>	<b>23,555,711</b>	<b>22,802,326</b>	<b>(753,385)</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,674,591	4,735,591	4,654,237	81,354
Fire	5,203,565	4,585,565	4,572,580	12,985
Other	255,000	253,000	252,166	834
Public Health	415,835	318,835	300,548	18,287
Leisure Time Activities	697,850	687,650	679,144	8,506
Community Environment	3,025,966	2,678,466	2,628,803	49,663
Transportation	0	1,000	746	254
General Government				
Municipal Court	1,172,404	1,000,404	990,880	9,524
Other	4,317,101	3,743,154	3,663,206	79,948
<b>Total Expenditures</b>	<b>20,762,312</b>	<b>18,003,665</b>	<b>17,742,310</b>	<b>261,355</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,887,082</b>	<b>5,552,046</b>	<b>5,060,016</b>	<b>(492,030)</b>
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	563,092	375,775	616,221	240,446
Transfers Out	(4,543,010)	(5,339,186)	(5,339,186)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(3,979,918)</b>	<b>(4,963,411)</b>	<b>(4,722,965)</b>	<b>240,446</b>
<b>Changes in Fund Balance</b>	<b>(92,836)</b>	<b>588,635</b>	<b>337,051</b>	<b>(251,584)</b>
<b>Fund Balance Beginning of Year</b>	<b>5,811,218</b>	<b>5,811,218</b>	<b>5,811,218</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$5,718,382</b>	<b>\$6,399,853</b>	<b>\$6,148,269</b>	<b>(\$251,584)</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2019

	Business-Type Activities		Total Enterprise Funds	Governmental Activity
	Water	Sewer		Internal Service
<u>Assets</u>				
<u>Current Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,669,849	\$5,662,467	\$10,332,316	\$3,731,554
Accounts Receivable	540,365	1,285,978	1,826,343	0
Due from Other Governments	151,163	61,430	212,593	0
Prepaid Items	25,802	26,880	52,682	0
Materials and Supplies Inventory	753,311	181,846	935,157	0
Total Current Assets	6,140,490	7,218,601	13,359,091	3,731,554
<u>Non-Current Assets</u>				
Net Pension Asset	18,158	19,737	37,895	0
Nondepreciable Capital Assets	1,265,820	4,983,070	6,248,890	0
Depreciable Capital Assets, Net	28,472,984	59,106,105	87,579,089	0
Total Non-Current Assets	29,756,962	64,108,912	93,865,874	0
Total Assets	35,897,452	71,327,513	107,224,965	3,731,554
<u>Deferred Outflows of Resources</u>				
Pension	1,264,467	1,450,003	2,714,470	0
OPEB	188,985	248,910	437,895	0
Total Deferred Outflows of Resources	1,453,452	1,698,913	3,152,365	0
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accrued Wages Payable	128,243	131,097	259,340	0
Accounts Payable	165,935	164,583	330,518	0
Contracts Payable	169,760	435,874	605,634	0
Due to Other Governments	40,553	179,423	219,976	0
Accrued Interest Payable	238,179	462,444	700,623	0
Claims Payable	0	0	0	231,948
General Obligation Revenue Bonds Payable	5,000	80,000	85,000	0
OWDA Loans Payable	1,323,564	2,089,836	3,413,400	0
Compensated Absences Payable	69,041	78,793	147,834	0
Total Current Liabilities	2,140,275	3,622,050	5,762,325	231,948
<u>Non-Current Liabilities</u>				
Claims Payable	0	0	0	361,842
General Obligation Revenue Bonds Payable	100,000	1,010,000	1,110,000	0
OWDA Loans Payable	12,199,996	23,780,997	35,980,993	0
Compensated Absences Payable	252,987	278,662	531,649	0
Net Pension Liability	4,022,439	4,372,216	8,394,655	0
Net OPEB Liability	1,865,464	2,027,680	3,893,144	0
Total Non-Current Liabilities	18,440,886	31,469,555	49,910,441	361,842
Total Liabilities	20,581,161	35,091,605	55,672,766	593,790
<u>Deferred Inflows of Resources</u>				
Pension	65,666	70,383	136,049	0
OPEB	5,062	5,502	10,564	0
Total Deferred Inflows of Resources	70,728	75,885	146,613	0

(continued)

City of Sandusky  
Statement of Fund Net Position  
Proprietary Funds  
December 31, 2019  
(continued)

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>	<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>		<u>Internal Service</u>
<u>Net Position</u>				
Net Investment in Capital Assets	\$15,940,484	\$36,933,926	\$52,874,410	\$0
Unrestricted	<u>758,531</u>	<u>925,010</u>	<u>1,683,541</u>	<u>3,137,764</u>
Total Net Position	<u>\$16,699,015</u>	<u>\$37,858,936</u>	54,557,951	<u>\$3,137,764</u>

Net position reported for business-type activities on the statement of net position is different because it includes a proportionate share of the net position of the internal service fund.

766,196

Net Position of Business-Type Activities

\$55,324,147

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2019

	<u>Business-Type Activities</u>		<u>Total Enterprise Funds</u>	<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>		<u>Internal Service</u>
<u>Operating Revenues</u>				
Charges for Services	\$7,439,181	\$10,755,891	\$18,195,072	\$2,196,400
Other	<u>97,294</u>	<u>125,859</u>	<u>223,153</u>	<u>694,050</u>
Total Operating Revenues	<u>7,536,475</u>	<u>10,881,750</u>	<u>18,418,225</u>	<u>2,890,450</u>
<u>Operating Expenses</u>				
Personal Services	3,808,857	4,040,191	7,849,048	0
Travel and Transportation	13,405	17,726	31,131	0
Contractual Services	983,761	1,948,217	2,931,978	0
Materials and Supplies	1,177,347	841,969	2,019,316	0
Claims	0	0	0	4,116,349
Depreciation	1,325,527	1,944,567	3,270,094	0
Other	<u>283</u>	<u>1,169</u>	<u>1,452</u>	<u>0</u>
Total Operating Expenses	<u>7,309,180</u>	<u>8,793,839</u>	<u>16,103,019</u>	<u>4,116,349</u>
Operating Income (Loss)	<u>227,295</u>	<u>2,087,911</u>	<u>2,315,206</u>	<u>(1,225,899)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Interest Revenue	729	1,464	2,193	0
Interest Expense	<u>(490,856)</u>	<u>(974,156)</u>	<u>(1,465,012)</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(490,127)</u>	<u>(972,692)</u>	<u>(1,462,819)</u>	<u>0</u>
Changes in Net Position	(262,832)	1,115,219	852,387	(1,225,899)
Net Position Beginning of Year	<u>16,961,847</u>	<u>36,743,717</u>		<u>4,363,663</u>
Net Position End of Year	<u>\$16,699,015</u>	<u>\$37,858,936</u>		<u>\$3,137,764</u>
The change in net position reported for business-type activities on the statement of activities is different because it includes a proportionate share of the net loss of the internal service fund.			<u>(330,993)</u>	
Change in Net Position of Business-Type Activities			<u>\$521,394</u>	

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019

	<u>Business-Type Activities</u>			<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service</u>
Increases (Decreases) in Cash and Cash Equivalents				
<u>Cash Flows from Operating Activities</u>				
Cash Received from Customers	\$7,515,597	\$11,146,303	\$18,661,900	\$2,200,187
Cash Payments for Personal Services	(2,946,270)	(3,061,372)	(6,007,642)	0
Cash Payments for Contractual Services	(766,970)	(1,505,833)	(2,272,803)	0
Cash Payments to Vendors	(1,335,585)	(1,344,245)	(2,679,830)	0
Cash Received from Other Revenues	97,294	136,853	234,147	694,050
Cash Payments for Claims	0	0	0	(4,122,577)
Cash Payments for Other Expenses	(283)	(1,169)	(1,452)	0
Net Cash Provided by (Used For) Operating Activities	<u>2,563,783</u>	<u>5,370,537</u>	<u>7,934,320</u>	<u>(1,228,340)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Paid on General Obligation Revenue Bonds	(5,000)	(75,000)	(80,000)	0
Principal Paid on OWDA Loans	(1,265,423)	(1,996,991)	(3,262,414)	0
Interest Paid on General Obligation Revenue Bonds	(3,355)	(35,533)	(38,888)	0
Interest Paid on OWDA Loans	(510,818)	(977,303)	(1,488,121)	0
OWDA Loans Issued	20,147	492,166	512,313	0
Acquisition of Capital Assets	(1,526,551)	(3,622,669)	(5,149,220)	0
Net Cash Used for Capital and Related Financing Activities	<u>(3,291,000)</u>	<u>(6,215,330)</u>	<u>(9,506,330)</u>	<u>0</u>
<u>Cash Flows from Investing Activities</u>				
Interest	<u>729</u>	<u>1,464</u>	<u>2,193</u>	<u>0</u>
Net Decrease in Cash and Cash Equivalents	(726,488)	(843,329)	(1,569,817)	(1,228,340)
Cash and Cash Equivalents Beginning of Year	<u>5,396,337</u>	<u>6,505,796</u>	<u>11,902,133</u>	<u>4,959,894</u>
Cash and Cash Equivalents End of Year	<u>\$4,669,849</u>	<u>\$5,662,467</u>	<u>\$10,332,316</u>	<u>\$3,731,554</u>

(continued)

City of Sandusky  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2019  
(continued)

	<u>Business-Type Activities</u>			<u>Governmental Activity</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal Service</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Operating Income (Loss)	\$227,295	\$2,087,911	\$2,315,206	(\$1,225,899)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Depreciation	1,325,527	1,944,567	3,270,094	0
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	64,102	222,844	286,946	3,787
Decrease in Due from Other Governments	12,314	178,562	190,876	0
Increase in Prepaid Items	(4,920)	(5,822)	(10,742)	0
Decrease in Materials and Supplies Inventory	69,060	16,725	85,785	0
Increase in Net Pension Asset	(5,454)	(5,928)	(11,382)	0
Increase in Accrued Wages Payable	22,183	21,819	44,002	0
Increase (Decrease) in Accounts Payable	73,293	(56,757)	16,536	0
Increase (Decrease) in Contracts Payable	(69,853)	101,775	31,922	0
Increase (Decrease) in Due to Other Governments	8,850	(93,508)	(84,658)	0
Decrease in Claims Payable	0	0	0	(6,228)
Increase (Decrease) in Compensated Absences Payable	10,948	(53,538)	(42,590)	0
Decrease in Net Pension Liability	(4,364)	(4,743)	(9,107)	0
Decrease in Deferred Outflows - Pension	910,609	1,065,584	1,976,193	0
Decrease in Deferred Inflows - Pension	(276,634)	(288,132)	(564,766)	0
Increase in Net OPEB Liability	102,185	111,071	213,256	0
Decrease in Deferred Outflows - OPEB	130,070	162,269	292,339	0
Decrease in Deferred Inflows - OPEB	(31,428)	(34,162)	(65,590)	0
Net Cash Provided by (Used for) Operating Activities	<u>\$2,563,783</u>	<u>\$5,370,537</u>	<u>\$7,934,320</u>	<u>(\$1,228,340)</u>

Non-Cash Capital Transactions

At December 31, 2019, the Water and Sewer enterprise funds had receivables related to the acquisition of capital assets, in the amount of \$151,163 and \$61,430, respectively.

At December 31, 2019, the Water and Sewer enterprise funds had outstanding payables related to the acquisition of capital assets, in the amount of \$169,760 and \$194,416, respectively.

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2019

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$737,341
Special Assessments Receivable	<u>577,488</u>
Total Assets	1,314,829
<u>Liabilities</u>	
Due to Other Governments	<u>577,488</u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$737,341</u></u>

See Accompanying Notes to the Basic Financial Statements



City of Sandusky  
Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2019

<u>Additions</u>	
Licenses, Permits, and Fees for Other Governments	\$5,296
Fines and Forfeitures for Other Governments	3,730,811
Special Assessments Collections for Other Governments	5,168
Other	<u>352,943</u>
Total Additions	<u>4,094,218</u>
<u>Deductions</u>	
Distributions to the State of Ohio	4,146
Fines and Forfeitures Distributions to Other Governments	3,751,452
Special Assessments Collections to Other Governments	5,168
Distributions to Individuals	<u>438,308</u>
Total Deductions	<u>4,199,074</u>
Net Decrease in Fiduciary Net Position	(104,856)
Net Position Beginning of Year - Restated (Note 3)	<u>842,197</u>
Net Position End of Year	<u><u>\$737,341</u></u>

See Accompanying Notes to the Basic Financial Statements

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**

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**NOTE 1 - DESCRIPTION OF THE CITY OF SANDUSKY AND THE REPORTING ENTITY**

**A. The City**

The City of Sandusky is a charter municipal corporation founded in 1818, with the charter adopted by the electors on July 28, 1914. The City may exercise all powers of home rule granted under Article XVIII, Section 3, of the Ohio Constitution not in conflict with applicable general laws of Ohio.

The City operates under a part-time seven member commission and full-time city manager form of government. Services provided include police, fire, ambulance, municipal court, engineering, planning and zoning, street maintenance and repair, public transit, parks and recreation programs (including a municipal golf course), cemetery, water filtration, wastewater treatment, and general administrative services. Except for water and sewer, major utilities are provided by private entities.

**B. Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Sandusky, this includes the Sandusky Municipal Court and all departments and activities that are directly operated by the elected City officials.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Sandusky in 2019.

The City participates in the City of Sandusky, Ohio Energy Special Improvement District and the Regional Income Tax Agency (RITA), jointly governed organizations. These organizations are presented in Note 23 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Sandusky have been prepared in conformity with generally accepted accounting principles (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. Following are the more significant of the City's accounting policies.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the City are reported in three categories; governmental, proprietary, and fiduciary.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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 and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

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

Capital Projects Fund - This fund accounts for resources from construction grants, proceeds of notes, donations, and transfers restricted for various capital projects.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City reports two types of proprietary funds, enterprise and internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund - This fund accounts for operations of the water distribution system within the City and for the sale of water to Erie County.

Sewer Fund - This fund accounts for operations of the sewer collection system within the City and for sewer service to Erie County.

Internal Service Fund - This fund accounts for monies received for the activities of the self insurance program for employee health benefits.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The City's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the City for fees and fines collected for the benefit of and distributed to other governments and for special assessments held for a not-for-profit corporation.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary and fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of revenues, expenses, and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its proprietary activities.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; proprietary funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

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

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

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the City, deferred outflows of resources include deferred charges on refundings, pension, and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 15 and 16 to the basic financial statements.

In addition to liabilities, the statement of financial position may report 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 until that time. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes accrued interest, intergovernmental revenue including grants, municipal income taxes, other local taxes, delinquent property taxes, special assessments, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities on page 20. Deferred inflows of resources related to pension and OPEB are reported on the government-wide and proprietary funds statement of net position and explained in Notes 15 and 16 to the basic financial statements.

Expenses/Expenditures

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. Budgetary Process

All funds, except custodial funds, are required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the City Commission may appropriate. The appropriations ordinance is the City Commission's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the City Commission. The legal level of control has been established by the City Commission at the fund, department, and object level in all funds. Budgetary information for the Fire Escrow special revenue fund is not reported because it is not included in the entity for which the appropriated budget is adopted.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. 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 requested by the City Commission prior to year end.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance 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 the City Commission during the year.

F. Cash and Investments

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held within departments of the City, and not included in the City treasury, or held separately for the City by an escrow agent, are recorded as "Cash and Cash Equivalents with in Segregated Accounts" and "Cash and Cash Equivalents with Escrow Agent".

During 2019, the City's investments included nonnegotiable and negotiable certificates of deposit, federal agency securities, and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. Negotiable certificates of deposit and federal agency securities are reported at fair value, which is based on quoted market price. 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 has adopted Governmental Accounting Standards Board Statement No. 79, "Certain External Investment Pools and Pool Participants". The City measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The net asset value per share is calculated on an amortized cost basis that provides a net asset value per share that approximates fair value.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million requiring the excess amount to be transacted the following business day(s) but only to the \$100 million limit. All accounts of the participant will be combined for this purpose.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2019 was \$649,217, which includes \$550,347 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Inventory**

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

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Resources set aside in a separate escrow account, whose use is limited to payment to contractors upon project completion, are reported as restricted.

Unclaimed monies that have a legal restriction on their use are reported as restricted.

**J. Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements. Capital assets used by the proprietary funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value on the date donated. The City maintains a capitalization threshold of five thousand dollars. 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 capitalized.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. The City reports all infrastructure, including that acquired prior to 1980. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Estimated Lives</u>
Buildings	15-45 years
Improvements Other Than Buildings	7-50 years
Streets	10-50 years
Bridges	50 years
Utility Plant	15-45 years
Water and Sewer Lines	50 years
Equipment	5-20 years

**K. Deferred Charge on Refunding**

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position.

**L. Interfund Activity**

On fund financial statements, receivables and payables resulting from interfund loans are reported as "Interfund Receivables/Payables". Interfund balances are eliminated on the statement of net position, except for any net residual amounts due between governmental and business-type activities. These amounts are presented as "Internal Balances", when applicable.

Deferred inflows of resources and deferred outflows of resources from the change in proportionate share related to pension/OPEB items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's union contracts or administrative ordinance. The City records a liability for accumulated unused sick leave for all employees with ten or more years of service with the City or any employee who is age fifty or older.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds 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, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. General obligation bonds, special assessment bonds, and claims are recognized as liabilities on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

O. Unamortized Bond Premiums

Bond premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

Under Ohio law, premiums on the original issuance of debt are to be deposited to a bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

P. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes activities for construction, repair, and maintenance of State highways, the public transit system, recreation, and other revenues restricted for use by the police department. The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for purposes specified by the legislation.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City Commission. The committed amounts cannot be used for any other purpose unless the City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the City Commission, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Assigned - Amounts in the assigned classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by the City Commission. Fund balance policy of the City Commission has authorized the City Manager to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. Fund balance is also assigned for the payment of future severance payments.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City first applies restricted resources when an expenditure is 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 can be used.

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water and sewer services, as well as premiums charged to various funds for insurance. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

**S. Interfund Transactions**

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

T. Pension/Postemployment

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

U. Estimates

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

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB Statement No. 95.

For 2019, the City has implemented GASB Statement No. 88, "Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements", Statement No. 90, "Majority Equity Interests-An Amendment of GASB Statements No. 14 and No. 61", and related guidance from GASB Implementation Guide 2019-2, "Fiduciary Activities".

For 2019, the City also implemented GASB Implementation Guide No. 2018-1. These changes were incorporated in the City's 2019 financial statements and resulted in a change in beginning net position for the custodial funds from \$851,424 to \$842,197.

GASB Statement No. 88 improves the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 90 defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding of the equity interest meets the definition of an investment. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

A. Accountability

At December 31, 2019 the Public Transit, Fire Pension, and Police Pension special revenue funds and the Capital Projects capital projects fund had deficit fund balances, in the amount of \$108,535, \$50,321, \$42,011, and \$3,615,618, respectively. The deficits in the special revenue funds are the result of adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The deficit in the capital projects fund is due to the liability for notes payable. The deficit will be eliminated when the debt is paid.

B. Compliance

The following fund had expenditures in excess of appropriations for the year ended December 31, 2019, as follows.

Fund/Department/Object	Appropriations	Expenditures	Excess
Governmental Activities			
General Fund			
Paper District Marina			
Other	\$19,930	\$20,046	\$116

The City will monitor the activity of their funds to ensure that expenditures are within amounts appropriated.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget basis and the GAAP basis are that:

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. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

4. The City has certain activities within the General Fund that are not budgeted by the City Commission. However, this activity is included as part of the reporting entity when preparing financial statements that conform with GAAP.

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

Changes in Fund Balance	
	General
GAAP Basis	\$651,408
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2018, Received in Cash 2019	1,102,737
Accrued 2019, Not Yet Received in Cash	(1,468,085)
Expenditure Accruals:	
Accrued 2018, Paid in Cash 2019	(926,156)
Accrued 2019, Not Yet Paid in Cash	1,137,719
Cash Adjustments:	
Unrecorded Activity 2018	(38,229)
Unrecorded Activity 2019	(83,386)
Prepaid Items	(28,503)
Materials and Supplies Inventory	(10,152)
Excess of Revenues Over Expenditures for Nonbudgeted Activity	(302)
Budget Basis	\$337,051

**NOTE 6 - DEPOSITS AND INVESTMENTS**

The City follows State statutes regarding its deposit and investment activity. State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits the City 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.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

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. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2019, \$1,527,343 of the City's total bank balance of \$14,166,864 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Two of the City's financial institutions participate in the Ohio Pooled Collateral System (OPCS) and were approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of December 31, 2019, the City had the following investments:

<u>Measurement / Investment</u>	<u>Measurement Value</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>	<u>One Year To Two Years</u>	<u>More Than Two Years</u>
Fair Value - Level 2 Inputs					
Negotiable Certificates of Deposit	\$4,762,000	\$1,591,132	\$99,652	\$1,249,531	\$1,821,685
Federal Home Loan Bank Notes	2,321,644	0	1,197,120	0	1,124,524
Federal Farm Credit Bank Notes	2,394,838	999,920	0	0	1,394,918

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

<u>Measurement / Investment</u>	<u>Measurement Value</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>	<u>One Year To Two Years</u>	<u>More Than Two Years</u>
Fair Value - Level 2 Inputs (continued)					
Federal Home Loan Mortgage Corporation Notes	\$1,198,728	\$0	\$0	\$0	\$1,198,728
Net Asset Value					
STAR Ohio	7,237,429	7,237,429	0	0	0
	<u>\$17,914,639</u>	<u>\$9,828,481</u>	<u>\$1,296,772</u>	<u>\$1,249,531</u>	<u>\$5,539,855</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2019. All of the City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Finance Director from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the City.

The negotiable certificates of deposit are covered by FDIC insurance up to \$250,000 per financial institution and/or partially insured through the Securities Investor Protection Corporation (SIPC). All of the federal agency securities carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAAM by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. At December 31, 2019, the weighted average maturity of investments with Star Ohio was 56 days.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

The City places no limit on the amount of its interim monies it may invest in a particular security or issuer. The following table indicates the percentage of investments to the City's total portfolio:

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$4,762,000	26.6%
Federal Home Loan Bank	2,321,644	13.0
Federal Farm Credit Bank	2,394,838	13.4
Federal Home Loan Mortgage Corporation	1,198,728	6.7

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2019, consisted of accounts (billings for user charged services); accrued interest; intergovernmental receivables arising from grants, entitlements, and shared revenues; municipal income taxes; other local taxes; property taxes; payment in lieu of taxes; notes; and special assessments. All receivables are considered fully collectible within one year, except for municipal income taxes, property taxes, notes, and special assessments. Municipal income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Notes receivable, in the amount of \$3,254,233, will not be received within one year. Special assessments, in the amount of \$1,540,585, will not be received within one year. At December 31, 2019, the amount of delinquent special assessments was \$128,989.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$85,842
Local Government	214,563
Beer and Liquor Permits	34,996
Cigarette Tax	1,198
Total General Fund	336,599
Capital Projects Fund	
Sandusky Bay Initiative	12,510
Charges for Services	248
Total Capital Projects Fund	12,758
Total Major Funds	349,357

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 7 - RECEIVABLES** (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds	
Street Maintenance Fund	
Gasoline Tax	\$402,560
Motor Vehicle License Tax	89,918
Total Street Maintenance Fund	492,478
State Highway Fund	
Gasoline Tax	32,640
Motor Vehicle License Tax	7,291
Total State Highway Fund	39,931
Public Transit Fund	
Rural Transit Grant	104,393
Charges for Servies	5,537
Total Public Transit Fund	109,930
Fire Pension Fund	
Homestead and Rollback	7,056
Police Pension Fund	
Homestead and Rollback	7,056
Federal Grants Fund	
Bulletproof Vest Grant	1,305
EPA Brownfield Grant	3,880
Total Federal Grants Fund	5,185
Indigent Drivers Alcohol Fund	
Fees, Licenses, and Permits	558
General Bond Retirement Fund	
Homestead and Rollback	21,872
Total Nonmajor Funds	684,066
Total Governmental Activities	\$1,033,423
Business-Type Activities	
Water Fund	
Erie County	\$151,163
Sewer Fund	
Erie County	61,430
Total Business-Type Activities	\$212,593

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 8 - MUNICIPAL INCOME TAXES**

The City levies and collects an income tax of 1.25 percent based on all income earned within the City as well as on incomes of residents earned outside the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

For 2019, income taxes were allocated as follows: 88.75 percent to the General Fund for general operations of the City; 6.25 percent to the General Bond Retirement debt service fund to be used for the retirement of general obligation debt; and 5 percent to the Capital Improvement capital projects fund to be used for the capital improvement program.

The Regional Income Tax Agency administers the collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 2.8 percent.

**NOTE 9 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2019 represent the collection of 2018 taxes. Real property taxes received in 2019 were levied after October 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2019 represent the collection of 2018 taxes. Public utility real and tangible personal property taxes received in 2019 became a lien on December 31, 2017, were levied after October 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Sandusky. The County Auditor periodically remits to the City its portion of the taxes collected.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of December 31, 2019, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, delinquent real property taxes have been recorded as a receivable and revenue while on the modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 9 - PROPERTY TAXES** (continued)

The full tax rate for all City operations for the year ended December 31, 2019, was \$5.18 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2019 property tax receipts were based are as follows:

Category	Amount
Real Property	\$443,557,540
Public Utility Personal Property	23,240,630
Total Assessed Value	\$466,798,170

**NOTE 10 - PAYMENT IN LIEU OF TAXES**

In accordance with agreements related to tax increment financing districts, the City has entered into agreements with a number of property owners under which the City has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the City which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The property owners contractually promise to make these payments in lieu of taxes until the agreement expires.

**NOTE 11 - NOTES RECEIVABLE**

A summary of the changes in notes receivable during 2019 follows:

	Balance January 1, 2019	New Loans	Reductions	Balance December 31, 2019
Special Revenue Funds				
State Grants				
Revolving Loans	\$452,861	\$0	\$14,708	\$438,153
Rehabilitation Revolving Loans	1,726,929	0	126,621	1,600,308
Micro-Enterprise Loans	7,500	0	0	7,500
Total State Grants	2,187,290	0	141,329	2,045,961
Federal Grants				
Rehabilitation Revolving Loans	1,045,634	0	4,000	1,041,634
Capital Projects				
Demolition Loans	0	91,584	0	91,584
Issue 8 Loans	495,132	0	18,737	476,395
	\$3,728,056	\$91,584	\$164,066	3,655,574
Less Allowance for Uncollectible Accounts				(170,755)
				\$3,484,819

Notes receivable are reduced each year by the amount of loans which have been determined to be uncollectible.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 12 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
<b>Governmental Activities</b>				
<b>Nondepreciable Capital Assets</b>				
Land	\$7,925,319	\$0	\$0	\$7,925,319
Construction in Progress	2,584,037	6,751,121	(790,065)	8,545,093
<b>Total Nondepreciable Capital Assets</b>	<b>10,509,356</b>	<b>6,751,121</b>	<b>(790,065)</b>	<b>16,470,412</b>
<b>Depreciable Capital Assets</b>				
Buildings	16,881,731	0	0	16,881,731
Improvements Other Than Buildings	25,173,735	194,823	(13,624)	25,354,934
Streets	53,074,607	560,143	0	53,634,750
Bridges	229,802	0	0	229,802
Equipment	14,177,761	1,016,296	(560,609)	14,633,448
<b>Total Depreciable Capital Assets</b>	<b>109,537,636</b>	<b>1,771,262</b>	<b>(574,233)</b>	<b>110,734,665</b>
<b>Less Accumulated Depreciation for</b>				
Buildings	(12,334,220)	(562,082)	0	(12,896,302)
Improvements Other Than Buildings	(12,553,487)	(943,208)	3,709	(13,492,986)
Streets	(41,529,300)	(1,654,628)	0	(43,183,928)
Bridges	(119,496)	(4,596)	0	(124,092)
Equipment	(9,906,635)	(681,732)	501,263	(10,087,104)
<b>Total Accumulated Depreciation</b>	<b>(76,443,138)</b>	<b>(3,846,246)</b>	<b>504,972</b>	<b>(79,784,412)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>33,094,498</b>	<b>(2,074,984)</b>	<b>(69,261)</b>	<b>30,950,253</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$43,603,854</b>	<b>\$4,676,137</b>	<b>(\$859,326)</b>	<b>\$47,420,665</b>
	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
<b>Business-Type Activities</b>				
<b>Nondepreciable Capital Assets</b>				
Land	\$816,702	\$0	\$0	\$816,702
Construction in Progress	1,588,238	4,889,311	(1,045,361)	5,432,188
<b>Total Nondepreciable Capital Assets</b>	<b>2,404,940</b>	<b>4,889,311</b>	<b>(1,045,361)</b>	<b>6,248,890</b>

(continued)



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 12 - CAPITAL ASSETS** (continued)

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019
Business-Type Activities (continued)				
Depreciable Capital Assets				
Buildings	\$64,867,499	\$257,000	\$0	\$65,124,499
Improvements Other Than Buildings	33,655,138	127,319	0	33,782,457
Utility Plant	10,006,190	151,082	0	10,157,272
Water and Sewer Lines	31,324,761	788,361	0	32,113,122
Equipment	4,326,338	345,684	0	4,672,022
Total Depreciable Capital Assets	<u>144,179,926</u>	<u>1,669,446</u>	<u>0</u>	<u>145,849,372</u>
Less Accumulated Depreciation for				
Buildings	(22,447,969)	(1,121,877)	0	(23,569,846)
Improvements Other Than Buildings	(12,894,638)	(1,039,240)	0	(13,933,878)
Utility Plant	(4,715,020)	(288,425)	0	(5,003,445)
Water and Sewer Lines	(12,471,174)	(545,594)	0	(13,016,768)
Equipment	(2,471,388)	(274,958)	0	(2,746,346)
Total Accumulated Depreciation	<u>(55,000,189)</u>	<u>(3,270,094)</u>	<u>0</u>	<u>(58,270,283)</u>
Total Depreciable Capital Assets, Net	<u>89,179,737</u>	<u>(1,600,648)</u>	<u>0</u>	<u>87,579,089</u>
Business-Type Activities Capital Assets, Net	<u>\$91,584,677</u>	<u>\$3,288,663</u>	<u>(\$1,045,361)</u>	<u>\$93,827,979</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$130,134
Security of Persons and Property - Fire	369,650
Public Health	16,692
Leisure Time Activities	202,262
Community Environment	183,563
Transportation	2,013,407
General Government - Municipal Court	9,168
General Government - Other	921,370
Total Depreciation Expense - Governmental Activities	<u>\$3,846,246</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the City contracted for the following coverage:

Type of Coverage	Coverage
Property (building and contents)	\$143,424,788
Excess Liability	10,000,000
General Liability	3,000,000
Employee Benefit Liability	3,000,000
Law Enforcement Liability	2,000,000
Auto Liability	1,000,000
Public Official Liability	2,000,000

There has been no significant reduction in insurance coverage from 2018 and no insurance settlement has exceeded insurance coverage during the last three years.

The City is providing employee medical coverage through a self-insured program. The City established a Health Insurance internal service fund to account for and finance employee medical benefits. Under this program, the Health Insurance Fund provides up to a maximum of \$100,000 for each individual. The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims did not exceed this commercial coverage during the last three years.

All funds of the City participate in the program and make payments to the Health Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current year claims. Claims payable is based on the requirements of Governmental Accounting Standards Board Statement No. 30 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Claims payable at December 31, 2019, was estimated by a third party administrator at \$593,790. Of this amount, \$231,948 is expected to be paid within one year. The change in the claims liability for 2019 and 2018 was:

	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2019	\$600,018	\$4,116,349	\$4,122,577	\$593,790
2018	572,379	4,339,250	4,311,611	600,018

Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

The City has outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2019:

<u>Contract</u>	<u>Remaining Commitment</u>
ABC Piping Co.	\$67,486
ADC LLC DBA Environmental Services	17,668
Baumann Enterprises	24,000
DL Smith Concrete LLC	407,425
DLZ of Ohio	20,549
Donleys, Inc.	4,814,803
Ed Burdue and Co.	70,693
Environmental Design Group	2,405,170
Erie Blacktop, Inc.	356,880
Erie Materials, Inc.	178,242
Foth Infrastructure	22,096
Great Lakes Demolition Co.	1,565,541
KE McCartney & Associates	23,307
Kokosing Industrial, Inc.	4,921,005
Mannik and Smith	373,556
North Bay Construction	2,490,272
OR Colan and Associates	18,875
Perram Electric, Inc.	9,545
Precision Paving	45,960
Smith Paving and Excavating	8,961
Strand Associates	174,000
Strawser Construction, Inc.	9,912
Trust for Public Land	54,654
WSP USA	11,199
Total	<u><u>\$18,091,799</u></u>

At year end, there were no significant encumbrances expected to be honored upon performance by the vendor in 2020.

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

**Net Pension Liability (Asset)/Net OPEB Liability**

The net pension liability (asset) and the net OPEB liability reported on the statement of net position represent a liability to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

The net pension/OPEB liability (asset) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation, including pension and OPEB.

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the pension amortization period exceeds thirty years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343. (See the OPERS CAFR referenced above for additional information including requirements for reduced and unreduced benefits.)

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	Members not in other groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 years	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 years
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 years

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a traditional plan benefit recipient has received benefits for twelve months, current law provides an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost of living adjustment on the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3 percent COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index capped at 3 percent.

Defined contribution plan benefits are established in the plan documents which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed plan participants must have attained the age of fifty-five, have money on deposit in the defined contribution plan, and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the member's contributions, vested employer contributions, and investment gains or losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five year period at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS account. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance net of taxes withheld, or a combination of these options.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	State and Local	Public Safety	Law Enforcement
<b>2019 Statutory Maximum Contribution Rates</b>			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
<b>2019 Actual Contribution Rates</b>			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board and has no maximum rate established by the ORC.
- \*\*\* This rate is also determined by OPERS' Board but is limited by the ORC to not more than 2 percent greater than the public safety rate.
- \*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

For 2019, the City's contractually required contribution was \$1,297,179 for the traditional plan, \$44,639 for the combined plan, and \$10,385 for the member-directed plan. Of these amounts, \$126,035 is reported as an intergovernmental payable for the traditional plan, \$4,336 for the combined plan, and \$1,007 for the member-directed plan.

**Plan Description - Ohio Police and Fire Pension Fund (OPF)**

Plan Description - Full-time police and firefighters participate in the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information, required supplementary information, and detailed information about OPF's fiduciary net position that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Upon attaining a qualifying age with sufficient years of service, an OPF member may retire and receive a lifetime monthly pension. OPF offers four types of service retirement; normal, service commuted, age/service commuted, and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is fifty-two for normal service retirement with at least twenty-five years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is forty-eight for normal service retirement with at least twenty-five years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first twenty years of service credit, 2 percent for each of the next five years of service credit, and 1.5 percent for each year of service credit in excess of twenty-five years. The maximum pension of 72 percent of the allowable average annual salary is paid after thirty-three years of service credit. (See the OPF CAFR referenced above for additional information including requirements for deferred retirement option plan provisions and reduced and unreduced benefits.)

Under normal service retirement, retired members who are at least fifty-five years old and have been receiving OPF benefits for at least one year may be eligible for a cost of living allowance adjustment. The age fifty-five provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than fifteen years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percentage increase, if any, in the Consumer Price Index over the thirteen month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least fifteen years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows.

	Police	Firefighters
<b>2019 Statutory Maximum Contribution Rates</b>		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
 <b>2019 Actual Contribution Rates</b>		
Employer		
Pension	19.00 %	23.50 %
Postemployment Health Care Benefits	.50	.50
Total Employer	19.50 %	24.00 %
Total Employee	12.25 %	12.25 %



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,470,536 for 2019. Of this amount, \$133,396 is reported as an intergovernmental payable.

**Pension Liability (Asset) , Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension**

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset				
Current Measurement Date	0.06385600%	0.07060200%	0.30450500%	
Prior Measurement Date	0.06348000%	0.05063000%	0.30083900%	
Change in Proportionate Share	<u>0.00037600%</u>	<u>0.01997200%</u>	<u>0.00366600%</u>	
Proportionate Share				
Net Pension Liability	\$17,488,863	\$0	\$24,855,655	\$42,344,518
Net Pension Asset	\$0	\$78,948	\$0	\$78,948
Pension Expense	\$4,235,164	\$19,375	\$3,156,099	\$7,410,638

Pension expense for the member-directed defined contribution plan was \$10,385 for 2019. The aggregate pension expense for all pension plans was \$7,421,023 for 2019.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
<b>Deferred Outflows of Resources</b>				
Difference Between Expected and Actual Experience	\$807	\$0	\$1,021,220	\$1,022,027
Changes of Assumptions	1,522,448	17,633	658,958	2,199,039
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,373,728	17,007	3,062,196	5,452,931
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	235,984	0	177,555	413,539
City Contributions Subsequent to the Measurement Date	1,297,179	44,639	1,470,536	2,812,354
Total Deferred Outflows of Resources	<u>\$5,430,146</u>	<u>\$79,279</u>	<u>\$6,390,465</u>	<u>\$11,899,890</u>
<b>Deferred Inflows of Resources</b>				
Difference Between Expected and Actual Experience	\$229,639	\$32,244	\$23,211	\$285,094
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	18,207	527,489	545,696
Total Deferred Inflows of Resources	<u>\$229,639</u>	<u>\$50,451</u>	<u>\$550,700</u>	<u>\$830,790</u>

\$2,812,354 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase in the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Year Ending December 31,				
2020	\$1,793,205	396	\$1,339,967	\$3,133,568
2021	785,955	(3,000)	670,357	1,453,312
2022	220,212	(2,642)	892,635	1,110,205
2023	1,103,956	2,683	1,389,603	2,496,242
2024	0	(4,308)	76,667	72,359
Thereafter	0	(8,940)	0	(8,940)
Total	<u>\$3,903,328</u>	<u>(\$15,811)</u>	<u>\$4,369,229</u>	<u>\$8,256,746</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre-January 7, 2013	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	individual entry age	individual entry age

In October 2018, the OPERS Board adopted a change in the investment rate of return assumption reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

The long-term rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios; the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other Investments	18.00	5.50
Total	<u>100.00 %</u>	

Discount Rate - For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional and the combined plans. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional and the combined plans. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for all three plans was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
City's Proportionate Share of the Net Pension Liability (Asset)			
OPERS Traditional Plan	\$25,836,138	\$17,488,863	\$10,552,204
OPERS Combined Plan	(\$26,123)	(\$78,948)	(\$117,199)

**Actuarial Assumptions - OPF**

OPF's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI based COLA, investment returns, salary increases, and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building block approach and assumes a time horizon as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2018, are summarized below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equities	16.00	5.50
Non-U.S. Equities	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income*	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

Note: assumptions are geometric  
\* levered 2x

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS** (continued)

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure which reduces overall total portfolio risk without sacrificing return and creating a more risk balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8 percent as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7 percent) or one percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
City's Proportionate Share of the Net Pension Liability	\$32,671,045	\$24,855,655	\$18,324,767

**NOTE 16 - POSTEMPLOYMENT BENEFITS**

See Note 15 for a description of the net OPEB liability.

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans; the traditional plan, a cost-sharing multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

OPERS maintains a cost-sharing multiple-employer defined benefit postemployment health care trust which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional and combined pension plans. This trust is also used to fund health care for member-directed plan participants in the form of a retiree medical account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit and a minimum age of sixty or generally thirty years of service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. (See OPERS' CAFR referenced below for additional information.)

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by the OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contribution to health care for the traditional and combined pension plans.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2019.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$4,154 for 2019. Of this amount, \$403 is reported as an intergovernmental payable.

**Plan Description - Ohio Police and Fire Pension Fund (OPF)**

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OPF implemented a new model for health care. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OPF health care stipend unless they have access to any other group coverage, including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage, including employer or retirement coverage, they are not eligible for stipend support from OPF. Even if an OPF member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OPF meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the OPF website at [www.op-f.org](http://www.op-f.org).

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as a percentage of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contribution for retiree health care benefits. For 2019, the portion of the employer contribution allocated to health care was .5 percent of covered payroll. The amount of the employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

The OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OPF was \$34,555 for 2019. Of this amount, \$3,155 is reported as an intergovernmental payable.

**OPEB Liability, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OPF's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.06221000%	0.30450500%	
Prior Measurement Date	0.06131000%	0.30083900%	
Change in Proportionate Share	<u>0.00090000%</u>	<u>0.00366600%</u>	
Proportionate Share of the Net OPEB Liability	\$8,110,715	\$2,772,987	\$10,883,702
OPEB Expense	\$877,311	(\$13,657,738)	(\$12,780,427)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Difference Between Expected and Actual Experience	\$2,747	\$0	\$2,747
Changes of Assumptions	261,499	1,437,382	1,698,881
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	371,828	93,868	465,696
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	181,448	162,739	344,187
City Contributions Subsequent to the Measurement Date	<u>4,154</u>	<u>34,555</u>	<u>38,709</u>
Total Deferred Outflows of Resources	<u>\$821,676</u>	<u>\$1,728,544</u>	<u>\$2,550,220</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

	OPERS	OPF	Total
<b>Deferred Inflows of Resources</b>			
Difference Between Expected and Actual Experience	\$22,007	\$74,294	\$96,301
Changes of Assumptions	0	767,693	767,693
Changes in Proportion and Differences Between City Contributions and the Proportionate Share of Contributions	0	189,760	189,760
<b>Total Deferred Inflows of Resources</b>	<b>\$22,007</b>	<b>\$1,031,747</b>	<b>\$1,053,754</b>

\$38,709 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Year Ending December 31,	OPERS	OPF	Total
2020	\$429,166	\$117,455	\$546,621
2021	116,804	117,455	234,259
2022	62,231	117,455	179,686
2023	187,314	145,846	333,160
2024	0	101,085	101,085
Thereafter	0	62,946	62,946
<b>Total</b>	<b>\$795,515</b>	<b>\$662,242</b>	<b>\$1,457,757</b>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.96 percent
Prior Measurement Date	3.85 percent
Investment Rate of Return	6 percent
Municipal Bond Rate	
Current Measurement Date	4.66 percent
Prior Measurement Date	3.24 percent
Health Care Cost Trend Rate	
Current Measurement Date	10 percent initial 3.25 percent ultimate in 2029
Prior Measurement Date	7.25 percent initial 3.25 percent ultimate in 2028
Actuarial Cost Method	individual entry age

In October 2018, the OPERS Board adopted a change in the investment rate of return assumption reducing it from 6.5 percent to 6 percent. The change was effective beginning with the 2018 valuation.

Preretirement mortality rates were based on the RP-2014 Employees Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees were based on the RP-2014 Disabled Mortality Table for males and females adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year were determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes assets for health care expenses for the traditional plan, the combined plan, and the member-directed plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made and health care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other Investments	17.00	5.57
Total	100.00 %	

Discount Rate - A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2031 and the municipal bond rate was applied to all health care costs after that date.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.96 percent) or one percentage point higher (4.96 percent) than the current rate.

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's Proportionate Share of the Net OPEB Liability	\$10,376,628	\$8,110,715	\$6,308,716

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$7,796,157	\$8,110,715	\$8,473,002

**Actuarial Assumptions - OPF**

OPF's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled forward using generally accepted actuarial procedures. The total OPEB liability is determined by OPF's actuaries in accordance with GASB Statement No. 74 as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	entry age normal
Investment Rate of Return	8 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of .5 percent
Single Discount Rate:	
Current Measurement Date	4.66 percent
Prior Measurement Date	3.24 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increases based on lesser of the increase in CPI and 3 percent

Mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries were adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Mortality for disabled retirees was based on the RP-2014 Disabled Mortality Table rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 16 - POSTEMPLOYMENT BENEFITS** (continued)

Age	Police	Fire
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OPF health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, the plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018, and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation Twenty Year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2031. The long-term expected rate of return on health care investments was applied to all projected costs through 2031 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate and, to illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent) or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's Proportionate Share of the Net OPEB Liability	\$3,378,253	\$2,772,987	\$2,264,915

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 17 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

City employees earn and accumulate vacation at varying rates depending on length of service. Current policy credits vacation leave on the employee's anniversary date. Employees are paid for 100 percent of earned unused vacation leave upon termination.

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

	<u>AFCSME</u>	<u>IAF</u>	<u>FOP</u>	<u>Administration</u>
40 hours/week				
Sick hours less than 1,000	25 %	25 %	25 %	25 %
Sick hours 1,000 - 1,499	30 %	30 %	30 %	n/a
Sick hours 1,000 - 1,999	n/a	n/a	n/a	30 %
Sick hours 1,500 - 2,199	35 %	35 %	35 %	n/a
Sick hours 2,000 - 2,999	n/a	n/a	n/a	35 %
Sick hours over 2,200	45 %	45 %	45 %	n/a
Sick hours over 3,000	n/a	n/a	n/a	45 %
51 hours/week				
Sick hours less than 1,300	n/a	25 %	n/a	n/a
Sick hours 1,300 - 1,949	n/a	30 %	n/a	n/a
Sick hours 1,950 - 2,859	n/a	35 %	n/a	n/a
Sick hours over 2,860	n/a	45 %	n/a	n/a

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

**NOTE 18 - SHORT-TERM OBLIGATIONS**

The City's short-term obligations activity for the year ended December 31, 2019, was as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2019</u>
<u>Governmental Activities</u>					
Bond Anticipation Notes					
Capital Projects Funds					
2018 Various Improvement	3.00%	\$4,946,000	\$0	\$4,946,000	\$0
2019 Various Improvement	2.50	0	4,100,000	0	4,100,000
Total Bond Anticipation Notes		4,946,000	4,100,000	4,946,000	4,100,000
Urban Renewal Temporary Revenue					
Bonds from Direct Placements	2.37	0	4,700,000	0	4,700,000
Total		\$4,946,000	\$8,800,000	\$4,946,000	\$8,800,000

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 18 - SHORT-TERM OBLIGATIONS** (continued)

According to Ohio law, notes may be issued in anticipation of bond proceeds or for up to 50 percent of anticipated revenue collections. The City has issued bond anticipation notes with a maturity of one year which will be reissued until paid in full or until bonds are issued. The liability for all notes is presented in the fund receiving the proceeds.

The 2018 various improvement notes were issued to partially retire notes previously issued to revitalize the Bayfront Urban Revitalization Area, to pay the cost of the Venice Road Grade Separation Project, to acquire a ladder truck and street trucks, for costs associated with the relocation of City Hall, and for costs of various improvements for the Landing Park Project.

The 2019 various improvement notes were issued to partially retire notes previously issued to revitalize the Bayfront Urban Revitalization Area, to pay the cost of the Venice Road Grade Separation Project, to acquire a ladder truck and street trucks, for costs associated with the relocation of City Hall, and for costs of various improvements for the Landing Park Project.

At December 31, 2019, the total amount of various improvement notes outstanding was \$4,100,000, of which \$2,738,876 has been expended. Of the \$4,100,000, \$1,000,000 was not capitalized.

On August 1, 2019, the City issued \$4,700,000 in urban renewal temporary revenue bonds through direct placement to pay the costs of urban renewal projects on Shoreline Drive and Jackson Street pier. The bonds mature on July 31, 2020. The entire \$4,700,000 has been expended for construction. In keeping with the substance of the transaction, the City accounted for the temporary revenue bonds by following the guidance for bond anticipation notes.

**NOTE 19 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2019, was as follows:

	Interest Rate	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2001 Various Purpose	3.00-5.05%	\$45,000	\$0	\$15,000	\$30,000	\$15,000
2011 Library Improvement Refunding	2.00-4.25	1,885,000	0	345,000	1,540,000	360,000
Bond Premium		55,460	0	10,151	45,309	0
2015 City Complex Refunding	1.35-3.00	1,580,000	0	770,000	810,000	810,000
2015 Police Pension Refunding	1.35-3.00	242,986	0	27,711	215,275	27,711
2015 Fire Pension Refunding	1.35-3.00	327,014	0	37,289	289,725	37,289
2015 Various Purpose Refunding	1.35-3.00	2,149,468	0	329,867	1,819,601	347,301
General Obligation Bonds from Direct Placements						
2014 Various Purpose Refunding	3.05	90,000	0	10,000	80,000	10,000
<b>Total General Obligation Bonds</b>		<b>6,374,928</b>	<b>0</b>	<b>1,545,018</b>	<b>4,829,910</b>	<b>1,607,301</b>

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

	Interest Rate	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
<b><u>Governmental Activities</u></b> (continued)						
Revenue Bonds from Direct Placements						
2013 Urban Renewal	2.55	\$410,000	\$0	\$410,000	\$0	\$0
Special Assessment Bonds with Government Commitment						
Special Assessment Bonds	3.00-6.00	1,668,972	0	163,573	1,505,399	142,700
2008 Bond Premium		69,682	0	5,290	64,392	0
Total Special Assessment Bonds		1,738,654	0	168,863	1,569,791	142,700
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		5,278,154	3,816,054	0	9,094,208	0
Ohio Police and Fire Pension		18,463,847	6,391,808	0	24,855,655	0
Total Net Pension Liability		23,742,001	10,207,862	0	33,949,863	0
Net OPEB Liability						
Ohio Public Employees Retirement System		3,528,639	688,932	0	4,217,571	0
Ohio Police and Fire Pension		17,045,117	0	14,272,130	2,772,987	0
Total Net OPEB Liability		20,573,756	688,932	14,272,130	6,990,558	0
Compensated Absences		2,367,996	333,497	153,973	2,547,520	434,372
Claims		600,018	0	6,228	593,790	231,948
Total Other Long-Term Obligations		47,283,771	11,230,291	14,432,331	44,081,731	666,320
Total Governmental Activities		\$55,807,353	\$11,230,291	\$16,556,212	\$50,481,432	\$2,416,321
<b><u>Business-Type Activities</u></b>						
General Obligation Revenue Bonds from Direct Placements						
2014 Various Purpose Refunding	3.05%	\$110,000	\$0	\$5,000	\$105,000	\$5,000
2014 Various Purpose Refunding	3.05	1,165,000	0	75,000	1,090,000	80,000
Total General Obligation Revenue Bonds		1,275,000	0	80,000	1,195,000	85,000
OWDA Loans from Direct Borrowings						
Water	4.60-5.20	14,768,836	20,147	1,265,423	13,523,560	1,323,564
Sewer	4.27-6.39	27,375,658	492,166	1,996,991	25,870,833	2,089,836
Total OWDA Loans		42,144,494	512,313	3,262,414	39,394,393	3,413,400
Other Long-Term Obligations						
Net Pension Liability						
Ohio Public Employees Retirement System		4,680,628	3,714,027	0	8,394,655	0
Net OPEB Liability						
Ohio Public Employees Retirement System		3,129,174	763,970	0	3,893,144	0
Compensated Absences		722,073	40,721	83,311	679,483	147,834
Total Other Long-Term Obligations		8,531,875	4,518,718	83,311	12,967,282	147,834
Total Business-Type Activities		\$51,951,369	\$5,031,031	\$3,425,725	\$53,556,675	\$3,646,234

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

2001 Various Purpose General Obligation Bonds

In 2001, the City issued \$6,037,200 in unvoted general obligation bonds for the Downtown Streetscape project, the Lane Street project, the Butler Street capacity project, the Columbus Avenue underpass, the City building project, the Transit building project, the Plaza project, the Fire Station project, and the Remington Avenue project. The bonds were issued for a twenty-five year period with maturity beginning June 1, 2001. The bonds will be paid from the General Bond Retirement debt service fund. During 2007, \$4,183,404 of these bonds was refunded.

2011 Library Improvement Refunding General Obligation Bonds

On May 19, 2011, the City issued \$4,090,000 in unvoted current refunding general obligation bonds to refund bonds previously issued for renovating and improving the City library. The bonds were issued for a twelve year period with maturity beginning December 1, 2012. The bonds will be paid from the General Bond Retirement debt service fund.

The City of Sandusky and the Sandusky Library Association, an Ohio not-for-profit corporation, have entered into a contractual agreement whereby the City originally issued bonds for library construction and renovations. As part of the agreement, the City will lease (for zero rent charges or lease payments) the library (real property, including building and improvements) for a period of twenty-five years, or until the bonds are paid off. Upon full payment of the debt, all of the new construction and improvements will become the property of the Sandusky Library Association.

2014 Various Purpose Refunding General Obligation Bonds

On July 29, 2014, the City issued \$370,000 in current refunding general obligation bonds through a direct placement to refund 2005 various purpose bonds previously issued for acquiring two fire pumper trucks and the grade separation project. The bonds were issued for a twelve year period with maturity beginning December 1, 2014. The bonds will be paid from the General Bond Retirement debt service fund.

2015 City Complex Refunding General Obligation Bonds

On December 2, 2015, the City issued \$3,675,000 in current refunding general obligation bonds to refund \$3,665,000 in unvoted refunding general obligation bonds for the construction of a city service complex. The bonds were issued for a five year period with maturity beginning December 1, 2016. The bonds will be paid from the General Bond Retirement debt service fund.

2015 Police Pension Refunding General Obligation Bonds

On December 2, 2015, the City issued \$330,383 in current refunding general obligation bonds to refund \$332,538 in pension general obligation refunding bonds previously issued. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Police Pension special revenue fund.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

2015 Fire Pension Refunding General Obligation Bonds

On December 2, 2015, the City issued \$447,617 in current refunding general obligation bonds to refund \$447,462 in pension general obligation refunding bonds previously issued. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Fire Pension special revenue fund.

2015 Various Purpose Refunding General Obligation Bonds

On December 2, 2015, the City issued \$3,099,069 in current refunding general obligation bonds to refund \$3,084,070 in current refunding general obligation bonds previously issued for the Downtown Streetscape project, the Lane Street project, the Butler Street capacity project, the Columbus Avenue underpass, the Transit building project, the Plaza project, the Fire Station project, and the Remington Avenue project. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the General Bond Retirement debt service fund.

2013 Urban Renewal Revenue Bonds

On March 28, 2013, the City issued \$2,680,000 in revenue bonds through a direct placement to pay the costs of urban renewal activities in the Bayfront Urban Revitalization Area. The bonds were issued for a seven year period with maturity beginning December 1, 2013, and are payable solely from payment in lieu of taxes revenues. The bonds were fully retired during 2019 from the Urban Renewal Debt Retirement debt service fund.

Special Assessment Bonds

The special assessment bonds are backed by the full faith and credit of the City of Sandusky. In the event that an assessed property owner fails to make payments or insufficient amounts are assessed to fund the debt, the City will be required to pay the related debt. The special assessment bonds were used to pay for projects that were not capitalized by the City.

On December 2, 2015, the City issued \$180,931 in current refunding special assessment bonds to refund \$200,930 in bonds previously issued for the Remington Avenue, Seneca, Huntington, and Sidewalk projects. The bonds were issued for an eleven year period with maturity beginning December 1, 2016. The bonds will be paid from the Special Assessment Bond Retirement debt service fund.

Net Pension/OPEB Liability

There is no repayment schedule for the net pension/OPEB liability; however, employer pension contributions are made from the General Fund, the Street Maintenance, Public Transit, Fire Pension, Police Pension, Court Computerization, and Municipal Probation special revenue funds, the Capital Projects and Various Improvement capital projects funds, and the Water and Sewer enterprise funds. For additional information related to the net pension/OPEB liability, see Notes 15 and 16 to the basic financial statements.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

Compensated Absences Payable

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund, the Street Maintenance, Public Transit, Court Computerization, and Municipal Probation special revenue funds, the Capital Projects and Various Improvement capital projects funds, and the Water and Sewer enterprise funds.

Claims Payable

Claims will be paid from the internal service fund.

General Obligation Revenue Bonds

The general obligation revenue bonds are liabilities of the Water and Sewer enterprise funds and pledge their respective revenues for repayment to the extent resources are available. The bonds also pledge the full faith and credit and taxing ability of the City in the event the enterprise funds' revenues are not sufficient to meet the principal and interest requirements.

2014 Various Purpose Refunding

On July 29, 2014, the City issued \$1,630,000 in current refunding general obligation bonds through direct placement to refund 2005 various purpose bonds previously issued for improvements to the Big Island water works building and improvements to the municipal wastewater system. The bonds were issued for a seventeen year period with maturity beginning December 1, 2014. The bonds will be paid from the Water and Sewer enterprise funds.

OWDA Loans

The City entered into agreements from direct borrowings with the Ohio Water Development Authority for loans for water plant improvements, water treatment plant electrical improvements, chemical improvements, water treatment plant powder activated carbon feed system, Jackson Street pier rehabilitation, Shoreline Drive rehabilitation, ultraviolet treatment, sewer rehabilitation, flow monitors, sludge digestion system improvements, Cedar Point pump station, settling tank improvements, wastewater treatment plant expansion, wastewater treatment plant phase II design, east end sewer improvements, wastewater treatment plant grit tank improvements, and pier track and farwell pump station upgrades. OWDA loans will be paid from resources of the Water and Sewer enterprise funds.

The OWDA loans will be paid from the gross revenues of the Water and Sewer enterprise funds after provisions for reasonable operating and maintenance expenses. Annual principal and interest payments are expected to require less than 100 percent of these net revenues in future years. The total principal and interest currently remaining to be paid on the OWDA loans, for completed projects for which amortization schedules are available, is \$51,558,243. Principal and interest paid for the current year and net revenues were \$1,766,241 and \$1,552,822 from the Water enterprise fund and \$2,974,294 and \$4,032,478 for the Sewer enterprise fund. The OWDA loans are payable through 2047.

In the event of default on the loans, (1) the amount of the default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within thirty days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to OWDA, and (3) for each additional thirty days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

The City's legal debt margin was \$35,568,402 at December 31, 2019.

Principal and interest requirements to retire governmental activities general long-term obligations outstanding at December 31, 2019, were as follows:

Year	General Obligation Bonds		From Direct Placement		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$1,597,301	\$136,191	\$10,000	\$2,440	\$142,700	\$85,410
2021	802,300	102,094	10,000	2,135	147,699	78,261
2022	680,000	77,061	15,000	1,830	145,000	70,712
2023	700,000	53,149	15,000	1,373	160,000	62,362
2024	300,000	27,750	15,000	915	170,000	53,250
2025-2028	625,000	28,200	15,000	457	740,000	110,850
	<u>\$4,704,601</u>	<u>\$424,445</u>	<u>\$80,000</u>	<u>\$9,150</u>	<u>\$1,505,399</u>	<u>\$460,845</u>

The Jackson Street pier rehabilitation, Shoreline Drive rehabilitation, and pier track and farwell pump station upgrades projects funded by OWDA loans have not been completed. An amortization schedule for the repayment of the loans will not be available until the projects are completed and, therefore, are not included in the following schedule. Lines of credit with OWDA have been established for these projects which are not yet completed, in the amount of \$9,032,338.

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2019, from the enterprise funds were as follows:

Year	From Direct Placement		From Direct Borrowings	
	2014 Various Purpose Refunding		OWDA Loans	
	Principal	Interest	Principal	Interest
2020	\$85,000	\$36,447	\$3,413,400	\$1,362,911
2021	90,000	33,855	3,571,734	1,231,401
2022	95,000	31,110	3,546,891	1,093,551
2023	100,000	28,213	3,515,564	960,609
2024	105,000	25,162	2,696,520	825,194
2025-2029	585,000	75,182	6,157,913	3,235,358
2030-2034	135,000	4,118	5,653,844	2,332,653
2035-2039	0	0	6,347,781	1,305,444
2040-2044	0	0	3,263,257	295,512
2045-2047	0	0	715,176	33,530
	<u>\$1,195,000</u>	<u>\$234,087</u>	<u>\$38,882,080</u>	<u>\$12,676,163</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

Long-term obligations at December 31, 2019, consisted of the following issues:

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/19
<b>General Obligation Bonds</b>				
2001 Various Purpose	2001-2026	3.00-5.05%	\$6,037,200	\$30,000
2011 Library Improvement Refunding	2011-2023	2.00-4.25	4,090,000	1,540,000
2014 Various Purpose Refunding	2014-2028	3.05	370,000	80,000
2015 City Complex Refunding	2015-2026	1.35-3.00	3,675,000	810,000
2015 Police Pension Refunding	2015-2026	1.35-3.00	330,383	215,275
2015 Fire Pension Refunding	2015-2026	1.35-3.00	444,617	289,725
2015 Various Purpose Refunding	2015-2026	1.35-3.00	3,099,069	1,819,601
			18,046,269	4,784,601
<b>Special Assessment Bonds</b>				
2008 Cold Creek	2008-2028	4.00-6.00	2,425,000	1,400,000
2015 Remington Refunding	2015-2026	3.00	35,931	15,399
2015 Seneca Refunding	2015-2026	3.00	28,000	21,000
2015 Huntington Refunding	2015-2026	3.00	92,000	69,000
			2,580,931	1,505,399
<b>Water</b>				
2014 Various Purpose Refunding	2014-2030	3.05	140,000	105,000
<b>Sewer</b>				
2014 Various Purpose Refunding	2014-2030	3.05	1,490,000	1,090,000
			1,630,000	1,195,000
			\$22,257,200	\$7,485,000
<b>OWDA Loans</b>				
<b>Water</b>				
2003 Water Plant Improvements	2004-2024	5.20	19,993,686	3,079,553
2005 WTP Electrical Improvements	2005-2026	4.60	8,628,362	3,497,216
2011 Chemical Improvements	2011-2042	4.45	5,797,022	5,308,494
2016 WTP PAC Feed System	2018-2037	0.00	639,862	1,618,150
2019 Jackson St. Pier Rehab	2021-2041	1.91	3,930	3,930
2019 Shoreline Dr. Rehab	2021-2051	2.80	16,217	16,217
			35,079,079	13,523,560

(continued)



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 19 - LONG-TERM OBLIGATIONS** (continued)

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/19
OWDA Loans (continued)				
Sewer				
1998 Ultraviolet Treatment	2001-2026	5.56%	\$2,110,930	\$848,266
1999 Sewer Rehabilitation	2001-2025	6.13	350,878	136,892
2000 Sewer Rehabilitation	2001-2026	6.39	713,436	277,488
2000 CSO Flow Monitors	2001-2026	6.39	306,536	137,765
2000 Sludge Digestion System	2001-2026	6.03	1,409,888	505,529
2001 Cedar Point Pump Station	2002-2022	5.05	4,393,697	831,357
2001 Final Settling Tank Improv	2002-2022	5.05	383,484	54,852
2002 WWTP Expansion	2003-2024	4.65	26,286,934	4,767,893
2007 WWTP Phase II Design	2008-2041	4.27	13,438,130	11,259,382
2015 East End Sewer Improv	2015-2047	2.65	4,873,920	4,911,458
2016 WWTP Grit Tank Improv	2018-2037	2.21	1,627,610	1,647,785
2019 Pier Track & Farwell Pump Station Upgrades	2021-2041	0.00	492,166	492,166
			56,387,609	25,870,833
			\$91,466,688	\$39,394,393

**NOTE 20 - OPERATING LEASE**

In February 1985, the City entered into an operating lease with Sandusky Bay Investment Company, Limited, whereby Sandusky Bay Investment Company, Limited leased 32.9 acres of land and water for operating and maintaining a park, parking areas, and marina. The basic lease term is for forty years and the lessee has the option to renew for two additional ten year periods. The lessee is also required to make annual deposits of \$10,000 into a fund held by the City, which is to be used at the discretion of the lessee for routine structural repairs to the marina breakwall, restaurant, and other major repairs as may be needed from time to time. At the termination of the lease, any funds remaining in this account shall be used by the City for structural repairs and maintenance of Battery Park.

The capital assets for governmental activities include the City's investment of \$1,948,680 for land and improvements and \$91,576 for floating docks. The leaseholder's improvements are not recorded in the capital assets for governmental activities.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

**NOTE 20 - OPERATING LEASE** (continued)

For 2019, the City received payments, in the amount of \$30,000. Future annual lease payments to be received are as follows:

Year	Annual Lease Payment
2020	\$30,000
2021	30,000
2022	30,000
2023	30,000
2024	30,000
Total minimum future rentals	\$150,000

Beginning in 2000, Sandusky Bay Investment Company, Limited is required to pay additional rents to the City if net income is reported for that year. The additional rent will be 2 percent of gross income. The City received \$23,673 in additional rent in 2019.

**NOTE 21 - FUND BALANCE**

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

Fund Balance	General	Capital Projects	Other Governmental Funds
Nonspendable for:			
Prepaid Items	\$132,987	\$13	\$19,585
Materials and Supplies			
Inventory	107,851	0	282,200
Unclaimed Monies	125,357	0	0
Total Nonspendable	366,195	13	301,785
Restricted for:			
Capital Improvements	0	0	544,360
Cemetery Operations	0	0	628,931
Court Computerization	0	0	206,180
Debt Retirement	0	0	1,349,774
Drug and Alcohol Treatment/ Enforcement	0	0	137,311
Economic Development and Rehabilitation	0	0	3,653,648

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
(continued)

**NOTE 21 - FUND BALANCE** (continued)

Fund Balance	General	Capital Projects	Other Governmental Funds
Restricted for (continued)			
Electronic Monitoring	\$0	\$0	\$11,636
Police and Fire Operations	0	0	325,244
Probation	0	0	413,854
Recreation	0	0	313,792
Street Construction and Maintenance	0	0	428,876
Total Restricted	<u>0</u>	<u>0</u>	<u>8,013,606</u>
Committed for:			
Capital Improvements	<u>0</u>	<u>0</u>	<u>72,927</u>
Assigned for:			
Future Severance Payments	<u>1,031,536</u>	<u>0</u>	<u>0</u>
Unassigned (Deficit)	<u>5,434,227</u>	<u>(3,615,631)</u>	<u>(201,005)</u>
Total Fund Balance (Deficit)	<u>\$6,831,958</u>	<u>(\$3,615,618)</u>	<u>\$8,187,313</u>

**NOTE 22 - INTERNAL BALANCES AND TRANSFERS**

The City uses an internal proportionate share to allocate its net pension/OPEB liability (asset) and corresponding deferred outflows/inflows of resources and pension expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the deferred outflows/inflows of resources in the governmental activities and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column of the government-wide statement of net position thus allowing the total column to present the change in proportionate share for the City as a whole.

Eliminations made in the business-type activities column related to pension and OPEB include deferred outflows of resources and deferred inflows of resources for pension, in the amount of \$1,245, respectfully.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 22 - INTERNAL BALANCES AND TRANSFERS** (continued)

During 2019, the General Fund made transfers to other governmental funds, in the amount of \$403,299, to move receipts as debt payments became due, in the amount of \$1,854,001, to subsidize various activities in other funds, and to the Capital Projects Fund, in the amount of \$3,081,886, to fund various capital projects activities. Other governmental funds made transfers to other governmental funds, in the amount of \$21,882, to subsidize various activities in other funds, and to the Capital Projects Fund to fund various capital projects activities, in the amount of \$600,000.

**NOTE 23 - JOINTLY GOVERNED ORGANIZATIONS**

**A. City of Sandusky, Ohio Energy Special Improvement District**

The City participates in the City of Sandusky, Ohio Energy Special Improvement District (ESID). ESID is a 501(c)(3) not-for-profit corporation established under Chapter 1710 of the Ohio Revised Code. The ESID was created to encourage property owners to undertake special energy improvement projects. The ESID is governed by a five member board of directors consisting of the City Manager (or their designee), one member appointed by the City Commission, and the remaining three directors elected by the members. Financial information can be obtained from the City of Sandusky, Ohio Energy Special Improvement District, 247 Columbus Avenue, Suite 126, Sandusky, Ohio 44870.

**B. Regional Income Tax Agency**

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for administering income tax laws of the members and for collecting income taxes on behalf of each member. RITA currently has approximately three hundred fifty members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operations including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the council. For 2019, the City's total cost for income tax collection services is not yet available; however, these costs are not expected to differ significantly from 2018. For 2018, the City paid \$357,515 for tax collection services.

**NOTE 24 - CONTINGENT LIABILITIES**

**A. Litigation**

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2019**  
**(continued)**

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**NOTE 24 - CONTINGENT LIABILITIES** (continued)

**B. Federal and State Grants**

For the period January 1, 2019, to December 31, 2019, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

**NOTE 25 - SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods for the City. The City's investment portfolio and the investments of the pension and other employee benefit plans in which the City participates fluctuate with market conditions, and due to market volatility, the amount of gains and losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact of the City's future operating costs, revenues, and the amount of any recovery from emergency funding, either federal or state, cannot be estimated.

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional  
 Last Six Years (1)

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.06385600%	0.06348000%	0.05993600%	0.05657000%
City's Proportionate Share of the Net Pension Liability	\$17,488,863	\$9,958,782	\$13,610,446	\$9,798,637
City's Covered Payroll	\$8,624,943	\$8,386,808	\$7,748,042	\$7,040,636
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	202.77%	118.74%	175.66%	139.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>
0.05413300%	0.05413300%
\$6,529,045	\$6,381,575
\$6,636,717	\$6,315,003
98.38%	101.05%
86.45%	86.36%





City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Asset  
 Ohio Public Employees Retirement System - Combined  
 Last Two Years (1)

	<u>2019</u>	<u>2018</u>
City's Proportion of the Net Pension Asset	0.07060200%	0.05063000%
City's Proportionate Share of the Net Pension Asset	\$78,948	\$68,923
City's Covered Payroll	\$301,957	\$207,354
City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	-26.15%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Police and Fire Pension Fund  
 Last Six Years (1)

	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.304505000%	0.300839000%	0.305697000%	0.308624000%
City's Proportionate Share of the Net Pension Liability	\$24,855,655	\$18,463,847	\$19,362,543	\$19,853,999
City's Covered Payroll	\$6,762,547	\$6,537,953	\$6,782,513	\$6,160,041
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	367.55%	282.41%	285.48%	322.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>
0.032333090%	0.032333090%
\$16,749,889	\$15,747,229
\$6,350,923	\$6,220,489
263.74%	253.15%
71.71%	73.00%

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Public Employees Retirement System  
 Last Three Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.06221000%	0.06131000%	0.05806000%
City's Proportionate Share of the Net OPEB Liability	\$8,110,715	\$6,657,813	\$5,864,257
City's Covered Payroll	\$9,023,375	\$8,682,112	\$8,022,809
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	89.89%	76.68%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Sandusky  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net OPEB Liability  
 Ohio Police and Fire Pension Fund  
 Last Three Years (1)

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.03045050%	0.30083900%	0.30569700%
City's Proportionate Share of the Net OPEB Liability	\$2,772,987	\$17,045,117	\$14,510,749
City's Covered Payroll	\$6,762,547	\$6,537,953	\$6,782,513
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	41.01%	260.71%	213.94%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See Accompanying Notes to the Required Supplementary Information

City of Sandusky  
Required Supplementary Information  
Schedule of the City's Contributions  
Ohio Public Employees Retirement System  
Last Seven Years (1)

	2019	2018	2017	2016
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$1,297,179	\$1,207,492	\$1,090,285	\$929,765
Contributions in Relation to the Contractually Required Contribution	<u>(1,297,179)</u>	<u>(1,207,492)</u>	<u>(1,090,285)</u>	<u>(929,765)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$9,265,564	\$8,624,943	\$8,386,808	\$7,748,042
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%
<b>Net Pension Liability - Combined Plan</b>				
Contractually Required Contribution	\$44,639	\$42,274	\$26,956	\$20,471
Contributions in Relation to the Contractually Required Contribution	<u>(44,639)</u>	<u>(42,274)</u>	<u>(26,956)</u>	<u>(20,471)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll	\$318,850	\$301,957	\$207,354	\$170,592
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net Pension Liability - OPEB Plan (2)</b>				
Contractually Required Contribution	\$4,154	\$3,859	\$89,460	\$162,540
Contributions in Relation to the Contractually Required Contribution	<u>(4,154)</u>	<u>(3,859)</u>	<u>(89,460)</u>	<u>(162,540)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered Payroll (3)	\$9,688,264	\$9,023,375	\$8,682,112	\$8,022,809
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.04%</u>	<u>1.03%</u>	<u>2.03%</u>

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member-directed plan. The member-directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See Accompanying Notes to the Required Supplementary Information

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$844,876	\$796,406	\$820,950
<u>(844,876)</u>	<u>(796,406)</u>	<u>(820,950)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,040,636	\$6,636,717	\$6,315,003
12.00%	12.00%	13.00%
\$19,141	\$22,734	\$27,514
<u>(19,141)</u>	<u>(22,734)</u>	<u>(27,514)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$159,508	\$189,450	\$211,646
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

City of Sandusky  
Required Supplementary Information  
Schedule of the City's Contributions  
Ohio Police and Fire Pension Fund  
Last Ten Years

	2019	2018	2017	2016	2015
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$1,470,536	\$1,436,671	\$1,391,412	\$1,439,873	\$1,312,384
Contributions in Relation to the Contractually Required Contribution	<u>(1,470,536)</u>	<u>(1,436,671)</u>	<u>(1,391,412)</u>	<u>(1,439,873)</u>	<u>(1,312,384)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$6,911,019	\$6,762,547	\$6,537,953	\$6,782,513	\$6,160,041
Contributions as a Percentage of Covered Payroll	21.28%	21.24%	21.28%	21.23%	21.30%
<b>Net OPEB Liability</b>					
Contractually Required Contribution	\$34,555	\$33,813	\$32,690	\$33,913	\$30,800
Contributions in Relation to the Contractually Required Contribution	<u>(34,555)</u>	<u>(33,813)</u>	<u>(32,690)</u>	<u>(33,913)</u>	<u>(30,800)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

(1) The City's Covered payroll is the same for pension and OPEB

See Accompanying Notes to the Required Supplementary Information



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$1,353,119	\$1,133,780	\$953,465	\$945,225	\$981,158
<u>(1,353,119)</u>	<u>(1,133,780)</u>	<u>(953,465)</u>	<u>(945,225)</u>	<u>(981,158)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,350,923	\$6,220,489	\$6,309,717	\$6,328,318	\$6,556,016
21.31%	18.23%	15.11%	14.94%	14.97%
\$31,755	\$224,975	\$425,906	\$427,162	\$442,531
<u>(31,755)</u>	<u>(224,975)</u>	<u>(425,906)</u>	<u>(427,162)</u>	<u>(442,531)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.50%	3.62%	6.75%	6.75%	6.75%

City of Sandusky  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2019

**Changes in Assumptions - OPERS Pension - Traditional Plan**

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented below.

	<u>2019</u>	<u>2017</u>	<u>2016 and Prior</u>
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA			
Pre-January 7, 2013	3 percent simple	3 percent simple	3 percent simple
Post-January 7, 2013	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.15 percent simple	3 percent simple through 2018, then 2.8 percent simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	individual entry age	individual entry age	individual entry age

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant Mortality Table. For males, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base of 2006 and then established the base year as 2015. For females, healthy annuitant mortality tables were used adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality Table adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables were determined by applying the MP-2015 Mortality Improvement Scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected twenty years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 Mortality Table with no projections. For males, 120 percent of the disabled female mortality rates were used, set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions - OPERS Pension - Combined Plan**

For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

City of Sandusky  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2019

**Changes in Assumptions - OPF Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OPF in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below.

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	individual entry age	individual entry age
Investment Rate of Return	8 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	inflation rate of 2.75 percent plus productivity increase rate of .5 percent	inflation rate of 3.25 percent plus productivity increase rate of .5 percent
Cost of Living Adjustments	3 percent simple; 2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent	3 percent simple; 2.6 percent simple for increase based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for nondisabled participants was based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68 - 77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled participants was based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60 - 69	60	45
70 - 79	75	70
80 and up	100	90

City of Sandusky  
Notes to Required Supplementary Information  
For the Year Ended December 31, 2019

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Amounts reported for 2017 and prior use valuation, rates of death were based on the RP-2000 Combined Table age adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis with a base year of 2009 using Mortality Improvement Scale AA.

**Changes in Assumptions - OPERS OPEB**

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent initial, 3.25 percent ultimate in 2029.

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent. For 2018, the health care cost trend rate was 7.25 percent initial, 3.25 percent ultimate in 2028.

**Changes in Assumptions - OPF OPEB**

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

**Changes in Benefit Terms - OPF OPEB**

For 2019, OPF recognized a change in benefit terms. Under this new model, OPF provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

### **Nonmajor Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the City's nonmajor special revenue funds.

#### Street Maintenance

To account for 92.5 percent of the state-levied and state-controlled gasoline tax and motor vehicle license fees remitted to the City by state formula and the special \$5 license fee the City is permitted to impose by virtue of Ohio law. Resources are restricted for street maintenance and repairs.

#### State Highway

To account for 7.5 percent of the state-levied and state-controlled gasoline tax and motor vehicle license fees remitted to the City by state formula. Resources are restricted for maintenance and repairs of state highways within the City. State highways represent approximately 10 percent of the roads inside the City limits.

#### Public Transit

To account for resources from the federal and state government, from charges to users of the public transit system, and from transfers. Resources are restricted for operations of the public transit system.

#### Fire Pension

To account for property taxes and transfers from the General Fund restricted for payment of pension contributions and related debt.

#### Police Pension

To account for property taxes and transfers from the General Fund restricted for payment of pension contributions and related debt.

#### State Grants

To account for grants and other resources received under the community development block grant program, the revolving loan program, and other state grants. Resources are restricted to the purposes outlined in the grant.

#### Federal Grants

To account for grants and other resources received from the federal government. Resources are restricted to the purposes outlined in the grant.

#### Indigent Drivers Alcohol

To account for fees and grants restricted for the costs of treatment at a certified alcohol and drug addiction program.

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Enforcement and Education

To account for fines and forfeitures charged for driving under the influence arrests. Resources are restricted to educating the public on laws governing the operation of a motor vehicle while under the influence of alcohol.

Court Computerization

To account for fines collected by the municipal court and restricted for computerization of the clerk of court's office.

Indigent Telephone

To account for resources restricted to paying the costs of providing house detention for eligible indigent offenders.

Municipal Probation

To account for fees collected by the municipal court and restricted to payment of the costs of the municipal probation department.

General Trust

To account for contraband forfeitures, grant monies for the Sandusky/Erie County Foundation K-9 Program, and various resources donated to the City and restricted for various improvements in the City.

Park Donations

To account for donations from the Fred G. Epple Estate and charges for greenhouse rentals restricted for operation and maintenance of the City's parks.

Cemetery Donations

To account for charges for burials and donations restricted for operation and maintenance of the cemetery.

Battery Park Maintenance

To account for an annual deposit made by the Sandusky Bay Investment Company, per the lease agreement of the Battery Park area, restricted for maintenance and repairs of the facilities. Any funds remaining at the end of the lease shall be used by the City for structural repairs and maintenance of Battery Park.

Fire Escrow Fund

To account for insurance proceeds for structures destroyed by fires restricted to assure that the property is appropriately remediated. When remediated, the insurance proceeds are released to the property owner. Failure by the property owner to properly remediate the property, the proceeds will be used by the City to remediate the property. This fund is not included in the entity for which the appropriated budget is adopted; therefore, no budgetary statement is presented.

(continued)

### **Nonmajor Debt Service Funds**

Debt service funds are used to account for resources that are restricted, committed, or assigned to expenditure for principal, interest, and related costs.

#### General Bond Retirement

To account for property taxes and income taxes that are restricted for the payment of principal, interest, and fiscal charges on general obligation debt.

#### Urban Renewal Debt Retirement

To account for tax increment financing resources that are restricted for the payment of principal, interest, and fiscal charges on urban renewal debt.

#### Special Assesment Bond Retirement

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

### **Nonmajor Capital Projects Funds**

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by the enterprise funds).

#### Real Estate Development

To account for the proceeds from the sale of property restricted for the construction or acquisition of permanent improvements.

#### Capital Improvement

To account for income taxes committed by City ordinance to be used for capital improvements.

#### Redevelopment Tax Increment

To account for payments collected in lieu of taxes restricted for improvements at Battery Park Marina.

#### Various Improvement

To account for charges to property owners restricted for demolition or nuisance removal.



City of Sandusky  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,115,005	\$1,266,766	\$966,507	\$5,348,278
Accounts Receivable	60,815	0	44,350	105,165
Accrued Interest Receivable	5,075	0	0	5,075
Due from Other Governments	662,194	21,872	0	684,066
Prepaid Items	19,292	0	293	19,585
Municipal Income Taxes Receivable	0	193,444	154,756	348,200
Other Local Taxes Receivable	34,200	0	0	34,200
Materials and Supplies Inventory	282,200	0	0	282,200
Property Taxes Receivable	273,234	423,685	0	696,919
Payment in Lieu of Taxes Receivable	0	557,968	0	557,968
Notes Receivable	2,916,840	0	91,584	3,008,424
Special Assessments Receivable	0	1,873,481	0	1,873,481
Total Assets	<u>\$7,368,855</u>	<u>\$4,337,216</u>	<u>\$1,257,490</u>	<u>\$12,963,561</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$38,140	\$0	\$5,627	\$43,767
Accounts Payable	397,426	0	7,391	404,817
Contracts Payable	280,765	0	0	280,765
Due to Other Governments	125,186	0	2,039	127,225
Unearned Revenue	82,792	0	0	82,792
Total Liabilities	<u>924,309</u>	<u>0</u>	<u>15,057</u>	<u>939,366</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	255,206	395,742	0	650,948
Payment in Lieu of Taxes	0	557,968	0	557,968
Unavailable Revenue	461,535	2,033,732	132,699	2,627,966
Total Deferred Inflows of Resources	<u>716,741</u>	<u>2,987,442</u>	<u>132,699</u>	<u>3,836,882</u>
<u>Fund Balance</u>				
Nonspendable	301,492	0	293	301,785
Restricted	5,627,318	1,349,774	1,036,514	8,013,606
Committed	0	0	72,927	72,927
Unassigned (Deficit)	(201,005)	0	0	(201,005)
Total Fund Balance	<u>5,727,805</u>	<u>1,349,774</u>	<u>1,109,734</u>	<u>8,187,313</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$7,368,855</u>	<u>\$4,337,216</u>	<u>\$1,257,490</u>	<u>\$12,963,561</u>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$227,916	\$111,163	\$110,013	\$10,000	\$10,001
Accounts Receivable	0	0	60,815	0	0
Accrued Interest Receivable	131	0	0	0	0
Due from Other Governments	492,478	39,931	109,930	7,056	7,056
Prepaid Items	19,011	56	138	0	0
Other Local Taxes Receivable	34,200	0	0	0	0
Materials and Supplies Inventory	282,200	0	0	0	0
Property Taxes Receivable	0	0	0	136,617	136,617
Notes Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$1,055,936</b>	<b>\$151,150</b>	<b>\$280,896</b>	<b>\$153,673</b>	<b>\$153,674</b>
<u>Liabilities</u>					
Accrued Wages Payable	\$33,680	\$0	\$3,877	\$0	\$0
Accounts Payable	17,451	0	378,835	0	0
Contracts Payable	0	0	0	0	0
Due to Other Governments	11,203	79	1,134	60,321	52,012
Unearned Revenue	0	0	0	0	0
<b>Total Liabilities</b>	<b>62,334</b>	<b>79</b>	<b>383,846</b>	<b>60,321</b>	<b>52,012</b>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	127,603	127,603
Unavailable Revenue	383,440	31,090	5,585	16,070	16,070
<b>Total Deferred Inflows of Resources</b>	<b>383,440</b>	<b>31,090</b>	<b>5,585</b>	<b>143,673</b>	<b>143,673</b>
<u>Fund Balance</u>					
Nonspendable	301,211	56	138	0	0
Restricted	308,951	119,925	0	0	0
Unassigned (Deficit)	0	0	(108,673)	(50,321)	(42,011)
<b>Total Fund Balance (Deficit)</b>	<b>610,162</b>	<b>119,981</b>	<b>(108,535)</b>	<b>(50,321)</b>	<b>(42,011)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$1,055,936</b>	<b>\$151,150</b>	<b>\$280,896</b>	<b>\$153,673</b>	<b>\$153,674</b>

State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation	General Trust
\$215,344	\$251,355	\$118,385	\$19,063	\$206,431	\$11,636	\$400,020	\$389,993
0	0	0	0	0	0	0	0
0	4,944	0	0	0	0	0	0
0	5,185	558	0	0	0	0	0
0	0	0	0	0	0	13	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
1,875,206	1,041,634	0	0	0	0	0	0
<u>\$2,090,550</u>	<u>\$1,303,118</u>	<u>\$118,943</u>	<u>\$19,063</u>	<u>\$206,431</u>	<u>\$11,636</u>	<u>\$400,033</u>	<u>\$389,993</u>
\$0	\$0	\$0	\$0	\$195	\$0	\$388	\$0
0	445	695	0	0	0	0	0
0	280,765	0	0	0	0	0	0
180	0	0	0	56	0	113	0
0	0	0	0	0	0	0	0
180	281,210	695	0	251	0	501	0
0	0	0	0	0	0	0	0
0	9,280	0	0	0	0	0	0
0	9,280	0	0	0	0	0	0
0	0	0	0	0	0	13	0
2,090,370	1,012,628	118,248	19,063	206,180	11,636	399,519	389,993
0	0	0	0	0	0	0	0
2,090,370	1,012,628	118,248	19,063	206,180	11,636	399,532	389,993
<u>\$2,090,550</u>	<u>\$1,303,118</u>	<u>\$118,943</u>	<u>\$19,063</u>	<u>\$206,431</u>	<u>\$11,636</u>	<u>\$400,033</u>	<u>\$389,993</u>

(continued)

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2019  
(continued)

	Park Donations	Cemetery Donations	Battery Park Maintenance	Fire Escrow	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$249,043	\$629,019	\$72,831	\$82,792	\$3,115,005
Accounts Receivable	0	0	0	0	60,815
Accrued Interest Receivable	0	0	0	0	5,075
Due from Other Governments	0	0	0	0	662,194
Prepaid Items	0	74	0	0	19,292
Other Local Taxes Receivable	0	0	0	0	34,200
Materials and Supplies Inventory	0	0	0	0	282,200
Property Taxes Receivable	0	0	0	0	273,234
Notes Receivable	0	0	0	0	2,916,840
<b>Total Assets</b>	<b>\$249,043</b>	<b>\$629,093</b>	<b>\$72,831</b>	<b>\$82,792</b>	<b>\$7,368,855</b>
<u>Liabilities</u>					
Accrued Wages Payable	\$0	\$0	\$0	\$0	\$38,140
Accounts Payable	0	0	0	0	397,426
Contracts Payable	0	0	0	0	280,765
Due to Other Governments	0	88	0	0	125,186
Unearned Revenue	0	0	0	82,792	82,792
<b>Total Liabilities</b>	<b>0</b>	<b>88</b>	<b>0</b>	<b>82,792</b>	<b>924,309</b>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	0	255,206
Unavailable Revenue	0	0	0	0	461,535
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>716,741</b>
<u>Fund Balance</u>					
Nonspendable	0	74	0	0	301,492
Restricted	249,043	628,931	72,831	0	5,627,318
Unassigned (Deficit)	0	0	0	0	(201,005)
<b>Total Fund Balance (Deficit)</b>	<b>249,043</b>	<b>629,005</b>	<b>72,831</b>	<b>0</b>	<b>5,727,805</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$249,043</b>	<b>\$629,093</b>	<b>\$72,831</b>	<b>\$82,792</b>	<b>\$7,368,855</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2019

	General Bond Retirement	Urban Renewal Debt Retirement	Special Assessment Bond Retirement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$56,187	\$1,167,410	\$43,169	\$1,266,766
Due from Other Governments	21,872	0	0	21,872
Municipal Income Taxes Receivable	193,444	0	0	193,444
Property Taxes Receivable	423,685	0	0	423,685
Payment in Lieu of Taxes Receivable	0	557,968	0	557,968
Special Assessments Receivable	0	0	1,873,481	1,873,481
Total Assets	<u>\$695,188</u>	<u>\$1,725,378</u>	<u>\$1,916,650</u>	<u>\$4,337,216</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	\$395,742	\$0	\$0	\$395,742
Payment in Lieu of Taxes	0	557,968	0	557,968
Unavailable Revenue	160,251	0	1,873,481	2,033,732
Total Deferred Inflows of Resources	555,993	557,968	1,873,481	2,987,442
<u>Fund Balance</u>				
Restricted	139,195	1,167,410	43,169	1,349,774
Total Deferred Inflows of Resources and Fund Balance	<u>\$695,188</u>	<u>\$1,725,378</u>	<u>\$1,916,650</u>	<u>\$4,337,216</u>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2019

	Real Estate Development	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$452,776	\$6,520	\$45,632	\$461,579	\$966,507
Accounts Receivable	0	0	0	44,350	44,350
Prepaid Items	0	0	0	293	293
Municipal Income Taxes Receivable	0	154,756	0	0	154,756
Notes Receivable	91,584	0	0	0	91,584
<b>Total Assets</b>	<b>\$544,360</b>	<b>\$161,276</b>	<b>\$45,632</b>	<b>\$506,222</b>	<b>\$1,257,490</b>
<u>Liabilities</u>					
Accrued Wages Payable	\$0	\$0	\$0	\$5,627	\$5,627
Accounts Payable	0	0	0	7,391	7,391
Due to Other Governments	0	0	0	2,039	2,039
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,057</b>	<b>15,057</b>
<u>Deferred Inflows of Resources</u>					
Unavailable Revenue	0	88,349	0	44,350	132,699
<u>Fund Balance</u>					
Nonspendable	0	0	0	293	293
Restricted	544,360	0	45,632	446,522	1,036,514
Committed	0	72,927	0	0	72,927
<b>Total Fund Balance</b>	<b>544,360</b>	<b>72,927</b>	<b>45,632</b>	<b>446,815</b>	<b>1,109,734</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$544,360</b>	<b>\$161,276</b>	<b>\$45,632</b>	<b>\$506,222</b>	<b>\$1,257,490</b>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$256,372	\$397,356	\$0	\$653,728
Payment in Lieu of Taxes	0	527,531	0	527,531
Municipal Income Taxes	0	770,670	616,537	1,387,207
Other Local Taxes	410,530	0	0	410,530
Special Assessments	0	248,203	0	248,203
Charges for Services	758,544	0	86,828	845,372
Fees, Licenses, and Permits	108,097	0	345,143	453,240
Fines and Forfeitures	68,089	0	0	68,089
Intergovernmental	3,436,216	95,189	0	3,531,405
Interest	36,897	0	2,269	39,166
Other	137,096	0	345,548	482,644
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	5,211,841	2,038,949	1,396,325	8,647,115
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	744,522	0	0	744,522
Fire	845,405	0	0	845,405
Public Health	52,009	0	0	52,009
Leisure Time Activities	14,469	0	0	14,469
Community Environment	1,529,795	0	390,170	1,919,965
Transportation	3,941,559	0	0	3,941,559
General Government				
Other	0	0	140,290	140,290
Other	165,782	0	0	165,782
Debt Service:				
Principal Retirement	65,000	2,043,440	0	2,108,440
Interest and Fiscal Charges	14,060	276,838	0	290,898
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	7,372,601	2,320,278	530,460	10,223,339
Excess of Revenues Over (Under) Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(2,160,760)	(281,329)	865,865	(1,576,224)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	24,656	0	0	24,656
Transfers In	1,875,883	403,299	0	2,279,182
Transfers Out	(21,882)	0	(600,000)	(621,882)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	1,878,657	403,299	(600,000)	1,681,956
Changes in Fund Balance	(282,103)	121,970	265,865	105,732
Fund Balance Beginning of Year	6,009,908	1,227,804	843,869	8,081,581
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance End of Year	\$5,727,805	\$1,349,774	\$1,109,734	\$8,187,313

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$128,186	\$128,186
Other Local Taxes	410,530	0	0	0	0
Charges for Services	0	0	724,089	0	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	1,131,166	91,715	1,212,716	14,362	14,361
Interest	967	861	0	0	0
Other	28,892	946	34,906	0	0
<b>Total Revenues</b>	<b>1,571,555</b>	<b>93,522</b>	<b>1,971,711</b>	<b>142,548</b>	<b>142,547</b>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	0	0	670,338
Fire	0	0	0	841,788	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	1,278,840	72,763	2,589,956	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	37,289	27,711
Interest and Fiscal Charges	0	0	0	8,066	5,994
<b>Total Expenditures</b>	<b>1,278,840</b>	<b>72,763</b>	<b>2,589,956</b>	<b>887,143</b>	<b>704,043</b>
Excess of Revenues Over (Under) Expenditures	292,715	20,759	(618,245)	(744,595)	(561,496)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	0	0	24,656	0	0
Transfers In	17,444	0	529,428	742,558	564,571
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>17,444</b>	<b>0</b>	<b>554,084</b>	<b>742,558</b>	<b>564,571</b>
Changes in Fund Balance	310,159	20,759	(64,161)	(2,037)	3,075
Fund Balance (Deficit) Beginning of Year	300,003	99,222	(44,374)	(48,284)	(45,086)
<b>Fund Balance (Deficit) End of Year</b>	<b>\$610,162</b>	<b>\$119,981</b>	<b>(\$108,535)</b>	<b>(\$50,321)</b>	<b>(\$42,011)</b>



State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation	General Trust
\$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	31,449	0	0	11,451	65,197	0
0	0	0	5,133	29,553	0	0	33,403
24,270	911,346	0	0	0	0	0	36,280
4,586	9,597	0	0	0	0	0	0
1,939	8,768	0	0	0	0	1,119	28,031
30,795	929,711	31,449	5,133	29,553	11,451	66,316	97,714
24,462	4,950	0	0	0	0	0	44,772
0	3,427	0	0	0	0	0	190
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	1,541
342,708	1,179,677	0	0	0	0	0	7,410
0	0	0	0	0	0	0	0
0	0	41,860	0	29,057	17,000	77,865	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
367,170	1,188,054	41,860	0	29,057	17,000	77,865	53,913
(336,375)	(258,343)	(10,411)	5,133	496	(5,549)	(11,549)	43,801
0	0	0	0	0	0	0	0
0	21,882	0	0	0	0	0	0
(21,882)	0	0	0	0	0	0	0
(21,882)	21,882	0	0	0	0	0	0
(358,257)	(236,461)	(10,411)	5,133	496	(5,549)	(11,549)	43,801
2,448,627	1,249,089	128,659	13,930	205,684	17,185	411,081	346,192
\$2,090,370	\$1,012,628	\$118,248	\$19,063	\$206,180	\$11,636	\$399,532	\$389,993

(continued)

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2019  
(continued)

	Park Donations	Cemetery Donations	Battery Park Maintenance	Total
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$256,372
Other Local Taxes	0	0	0	410,530
Charges for Services	10,631	23,824	0	758,544
Fees, Licenses, and Permits	0	0	0	108,097
Fines and Forfeitures	0	0	0	68,089
Intergovernmental	0	0	0	3,436,216
Interest	4,451	16,265	170	36,897
Other	500	21,995	10,000	137,096
<b>Total Revenues</b>	<b>15,582</b>	<b>62,084</b>	<b>10,170</b>	<b>5,211,841</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	0	0	0	744,522
Fire	0	0	0	845,405
Public Health	0	52,009	0	52,009
Leisure Time Activities	0	0	12,928	14,469
Community Environment	0	0	0	1,529,795
Transportation	0	0	0	3,941,559
Other	0	0	0	165,782
Debt Service:				
Principal Retirement	0	0	0	65,000
Interest and Fiscal Charges	0	0	0	14,060
<b>Total Expenditures</b>	<b>0</b>	<b>52,009</b>	<b>12,928</b>	<b>7,372,601</b>
Excess of Revenues Over (Under) Expenditures	15,582	10,075	(2,758)	(2,160,760)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	24,656
Transfers In	0	0	0	1,875,883
Transfers Out	0	0	0	(21,882)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,878,657</b>
Changes in Fund Balance	15,582	10,075	(2,758)	(282,103)
Fund Balance (Deficit) Beginning of Year	233,461	618,930	75,589	6,009,908
Fund Balance (Deficit) End of Year	<u>\$249,043</u>	<u>\$629,005</u>	<u>\$72,831</u>	<u>\$5,727,805</u>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2019

	General Bond Retirement	Urban Renewal Debt Retirement	Special Assessment Bond Retirement	Total
<u>Revenues</u>				
Property Taxes	\$397,356	\$0	\$0	\$397,356
Payment in Lieu of Taxes	0	527,531	0	527,531
Municipal Income Taxes	770,670	0	0	770,670
Special Assessments	0	0	248,203	248,203
Intergovernmental	44,520	50,669	0	95,189
Total Revenues	<u>1,212,546</u>	<u>578,200</u>	<u>248,203</u>	<u>2,038,949</u>
<u>Expenditures</u>				
Debt Service:				
Principal Retirement	1,469,867	410,000	163,573	2,043,440
Interest and Fiscal Charges	162,682	20,336	93,820	276,838
Total Expenditures	<u>1,632,549</u>	<u>430,336</u>	<u>257,393</u>	<u>2,320,278</u>
Excess of Revenues Over (Under) Expenditures	(420,003)	147,864	(9,190)	(281,329)
<u>Other Financing Sources</u>				
Transfers In	403,299	0	0	403,299
Changes in Fund Balance	(16,704)	147,864	(9,190)	121,970
Fund Balance Beginning of Year	<u>155,899</u>	<u>1,019,546</u>	<u>52,359</u>	<u>1,227,804</u>
Fund Balance End of Year	<u>\$139,195</u>	<u>\$1,167,410</u>	<u>\$43,169</u>	<u>\$1,349,774</u>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2019

	Real Estate Development	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Revenues</u>					
Municipal Income Taxes	\$0	\$616,537	\$0	\$0	\$616,537
Charges for Services	0	0	0	86,828	86,828
Fees, Licenses, and Permits	0	0	0	345,143	345,143
Interest	0	0	0	2,269	2,269
Other	339,138	0	0	6,410	345,548
<b>Total Revenues</b>	<b>339,138</b>	<b>616,537</b>	<b>0</b>	<b>440,650</b>	<b>1,396,325</b>
<u>Expenditures</u>					
Current:					
Community Environment	0	0	0	390,170	390,170
General Government					
Other	140,290	0	0	0	140,290
<b>Total Expenditures</b>	<b>140,290</b>	<b>0</b>	<b>0</b>	<b>390,170</b>	<b>530,460</b>
Excess of Revenues Over Expenditures	198,848	616,537	0	50,480	865,865
<u>Other Financing Uses</u>					
Transfers Out	0	(600,000)	0	0	(600,000)
Changes in Fund Balance	198,848	16,537	0	50,480	265,865
Fund Balance Beginning of Year	345,512	56,390	45,632	396,335	843,869
Fund Balance End of Year	<u>\$544,360</u>	<u>\$72,927</u>	<u>\$45,632</u>	<u>\$446,815</u>	<u>\$1,109,734</u>

City of Sandusky  
Combining Statements - Custodial Funds

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**Custodial Funds**

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. These funds do not account for the City's own source revenue. The following is a description of the City's custodial funds.

State Patrol Transfer

To account for fines and costs remitted to the municipal court pending disposition to the Erie County Law Library and other municipalities.

Energy Special Improvement District

To account for special assessments levied and paid to the Toledo-Lucas County Port Authority for the special energy improvement project.

Sandusky Municipal Court

To account for bonds and other costs remitted to the municipal court pending final disposition of the various cases and payment to third parties, excluding the City.

BSF Assessment

To account for building standards fee assessments collected by the City and remitted to the State.

Vacant/Foreclosed Bond Deposits

To account for maintenance bonds held on behalf of property owners of foreclosed properties and buildings.

Police Temporary Deposit

To account for resources for which the police department has temporary custody due to drug law enforcement or contraband. Resources are held until disposition by the court.

City of Sandusky  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2019

	State Patrol Transfer	Energy Special Improvement District	Sandusky Municipal Court	BSF Assessment
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$15,655	\$0	\$105,318	\$3,749
Special Assessments Receivable	0	577,488	0	0
Total Assets	15,655	577,488	105,318	3,749
<u>Liabilities</u>				
Due to Other Governments	0	577,488	0	0
<u>Net Position</u>				
Restricted for Individuals, Organizations, and Other Governments	\$15,655	\$0	\$105,318	\$3,749

Vacant/Foreclosed Bond Deposits	Police Temporary Deposit	Total
\$612,008	\$611	\$737,341
<u>0</u>	<u>0</u>	<u>577,488</u>
612,008	611	1,314,829
<u>0</u>	<u>0</u>	<u>577,488</u>
<u><u>\$612,008</u></u>	<u><u>\$611</u></u>	<u><u>\$737,341</u></u>

City of Sandusky  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended December 31, 2019

	State Patrol Transfer	Energy Special Improvement District	Sandusky Municipal Court	BSF Assessment
<u>Additions</u>				
Licenses, Permits, and Fees for Other Governments	\$0	\$0	\$0	\$5,296
Fines and Forfeitures for Other Governments	26,222	0	3,704,589	0
Special Assessments Collections for Other Governments	0	5,168	0	0
Other	0	0	0	0
Total Additions	<u>26,222</u>	<u>5,168</u>	<u>3,704,589</u>	<u>5,296</u>
<u>Deductions</u>				
Distributions to the State of Ohio	0	0	0	4,146
Fines and Forfeitures Distributions to Other Governments	27,704	0	3,723,748	0
Special Assessments Collections to Other Governments	0	5,168	0	0
Distributions to Individuals	0	0	0	0
Total Deductions	<u>27,704</u>	<u>5,168</u>	<u>3,723,748</u>	<u>4,146</u>
Net Increase (Decrease) in Fiduciary Net Position	(1,482)	0	(19,159)	1,150
Net Position Beginning of Year	<u>17,137</u>	<u>0</u>	<u>124,477</u>	<u>2,599</u>
Net Position End of Year	<u><u>\$15,655</u></u>	<u><u>\$0</u></u>	<u><u>\$105,318</u></u>	<u><u>\$3,749</u></u>



Vacant/Foreclosed Bond Deposits	Police Temporary Deposit	Total
\$0	\$0	\$5,296
0	0	3,730,811
0	0	5,168
<u>347,505</u>	<u>5,438</u>	<u>352,943</u>
<u>347,505</u>	<u>5,438</u>	<u>4,094,218</u>
0	0	4,146
0	0	3,751,452
0	0	5,168
<u>432,880</u>	<u>5,428</u>	<u>438,308</u>
<u>432,880</u>	<u>5,428</u>	<u>4,199,074</u>
(85,375)	10	(104,856)
<u>697,383</u>	<u>601</u>	<u>842,197</u>
<u><u>\$612,008</u></u>	<u><u>\$611</u></u>	<u><u>\$737,341</u></u>



**INDIVIDUAL FUND SCHEDULES  
OF REVENUES, EXPENDITURES/EXPENSES,  
AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Original	Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,554,819	\$1,629,322	\$1,559,484	(\$69,838)
Municipal Income Taxes	12,000,000	11,859,012	11,308,024	(550,988)
Other Local Taxes	6,285,000	5,881,566	5,633,830	(247,736)
Charges for Services	1,033,586	998,171	973,830	(24,341)
Fees, Licenses, and Permits	974,800	586,222	568,183	(18,039)
Fines and Forfeitures	1,321,704	1,206,140	1,235,604	29,464
Intergovernmental	668,319	689,852	716,958	27,106
Interest	400,000	426,367	541,130	114,763
Other	411,166	279,059	265,283	(13,776)
<b>Total Revenues</b>	<b>24,649,394</b>	<b>23,555,711</b>	<b>22,802,326</b>	<b>(753,385)</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property-Police				
Police Patrol				
Personal Services	4,781,487	4,023,481	3,966,071	57,410
Other	341,591	260,597	252,388	8,209
<b>Total Police Patrol</b>	<b>5,123,078</b>	<b>4,284,078</b>	<b>4,218,459</b>	<b>65,619</b>
Police Records				
Personal Services	166,760	146,760	137,640	9,120
Other	216,368	196,368	194,304	2,064
<b>Total Police Records</b>	<b>383,128</b>	<b>343,128</b>	<b>331,944</b>	<b>11,184</b>
Police Reserves				
Personal Services	164,885	106,885	103,687	3,198
Other	3,500	1,500	147	1,353
<b>Total Police Reserves</b>	<b>168,385</b>	<b>108,385</b>	<b>103,834</b>	<b>4,551</b>
<b>Total Security of Persons and Property-Police</b>	<b>5,674,591</b>	<b>4,735,591</b>	<b>4,654,237</b>	<b>81,354</b>
Security of Persons and Property-Fire				
Fire Suppression				
Personal Services	4,863,565	4,209,565	4,204,142	5,423
Other	340,000	376,000	368,438	7,562
<b>Total Security of Persons and Property-Fire</b>	<b>5,203,565</b>	<b>4,585,565</b>	<b>4,572,580</b>	<b>12,985</b>
Security of Persons and Property-Other				
Street Lighting				
Other	255,000	253,000	252,166	834

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Public Health				
Oakland Cemetery				
Personal Services	\$341,235	\$264,235	\$252,644	\$11,591
Other	74,600	54,600	47,904	6,696
Total Public Health	415,835	318,835	300,548	18,287
Leisure Time Activities				
Aquatic Center				
Other	2,300	5,100	5,075	25
Mills Creek Golf Course				
Personal Services	103,500	103,050	101,082	1,968
Other	120,000	129,950	128,532	1,418
Total Mills Creek Golf Course	223,500	233,000	229,614	3,386
Recreation				
Personal Services	263,450	231,450	229,553	1,897
Other	160,470	185,970	184,133	1,837
Total Recreation	423,920	417,420	413,686	3,734
Paper District Marina				
Other	25,930	19,930	20,046	(116)
Boat Launch Ramp				
Other	22,200	12,200	10,723	1,477
Total Leisure Time Activities	697,850	687,650	679,144	8,506
Community Environment				
Community Development Planning				
Personal Services	890,683	935,683	935,446	237
Other	192,000	122,000	107,657	14,343
Total Community Development Planning	1,082,683	1,057,683	1,043,103	14,580
City Wide Economic Development				
Other	30,000	30,000	30,000	0

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Community Development Building Division				
Personal Services	\$362,248	\$324,248	\$318,962	\$5,286
Other	69,200	70,700	65,283	5,417
Total Community Development Building Division	431,448	394,948	384,245	10,703
Horticulture Services				
Personal Services	1,100,623	835,623	819,319	16,304
Other	381,212	360,212	352,136	8,076
Total Horticulture Services	1,481,835	1,195,835	1,171,455	24,380
Total Community Environment	3,025,966	2,678,466	2,628,803	49,663
Transportation				
Jackson Street Pier				
Other	0	1,000	746	254
General Government-Municipal Court				
Court-Criminal				
Personal Services	1,120,404	933,404	924,087	9,317
Other	52,000	67,000	66,793	207
Total General Government-Municipal Court	1,172,404	1,000,404	990,880	9,524
General Government-Other				
City Manager				
Personal Services	196,461	166,461	163,184	3,277
Other	20,000	17,000	14,856	2,144
Total City Manager	216,461	183,461	178,040	5,421
Personnel Labor Relations				
Personal Services	233,336	234,336	230,725	3,611
Other	38,218	13,218	9,054	4,164
Total Personnel Labor Relations	271,554	247,554	239,779	7,775
Finance				
Personal Services	134,908	116,908	113,815	3,093
Other	17,155	8,155	5,644	2,511
Total Finance	152,063	125,063	119,459	5,604
Income Tax				
Personal Services	73,682	63,682	61,655	2,027
Other	391,650	393,650	393,270	380
Total Income Tax	465,332	457,332	454,925	2,407

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Data Processing				
Personal Services	\$150,400	\$148,400	\$147,609	\$791
Other	255,065	124,065	118,837	5,228
Total Data Processing	405,465	272,465	266,446	6,019
Law Director				
Personal Services	300,127	222,127	214,173	7,954
Other	41,219	24,219	16,571	7,648
Total Law Director	341,346	246,346	230,744	15,602
City Commission				
Personal Services	26,609	26,609	26,512	97
Other	7,201	6,201	5,236	965
Total City Commission	33,810	32,810	31,748	1,062
City Commission Clerk				
Personal Services	43,911	46,111	46,020	91
Other	1,188	1,188	868	320
Total City Commission Clerk	45,099	47,299	46,888	411
Municipal Buildings and Lands				
Personal Services	352,604	276,604	272,682	3,922
Other	319,484	298,484	292,321	6,163
Total Municipal Buildings and Lands	672,088	575,088	565,003	10,085
Engineering				
Personal Services	315,111	305,111	301,446	3,665
Other	89,700	62,700	59,478	3,222
Total Engineering	404,811	367,811	360,924	6,887
Mechanic				
Personal Services	304,622	210,622	201,572	9,050
Other	126,950	99,950	95,100	4,850
Total Mechanic	431,572	310,572	296,672	13,900
Unclaimed Funds				
Other	500	0	0	0
Administrative Support				
Other	877,000	877,353	872,578	4,775
Total General Government-Other	4,317,101	3,743,154	3,663,206	79,948

(continued)

City of Sandusky  
General Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Total Expenditures	\$20,762,312	\$18,003,665	\$17,742,310	\$261,355
Excess of Revenues Over Expenditures	3,887,082	5,552,046	5,060,016	(492,030)
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	563,092	375,775	616,221	240,446
Transfers Out	(4,543,010)	(5,339,186)	(5,339,186)	0
Total Other Financing Sources (Uses)	(3,979,918)	(4,963,411)	(4,722,965)	240,446
Changes in Fund Balance	(92,836)	588,635	337,051	(251,584)
Fund Balance Beginning of Year	5,811,218	5,811,218	5,811,218	0
Fund Balance End of Year	<u>\$5,718,382</u>	<u>\$6,399,853</u>	<u>\$6,148,269</u>	<u>(\$251,584)</u>



City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$834,092	\$719,381	(\$114,711)
Fees, Licenses, and Permits	159,260	166,085	6,825
Intergovernmental	619,546	515,976	(103,570)
Interest	3,221	2,674	(547)
Other	455,506	405,084	(50,422)
<b>Total Revenues</b>	<b>2,071,625</b>	<b>1,809,200</b>	<b>(262,425)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	38,500	38,146	354
Security of Persons and Property-Fire			
EMS			
Personal Services	52,000	51,859	141
Other	543,500	542,380	1,120
<b>Total Security of Persons and Property-Fire</b>	<b>595,500</b>	<b>594,239</b>	<b>1,261</b>
Leisure Time Activities			
Sandusky Fishing Stations			
Other	102,000	101,458	542
Public Art			
Other	43,000	7,475	35,525
Schade/Mylander Plaza			
Other	13,000	0	13,000
Shoreline Drive Walkway			
Other	225,000	221,532	3,468
Pedestrian/Bike Path			
Other	385,000	382,484	2,516
Recreation Improvement			
Other	40,000	34,193	5,807
<b>Total Leisure Time Activities</b>	<b>808,000</b>	<b>747,142</b>	<b>60,858</b>
Community Environment			
City Wide Economic Development			
Other	657,000	649,035	7,965
Community Development			
Other	298,000	297,289	711
Neighborhood Development			
Other	350,000	348,137	1,863

(continued)

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Budget	Actual	Variance Over (Under)
West Battery Launch			
Personal Services	\$6,000	\$2,989	\$3,011
Other	147,000	146,583	417
Total West Battery Launch	153,000	149,572	3,428
Brehm Building Demolition			
Other	150,000	150,000	0
Total Community Environment	1,608,000	1,594,033	13,967
Transportation			
Streets			
Other	297,633	217,951	79,682
CP U Pav/SRTS			
Other	11,218	11,218	0
Organization 6201			
Other	30,187	25,895	4,292
Organization 6203			
Other	4,000	3,296	704
Westend Grade Separation			
Other	1,000	381	619
Jackson Street Pier			
Other	145,000	143,710	1,290
Total Transportation	489,038	402,451	86,587
General Government-Municipal Court			
Municipal Court			
Personal Services	25,000	9,554	15,446
Other	50,000	42,166	7,834
Total General Government-Municipal Court	75,000	51,720	23,280
General Government-Other			
City Hall Relocation			
Other	627,439	626,358	1,081
Court Renovation			
Other	43,000	42,166	834
Paper District			
Other	4,000	3,107	893
Engineering			
Other	945,000	944,112	888
Total General Government-Other	1,619,439	1,615,743	3,696
Capital Outlay	3,577,387	3,451,060	126,327

(continued)

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Budget	Actual	Variance Over (Under)
Debt Service:			
Principal Retirement	\$4,946,000	\$4,946,000	\$0
Interest and Fiscal Charges	148,380	148,380	0
Total Debt Service	5,094,380	5,094,380	0
Total Expenditures	13,905,244	13,588,914	316,330
Excess of Revenues Under Expenditures	(11,833,619)	(11,779,714)	53,905
<u>Other Financing Sources</u>			
Other Financing Sources	60,819	51,953	(8,866)
Sale of Capital Assets	3,863	3,863	0
Bond Anticipation Notes Issued	4,100,000	4,100,000	0
Urban Renewal Bonds Issued	4,700,000	4,700,000	0
Transfers In	3,543,692	3,681,886	138,194
Total Other Financing Sources	12,408,374	12,537,702	129,328
Changes in Fund Balance	574,755	757,988	183,233
Fund Balance Beginning of Year	5,192,123	5,192,123	0
Fund Balance End of Year	\$5,766,878	\$5,950,111	\$183,233

City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$7,067,603	\$7,517,502	\$449,899
OWDA Loan Proceeds	20,147	20,147	0
Interest	335	729	394
Other	28,155	97,294	69,139
<b>Total Revenues</b>	<b>7,116,240</b>	<b>7,635,672</b>	<b>519,432</b>
<u>Expenses</u>			
Personal Services			
Water Office	146,303	141,122	5,181
Waterworks Filtration	1,445,776	1,232,392	213,384
Waterworks Distribution	861,064	856,980	4,084
Administrative Support	723,000	715,776	7,224
<b>Total Personal Services</b>	<b>3,176,143</b>	<b>2,946,270</b>	<b>229,873</b>
Travel and Transportation			
Water Office	525	64	461
Waterworks Filtration	5,000	4,768	232
Waterworks Distribution	4,000	2,638	1,362
Administrative Support	6,000	5,935	65
<b>Total Travel and Transportation</b>	<b>15,525</b>	<b>13,405</b>	<b>2,120</b>
Contractual Services			
Water Office	30,230	29,341	889
Waterworks Filtration	452,000	443,237	8,763
Waterworks Distribution	260,010	256,886	3,124
Other	10,000	9,423	577
Administrative Support	237,714	230,292	7,422
<b>Total Contractual Services</b>	<b>989,954</b>	<b>969,179</b>	<b>20,775</b>
Materials and Supplies			
Water Office	7,340	6,011	1,329
Waterworks Filtration	669,700	663,813	5,887
Waterworks Distribution	396,500	394,846	1,654
Administrative Support	44,786	38,567	6,219
<b>Total Materials and Supplies</b>	<b>1,118,326</b>	<b>1,103,237</b>	<b>15,089</b>
Other			
Water Office	250	169	81
Administrative Support	1,000	114	886
<b>Total Other</b>	<b>1,250</b>	<b>283</b>	<b>967</b>

(continued)

City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Budget	Actual	Variance Over (Under)
Capital Outlay			
Waterworks Filtration	\$129,000	\$128,314	\$686
Waterworks Distribution	770,227	768,678	1,549
Other	648,000	646,274	1,726
Total Capital Outlay	<u>1,547,227</u>	<u>1,543,266</u>	<u>3,961</u>
Debt Service:			
Principal Retirement	1,270,423	1,270,423	0
Interest Expense	514,173	514,173	0
Total Debt Service	<u>1,784,596</u>	<u>1,784,596</u>	<u>0</u>
Total Expenses	<u>8,633,021</u>	<u>8,360,236</u>	<u>272,785</u>
Changes in Fund Balance	(1,516,781)	(724,564)	792,217
Fund Balance Beginning of Year	<u>5,398,776</u>	<u>5,398,776</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3,881,995</u></u>	<u><u>\$4,674,212</u></u>	<u><u>\$792,217</u></u>

City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$10,856,061	\$11,150,778	\$294,717
OWDA Loan Proceeds	418,549	492,166	73,617
Interest	505	1,464	959
Other	51,729	136,853	85,124
<b>Total Revenues</b>	<b>11,326,844</b>	<b>11,781,261</b>	<b>454,417</b>
<u>Expenses</u>			
Personal Services			
Sewer Office	142,303	141,136	1,167
Water Pollution Control	1,467,528	1,447,267	20,261
Sewer Maintenance	766,170	756,446	9,724
Administrative Support	721,000	716,523	4,477
<b>Total Personal Services</b>	<b>3,097,001</b>	<b>3,061,372</b>	<b>35,629</b>
Travel and Transportation			
Sewer Office	1,025	64	961
Water Pollution Control	7,000	5,578	1,422
Sewer Maintenance	5,000	4,413	587
Storm Sewer	2,000	1,736	264
Administrative Support	5,935	5,935	0
<b>Total Travel and Transportation</b>	<b>20,960</b>	<b>17,726</b>	<b>3,234</b>
Contractual Services			
Sewer Office	32,630	29,918	2,712
Water Pollution Control	910,000	902,317	7,683
Sewer Maintenance	677,530	663,101	14,429
Storm Sewer	110,000	92,667	17,333
Administrative Support	334,134	333,229	905
<b>Total Contractual Services</b>	<b>2,064,294</b>	<b>2,021,232</b>	<b>43,062</b>
Materials and Supplies			
Sewer Office	7,440	6,600	840
Water Pollution Control	562,600	560,468	2,132
Sewer Maintenance	364,000	362,595	1,405
Storm Sewer	42,000	40,822	1,178
Administrative Support	38,931	38,507	424
<b>Total Materials and Supplies</b>	<b>1,014,971</b>	<b>1,008,992</b>	<b>5,979</b>
Other			
Sewer Office	1,750	1,169	581

(continued)

City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019  
(continued)

	Budget	Actual	Variance Over (Under)
Capital Outlay			
Water Pollution Control	\$213,475	\$205,854	\$7,621
Sewer Maintenance	2,408,699	2,391,680	17,019
Storm Sewer	790,000	789,818	182
Administrative Support	38,000	37,426	574
	<u>3,450,174</u>	<u>3,424,778</u>	<u>25,396</u>
Total Capital Outlay			
Debt Service:			
Principal Retirement	2,071,991	2,071,991	0
Interest Expense	1,012,836	1,012,836	0
	<u>3,084,827</u>	<u>3,084,827</u>	<u>0</u>
Total Debt Service			
	<u>12,733,977</u>	<u>12,620,096</u>	<u>113,881</u>
Total Expenses			
Changes in Fund Balance	(1,407,133)	(838,835)	568,298
Fund Balance Beginning of Year	<u>6,511,557</u>	<u>6,511,557</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,104,424</u></u>	<u><u>\$5,672,722</u></u>	<u><u>\$568,298</u></u>

City of Sandusky  
Street Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$410,620	\$410,620	\$0
Intergovernmental	1,007,604	1,094,579	86,975
Interest	832	919	87
Other	710	710	0
<b>Total Revenues</b>	<b>1,419,766</b>	<b>1,506,828</b>	<b>87,062</b>
<u>Expenditures</u>			
Current:			
Transportation			
Public Works			
Personal Services	788,840	782,583	6,257
Other	310,000	303,712	6,288
<b>Total Public Works</b>	<b>1,098,840</b>	<b>1,086,295</b>	<b>12,545</b>
Traffic and Electrical Maintenance			
Personal Services	100,172	97,297	2,875
Other	142,150	138,216	3,934
<b>Total Traffic and Electrical Maintenance</b>	<b>242,322</b>	<b>235,513</b>	<b>6,809</b>
Street Cleaning, Snow, and Ice Removal			
Other	70,000	68,822	1,178
<b>Total Expenditures</b>	<b>1,411,162</b>	<b>1,390,630</b>	<b>20,532</b>
Excess of Revenues Over Expenditures	8,604	116,198	107,594
<u>Other Financing Sources</u>			
Other Financing Sources	22,953	28,182	5,229
Transfers In	17,444	17,444	0
<b>Total Other Financing Sources</b>	<b>40,397</b>	<b>45,626</b>	<b>5,229</b>
Changes in Fund Balance	49,001	161,824	112,823
Fund Balance Beginning of Year	66,092	66,092	0
<b>Fund Balance End of Year</b>	<b>\$115,093</b>	<b>\$227,916</b>	<b>\$112,823</b>



City of Sandusky  
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$85,000	\$88,749	\$3,749
Interest	500	861	361
<b>Total Revenues</b>	<b>85,500</b>	<b>89,610</b>	<b>4,110</b>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway Maintenance and Repair			
Personal Services	50,000	47,681	2,319
Other	26,000	25,059	941
<b>Total Expenditures</b>	<b>76,000</b>	<b>72,740</b>	<b>3,260</b>
Excess of Revenues Over Expenditures	9,500	16,870	7,370
<u>Other Financing Sources</u>			
Other Financing Sources	800	946	146
Changes in Fund Balance	10,300	17,816	7,516
Fund Balance Beginning of Year	93,347	93,347	0
<b>Fund Balance End of Year</b>	<b>\$103,647</b>	<b>\$111,163</b>	<b>\$7,516</b>

City of Sandusky  
Public Transit Special Revenue Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$749,841	\$698,229	(\$51,612)
Intergovernmental	1,402,155	1,154,300	(247,855)
<b>Total Revenues</b>	<b>2,151,996</b>	<b>1,852,529</b>	<b>(299,467)</b>
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System			
Other	120,000	118,470	1,530
Rural Transit System			
Personal Services	114,720	109,333	5,387
Other	2,272,501	2,269,845	2,656
<b>Total Rural Transit System</b>	<b>2,387,221</b>	<b>2,379,178</b>	<b>8,043</b>
<b>Total Expenditures</b>	<b>2,507,221</b>	<b>2,497,648</b>	<b>9,573</b>
Excess of Revenues			
Under Expenditures	(355,225)	(645,119)	(289,894)
<u>Other Financing Sources</u>			
Other Financing Sources	52,348	34,906	(17,442)
Sale of Capital Assets	24,656	24,656	0
Transfers In	530,000	529,428	(572)
<b>Total Other Financing Sources</b>	<b>607,004</b>	<b>588,990</b>	<b>(18,014)</b>
Changes in Fund Balance	251,779	(56,129)	(307,908)
Fund Balance Beginning of Year	172,543	172,543	0
<b>Fund Balance End of Year</b>	<b>\$424,322</b>	<b>\$116,414</b>	<b>(\$307,908)</b>

City of Sandusky  
Fire Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$124,539	\$128,186	\$3,647
Intergovernmental	13,978	14,362	384
<b>Total Revenues</b>	<b>138,517</b>	<b>142,548</b>	<b>4,031</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Fire			
Fire Pension			
Personal Services	839,749	839,693	56
Other	3,000	2,428	572
<b>Total Security of Persons and Property-Fire</b>	<b>842,749</b>	<b>842,121</b>	<b>628</b>
Debt Service:			
Principal Retirement	37,289	37,289	0
Interest and Fiscal Charges	8,066	8,066	0
<b>Total Debt Service</b>	<b>45,355</b>	<b>45,355</b>	<b>0</b>
<b>Total Expenditures</b>	<b>888,104</b>	<b>887,476</b>	<b>628</b>
Excess of Revenues			
Under Expenditures	(749,587)	(744,928)	4,659
<u>Other Financing Sources</u>			
Transfers In	749,587	742,558	(7,029)
Changes in Fund Balance	0	(2,370)	(2,370)
Fund Balance Beginning of Year	12,370	12,370	0
<b>Fund Balance End of Year</b>	<b>\$12,370</b>	<b>\$10,000</b>	<b>(\$2,370)</b>

City of Sandusky  
Police Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$124,539	\$128,186	\$3,647
Intergovernmental	13,978	14,361	383
<b>Total Revenues</b>	<b>138,517</b>	<b>142,547</b>	<b>4,030</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Pension			
Personal Services	665,553	665,398	155
Other	2,999	2,428	571
<b>Total Security of Persons and Property-Police</b>	<b>668,552</b>	<b>667,826</b>	<b>726</b>
Debt Service:			
Principal Retirement	27,711	27,711	0
Interest and Fiscal Charges	5,994	5,994	0
<b>Total Debt Service</b>	<b>33,705</b>	<b>33,705</b>	<b>0</b>
<b>Total Expenditures</b>	<b>702,257</b>	<b>701,531</b>	<b>726</b>
Excess of Revenues			
Under Expenditures	(563,740)	(558,984)	4,756
<u>Other Financing Sources</u>			
Transfers In	563,742	564,571	829
Changes in Fund Balance	2	5,587	5,585
Fund Balance Beginning of Year	4,414	4,414	0
<b>Fund Balance End of Year</b>	<b>\$4,416</b>	<b>\$10,001</b>	<b>\$5,585</b>

City of Sandusky  
State Grants Special Revenue Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$32,110	\$24,270	(\$7,840)
Interest	1,741	4,586	2,845
Other	27,601	14,708	(12,893)
<b>Total Revenues</b>	<b>61,452</b>	<b>43,564</b>	<b>(17,888)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	25,000	24,462	538
Community Environment			
Landbank			
Other	7,000	6,505	495
Revolving Loan - Home			
Other	2,000	748	1,252
Revolving Loan Economic Development			
Other	252,000	250,854	1,146
<b>Total Community Environment</b>	<b>261,000</b>	<b>258,107</b>	<b>2,893</b>
<b>Total Expenditures</b>	<b>286,000</b>	<b>282,569</b>	<b>3,431</b>
Excess of Revenues			
Under Expenditures	(224,548)	(239,005)	(14,457)
<u>Other Financing Sources</u>			
Other Financing Sources	20,500	20,595	95
Changes in Fund Balance	(204,048)	(218,410)	(14,362)
Fund Balance Beginning of Year	433,754	433,754	0
Fund Balance End of Year	<u>\$229,706</u>	<u>\$215,344</u>	<u>(\$14,362)</u>

City of Sandusky  
Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$1,003,871	\$960,300	(\$43,571)
Interest	2,973	10,430	7,457
<b>Total Revenues</b>	<b>1,006,844</b>	<b>970,730</b>	<b>(36,114)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Bulletproof Vest			
Other	5,000	4,950	50
Security of Persons and Property-Fire			
EMS			
Other	4,000	3,427	573
Community Environment			
EPA Asmt Petroleum			
Other	60,000	59,900	100
EPA Asmt Hazardous Waste			
Other	43,000	42,434	566
HUD CDBG 09MC390034			
Personal Services	119,000	112,594	6,406
Other	705,000	695,907	9,093
<b>Total HUD CDBG 09MC390034</b>	<b>824,000</b>	<b>808,501</b>	<b>15,499</b>
<b>Total Community Environment</b>	<b>927,000</b>	<b>910,835</b>	<b>16,165</b>
<b>Total Expenditures</b>	<b>936,000</b>	<b>919,212</b>	<b>16,788</b>
Excess of Revenues Over Expenditures	70,844	51,518	(19,326)
<u>Other Financing Sources</u>			
Other Financing Sources	6,156	30,650	24,494
Changes in Fund Balance	77,000	82,168	5,168
Fund Balance Beginning of Year	174,287	174,287	0
<b>Fund Balance End of Year</b>	<b>\$251,287</b>	<b>\$256,455</b>	<b>\$5,168</b>

City of Sandusky  
Indigent Drivers Alcohol Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$30,051	\$30,956	\$905
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol Treatment			
Personal Services	47,000	46,380	620
Changes in Fund Balance	(16,949)	(15,424)	1,525
Fund Balance Beginning of Year	132,613	132,613	0
Fund Balance End of Year	\$115,664	\$117,189	\$1,525

City of Sandusky  
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$5,949	\$5,949	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	5,949	5,949	0
Fund Balance Beginning of Year	12,992	12,992	0
Fund Balance End of Year	<u>\$18,941</u>	<u>\$18,941</u>	<u>\$0</u>



City of Sandusky  
Court Computerization Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$26,000	\$29,771	\$3,771
<u>Expenditures</u>			
Current:			
Other			
Court Computerization			
Personal Services	10,000	4,777	5,223
Other	26,000	24,247	1,753
Total Expenditures	36,000	29,024	6,976
Changes in Fund Balance	(10,000)	747	10,747
Fund Balance Beginning of Year	204,955	204,955	0
Fund Balance End of Year	\$194,955	\$205,702	\$10,747

City of Sandusky  
Indigent Telephone Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$0	\$10,463	\$10,463
<u>Expenditures</u>			
Current:			
Other			
Indigent Telephone			
Other	17,000	17,000	0
Changes in Fund Balance	(17,000)	(6,537)	10,463
Fund Balance Beginning of Year	17,185	17,185	0
Fund Balance End of Year	\$185	\$10,648	\$10,463

City of Sandusky  
Municipal Probation Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$146,490	\$66,792	(\$79,698)
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation			
Personal Services	15,000	9,554	5,446
Other	68,990	68,214	776
Total Expenditures	83,990	77,768	6,222
Excess of Revenues Over Expenditures	62,500	(10,976)	(73,476)
<u>Other Financing Sources</u>			
Other Financing Sources	500	1,119	619
Changes in Fund Balance	63,000	(9,857)	(72,857)
Fund Balance Beginning of Year	406,288	406,288	0
Fund Balance End of Year	\$469,288	\$396,431	(\$72,857)

City of Sandusky  
General Trust Special Revenue Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$31,796	\$27,383	(\$4,413)
Intergovernmental	34,000	36,280	2,280
Other	24,904	28,031	3,127
<b>Total Revenues</b>	<b>90,700</b>	<b>91,694</b>	<b>994</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Patrol			
Other	5,000	3,927	1,073
Contraband Trust			
Other	34,000	32,845	1,155
Fed Forfeiture			
Other	8,000	8,000	0
<b>Total Security of Persons and Property- Police</b>	<b>47,000</b>	<b>44,772</b>	<b>2,228</b>
Security of Persons and Property-Fire			
Fire Suppression			
Other	1,000	190	810
Leisure Time Activities			
Green Fund Trust			
Other	500	304	196
Friends of the Greenhouse			
Other	2,000	1,237	763
<b>Total Leisure Time Activities</b>	<b>2,500</b>	<b>1,541</b>	<b>959</b>
Community Environment			
Park Trust			
Other	7,500	7,410	90
<b>Total Expenditures</b>	<b>58,000</b>	<b>53,913</b>	<b>4,087</b>
Changes in Fund Balance	32,700	37,781	5,081
Fund Balance Beginning of Year	346,192	346,192	0
<b>Fund Balance End of Year</b>	<b>\$378,892</b>	<b>\$383,973</b>	<b>\$5,081</b>

City of Sandusky  
Park Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$6,381	\$10,631	\$4,250
Interest	200	4,451	4,251
Other	500	500	0
Total Revenues	7,081	15,582	8,501
<u>Expenditures</u>			
	0	0	0
Changes in Fund Balance	7,081	15,582	8,501
Fund Balance Beginning of Year	233,461	233,461	0
Fund Balance End of Year	<u>\$240,542</u>	<u>\$249,043</u>	<u>\$8,501</u>

City of Sandusky  
Cemetery Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$27,983	\$23,824	(\$4,159)
Interest	17,679	16,353	(1,326)
<b>Total Revenues</b>	<b>45,662</b>	<b>40,177</b>	<b>(5,485)</b>
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery			
Personal Services	46,000	45,294	706
Garden Mausoleum			
Other	7,000	6,393	607
Special Care			
Other	500	288	212
<b>Total Expenditures</b>	<b>53,500</b>	<b>51,975</b>	<b>1,525</b>
Excess of Revenues			
Under Expenditures	(7,838)	(11,798)	(3,960)
<u>Other Financing Sources</u>			
Other Financing Sources	17,257	21,995	4,738
Changes in Fund Balance	9,419	10,197	778
Fund Balance Beginning of Year	618,822	618,822	0
Fund Balance End of Year	<u>\$628,241</u>	<u>\$629,019</u>	<u>\$778</u>

City of Sandusky  
Battery Park Maintenance Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Interest	\$100	\$156	\$56
Other	10,000	10,000	0
Total Revenues	10,100	10,156	56
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Battery Park Maintenance			
Other	12,928	12,928	0
Changes in Fund Balance	(2,828)	(2,772)	56
Fund Balance Beginning of Year	75,589	75,589	0
Fund Balance End of Year	<u>\$72,761</u>	<u>\$72,817</u>	<u>\$56</u>

City of Sandusky  
General Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$397,556	\$397,356	(\$200)
Municipal Income Taxes	753,541	752,341	(1,200)
Intergovernmental	44,625	44,520	(105)
<b>Total Revenues</b>	<b>1,195,722</b>	<b>1,194,217</b>	<b>(1,505)</b>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,469,867	1,469,867	0
Interest and Fiscal Charges	163,158	162,682	476
<b>Total Expenditures</b>	<b>1,633,025</b>	<b>1,632,549</b>	<b>476</b>
Excess of Revenues Under Expenditures	(437,303)	(438,332)	(1,029)
<u>Other Financing Sources</u>			
Transfers In	403,299	403,299	0
Changes in Fund Balance	(34,004)	(35,033)	(1,029)
Fund Balance Beginning of Year	91,220	91,220	0
<b>Fund Balance End of Year</b>	<b>\$57,216</b>	<b>\$56,187</b>	<b>(\$1,029)</b>



City of Sandusky  
Urban Renewal Debt Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$535,531	\$527,531	(\$8,000)
Intergovernmental	52,468	50,669	(1,799)
<b>Total Revenues</b>	<b>587,999</b>	<b>578,200</b>	<b>(9,799)</b>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	410,000	410,000	0
Interest and Fiscal Charges	20,455	20,336	119
<b>Total Expenditures</b>	<b>430,455</b>	<b>430,336</b>	<b>119</b>
Changes in Fund Balance	157,544	147,864	(9,680)
Fund Balance Beginning of Year	1,019,546	1,019,546	0
<b>Fund Balance End of Year</b>	<b>\$1,177,090</b>	<b>\$1,167,410</b>	<b>(\$9,680)</b>

City of Sandusky  
Special Assessment Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$249,000	\$248,203	(\$797)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	163,573	163,573	0
Interest and Fiscal Charges	93,820	93,820	0
Total Expenditures	257,393	257,393	0
Changes in Fund Balance	(8,393)	(9,190)	(797)
Fund Balance Beginning of Year	52,359	52,359	0
Fund Balance End of Year	\$43,966	\$43,169	(\$797)

City of Sandusky  
Real Estate Development Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other	\$274,649	\$248,871	(\$25,778)
<u>Expenditures</u>			
Current:			
General Government-Other			
Real Estate Development			
Other	235,500	235,041	459
Excess of Revenues Over Expenditures	39,149	13,830	(25,319)
<u>Other Financing Sources</u>			
Other Financing Sources	98,351	90,267	(8,084)
Changes in Fund Balance	137,500	104,097	(33,403)
Fund Balance Beginning of Year	348,679	348,679	0
Fund Balance End of Year	\$486,179	\$452,776	(\$33,403)

City of Sandusky  
Capital Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$602,000	\$601,873	(\$127)
<u>Expenditures</u>			
	0	0	0
Excess of Revenues Over Expenditures	602,000	601,873	(127)
<u>Other Financing Uses</u>			
Transfers Out	(600,000)	(600,000)	0
Changes in Fund Balance	2,000	1,873	(127)
Fund Balance Beginning of Year	4,647	4,647	0
Fund Balance End of Year	<u>\$6,647</u>	<u>\$6,520</u>	<u>(\$127)</u>

City of Sandusky  
 Redevelopment Tax Increment Capital Projects Fund

Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	45,632	45,632	0
Fund Balance End of Year	\$45,632	\$45,632	\$0

City of Sandusky  
Various Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$69,907	\$87,548	\$17,641
Fees, Licenses, and Permits	326,848	345,741	18,893
Special Assessments	1,329	0	(1,329)
Interest	1,239	2,269	1,030
<b>Total Revenues</b>	<b>399,323</b>	<b>435,558</b>	<b>36,235</b>
<u>Expenditures</u>			
Current:			
Community Environment Remove Unsafe Buildings Other	29,000	28,456	544
Nuisance Removal Other	28,030	26,803	1,227
Rental Registration Fee Personal Services Other	227,000 89,000	223,166 87,029	3,834 1,971
<b>Total Rental Registration Fee</b>	<b>316,000</b>	<b>310,195</b>	<b>5,805</b>
Inspection Fee Other	23,000	22,701	299
Administration Fee Other	5,500	3,086	2,414
<b>Total Expenditures</b>	<b>401,530</b>	<b>391,241</b>	<b>10,289</b>
Excess of Revenues Over (Under) Expenditures	(2,207)	44,317	46,524
<u>Other Financing Sources</u>			
Other Financing Sources	1,677	6,410	4,733
Changes in Fund Balance	(530)	50,727	51,257
Fund Balance Beginning of Year	411,572	411,572	0
Fund Balance End of Year	<u>\$411,042</u>	<u>\$462,299</u>	<u>\$51,257</u>

City of Sandusky  
Health Insurance Internal Service Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2019

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$2,200,187	\$2,200,187	\$0
Miscellaneous	598,813	694,050	95,237
Total Revenues	2,799,000	2,894,237	95,237
<u>Expenses</u>			
Claims	4,200,000	4,122,577	77,423
Changes in Fund Balance	(1,401,000)	(1,228,340)	172,660
Fund Balance Beginning of Year	4,959,894	4,959,894	0
Fund Balance End of Year	<u>\$3,558,894</u>	<u>\$3,731,554</u>	<u>\$172,660</u>





# Statistical

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This part of the City’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 City’s overall financial health.

**Contents** **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity ..... S-12

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-46

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information..... S-56

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating Information ..... S-60

These schedules contain service data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

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

City of Sandusky  
Net Position  
Last Ten Years  
(Accrual Basis of Accounting)

	2019	2018	2017	2016
Governmental Activities				
Net Investment in Capital Assets	\$34,257,724	\$35,817,869	\$35,024,423	\$33,978,149
Restricted for				
Capital Projects	7,167,141	4,523,316	3,605,069	5,199,629
Debt Service	1,858,797	1,802,361	1,654,047	370,057
Other Purposes	6,707,908	6,728,711	6,611,001	6,537,687
Unrestricted (Deficit)	<u>(24,111,529)</u>	<u>(33,743,585)</u>	<u>(32,017,301)</u>	<u>(14,437,669)</u>
Total Governmental Activities Net Position	<u>25,880,041</u>	<u>15,128,672</u>	<u>14,877,239</u>	<u>31,647,853</u>
Business-Type Activities				
Net Investment in Capital Assets	52,874,410	48,004,171	44,639,387	43,448,277
Unrestricted	<u>2,449,737</u>	<u>6,798,582</u>	<u>6,918,642</u>	<u>7,250,609</u>
Total Business-Type Activities Net Position	<u>55,324,147</u>	<u>54,802,753</u>	<u>51,558,029</u>	<u>50,698,886</u>
Primary Government				
Net Investment in Capital Assets	87,132,134	83,822,040	79,663,810	77,426,426
Restricted	15,733,846	13,054,388	11,870,117	12,107,373
Unrestricted (Deficit)	<u>(21,661,792)</u>	<u>(26,945,003)</u>	<u>(25,098,659)</u>	<u>(7,187,060)</u>
Total Primary Government Net Position	<u>\$81,204,188</u>	<u>\$69,931,425</u>	<u>\$66,435,268</u>	<u>\$82,346,739</u>

Note: The City reported the impact of GASB Statement No. 68 beginning in 2014 and the impact of GASB Statement No. 75 beginning in 2017.

2015	2014	2013	2012	2011	2010
\$35,774,016	\$32,986,487	\$34,031,522	\$35,252,903	\$35,126,166	\$38,122,520
3,812,217	3,332,213	4,280,873	3,806,228	3,492,887	2,920,974
1,076,680	1,745,871	2,162,193	1,949,698	1,918,564	1,902,993
5,471,527	5,700,728	5,920,558	5,556,594	6,061,253	6,005,182
(16,426,206)	(17,681,479)	(139,214)	(712,642)	(1,573,210)	(2,681,773)
<u>29,708,234</u>	<u>26,083,820</u>	<u>46,255,932</u>	<u>45,852,781</u>	<u>45,025,660</u>	<u>46,269,896</u>
42,898,225	41,477,719	40,066,785	39,713,895	39,918,374	39,941,052
5,792,850	7,673,382	13,462,237	14,630,323	15,278,595	16,854,414
<u>48,691,075</u>	<u>49,151,101</u>	<u>53,529,022</u>	<u>54,344,218</u>	<u>55,196,969</u>	<u>56,795,466</u>
78,672,241	74,464,206	74,098,307	74,966,798	75,044,540	78,063,572
10,360,424	10,778,812	12,363,624	11,312,520	11,472,704	10,829,149
(10,633,356)	(10,008,097)	13,323,023	13,917,681	13,705,385	14,172,641
<u>\$78,399,309</u>	<u>\$75,234,921</u>	<u>\$99,784,954</u>	<u>\$100,196,999</u>	<u>\$100,222,629</u>	<u>\$103,065,362</u>

City of Sandusky  
Changes in Net Position  
Last Ten Years  
(Accrual Basis of Accounting)

	2019	2018	2017	2016
<u>Expenses</u>				
Governmental Activities				
Security of Persons and Property				
Police	\$704,717	\$6,763,079	\$5,996,216	\$6,180,846
Fire	(55,072)	7,409,925	7,370,266	6,765,752
Other	249,647	254,937	257,495	271,686
Public Health	472,398	415,721	396,115	309,402
Leisure Time Activities	1,185,201	1,516,778	1,180,710	575,513
Community Environment	6,022,217	5,360,451	5,184,333	4,109,633
Transportation	6,308,341	5,364,033	6,750,268	9,168,882
General Government				
Municipal Court	1,509,873	1,281,692	1,358,390	1,014,168
Other	5,631,410	5,391,169	4,797,015	4,136,866
Interest and Fiscal Charges	537,637	502,722	542,276	569,634
Total Governmental Activities Expenses	<u>22,566,369</u>	<u>34,260,507</u>	<u>33,833,084</u>	<u>33,102,382</u>
Business-Type Activities				
Water	7,958,913	7,275,299	6,657,346	6,328,824
Sewer	9,940,111	9,376,853	8,494,172	7,848,395
Total Business-Type Activities Expenses	<u>17,899,024</u>	<u>16,652,152</u>	<u>15,151,518</u>	<u>14,177,219</u>
Total Primary Government Expenses	<u>40,465,393</u>	<u>50,912,659</u>	<u>48,984,602</u>	<u>47,279,601</u>
<u>Program Revenues</u>				
Governmental Activities				
Charges for Services				
Security of Persons and Property				
Police	250,894	327,234	380,770	471,085
Fire	1,134,864	982,273	1,099,349	1,066,497
Public Health	138,099	153,796	134,752	140,165
Leisure Time Activities	252,538	230,785	289,112	271,849
Community Environment	524,044	598,120	311,765	512,667
Transportation	1,242,838	1,198,246	2,310,463	1,087,071
General Government				
Municipal Court	1,414,774	1,339,349	1,207,191	1,313,939
Other	296,002	491,978	347,104	315,526
Total Charges for Services	<u>5,254,053</u>	<u>5,321,781</u>	<u>6,080,506</u>	<u>5,178,799</u>
Operating Grants, Contributions, and Interest	3,152,917	3,202,380	3,292,700	3,273,258
Capital Grants and Contributions	1,012,091	1,358,887	1,416,703	1,619,021
Total Governmental Activities Program Revenues	<u>9,419,061</u>	<u>9,883,048</u>	<u>10,789,909</u>	<u>10,071,078</u>
Business-Type Activities				
Charges for Services				
Water	7,439,181	7,580,885	7,558,764	6,515,822
Sewer	10,755,891	11,547,199	11,111,125	9,397,518
Total Charges for Services	<u>18,195,072</u>	<u>19,128,084</u>	<u>18,669,889</u>	<u>15,913,340</u>
Capital Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>19,257</u>
Total Business-Type Activities Program Revenues	<u>18,195,072</u>	<u>19,128,084</u>	<u>18,669,889</u>	<u>15,932,597</u>
Total Primary Government Program Revenues	<u>27,614,133</u>	<u>29,011,132</u>	<u>29,459,798</u>	<u>26,003,675</u>

2015	2014	2013	2012	2011	2010
\$5,668,020	\$5,347,693	\$5,032,468	\$5,032,700	\$5,402,963	\$5,516,364
6,368,780	5,940,342	5,953,841	5,905,825	5,527,949	5,515,869
267,254	271,810	252,367	244,688	252,562	249,581
315,232	308,648	318,872	306,388	283,560	329,948
639,183	542,957	614,010	216,767	508,712	460,013
2,968,488	4,315,542	2,538,486	2,476,125	2,893,502	3,331,774
6,192,685	6,107,625	4,848,791	4,470,255	4,445,226	4,239,588
982,558	1,057,957	1,013,065	1,033,017	1,023,043	970,915
4,031,549	3,452,889	3,372,415	3,617,806	3,497,520	3,456,520
886,182	844,566	965,397	1,295,714	1,005,849	1,252,643
28,319,931	28,190,029	24,909,712	24,599,285	24,840,886	25,323,215
5,657,845	5,976,511	5,561,209	5,368,961	5,359,486	4,511,328
7,509,197	7,193,792	6,726,105	6,334,406	8,341,844	6,895,098
13,167,042	13,170,303	12,287,314	11,703,367	13,701,330	11,406,426
41,486,973	41,360,332	37,197,026	36,302,652	38,542,216	36,729,641
313,471	332,809	354,756	399,331	353,733	321,561
943,899	773,862	756,733	754,046	988,659	827,407
133,488	108,974	116,853	84,027	108,618	107,057
275,402	276,929	257,010	269,160	217,068	234,894
151,613	182,696	19,156	86,007	215,830	236,362
1,153,575	1,081,882	982,640	913,441	1,019,259	844,608
1,113,257	1,091,134	1,134,702	1,215,434	1,070,168	1,160,818
228,268	246,887	328,020	186,445	247,215	267,011
4,312,973	4,095,173	3,949,870	3,907,891	4,220,550	3,999,718
2,947,200	3,789,724	3,144,597	3,711,215	3,742,313	4,514,002
3,262,302	1,512,023	722,483	500,093	1,074,582	1,509,594
10,522,475	9,396,920	7,816,950	8,119,199	9,037,445	10,023,314
5,327,914	5,313,083	5,259,240	5,267,773	5,224,179	5,055,459
7,218,429	5,667,134	5,587,673	5,485,453	6,730,491	6,176,303
12,546,343	10,980,217	10,846,913	10,753,226	11,954,670	11,231,762
14,000	113,852	275,377	271,057	148,225	4,108,459
12,560,343	11,094,069	11,122,290	11,024,283	12,102,895	15,340,221
23,082,818	20,490,989	18,939,240	19,143,482	21,140,340	25,363,535

(continued)

City of Sandusky  
Changes in Net Position  
Last Ten Years  
(continued)  
(Accrual Basis of Accounting)

	2019	2018	2017	2016
<u>Net (Expense) Revenue</u>				
Governmental Activities	(\$13,147,308)	(\$24,377,459)	(\$23,043,175)	(\$23,031,304)
Business-Type Activities	296,048	2,475,932	3,518,371	1,755,378
Total Primary Government Net Expense	(12,851,260)	(21,901,527)	(19,524,804)	(21,275,926)
<u>General Revenues and Other Changes in Net Position</u>				
Governmental Activities				
Property Taxes Levied for General Purposes	1,535,855	1,517,753	1,500,070	1,480,791
Property Taxes Levied for Police and Fire Pension	252,488	249,472	246,576	243,434
Property Taxes Levied for Debt Service	391,335	413,266	410,984	405,691
Payment in Lieu of Taxes	527,531	574,675	611,812	557,852
Municipal Income Taxes Levied for General Purposes	11,024,712	11,566,210	10,989,407	11,716,187
Municipal Income Taxes Levied for Debt Service	731,696	772,972	728,704	780,974
Municipal Income Taxes Levied for Capital Projects	585,358	618,377	582,963	624,778
Other Local Taxes	5,688,308	5,687,420	5,576,879	5,775,150
Franchise Taxes	239,888	340,739	355,291	371,093
Grants and Entitlements not Restricted to Specific Programs	825,313	754,112	745,024	759,353
Interest	679,537	398,082	181,513	128,006
Other	1,416,656	1,735,814	1,527,073	2,103,291
Transfers	0	0	289,426	24,323
Special Item - Asset Donated to Developer	0	0	0	0
Total Governmental Activities	23,898,677	24,628,892	23,745,722	24,970,923
Business-Type Activities				
Interest	2,193	2,549	2,630	2,022
Other	223,153	766,243	341,723	274,734
Transfers	0	0	(289,426)	(24,323)
Total Business-Type Activities	225,346	768,792	54,927	252,433
Total Primary Government	24,124,023	25,397,684	23,800,649	25,223,356
<u>Changes in Net Position</u>				
Governmental Activities	10,751,369	251,433	702,547	1,939,619
Business-Type Activities	521,394	3,244,724	3,573,298	2,007,811
Total Primary Government	\$11,272,763	\$3,496,157	\$4,275,845	\$3,947,430

Note: Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015 and GASB Statement No. 75 beginning in 2018.



2015	2014	2013	2012	2011	2010
(\$17,797,456)	(\$18,793,109)	(\$17,092,762)	(\$16,480,086)	(\$15,803,441)	(\$15,299,901)
(606,699)	(2,076,234)	(1,165,024)	(679,084)	(1,598,435)	3,933,795
(18,404,155)	(20,869,343)	(18,257,786)	(17,159,170)	(17,401,876)	(11,366,106)
1,537,824	1,400,699	1,444,024	1,570,731	1,582,982	1,670,722
252,790	230,208	237,368	258,206	260,218	274,602
421,325	383,742	395,613	430,340	433,693	452,224
565,102	569,888	591,483	541,236	554,005	546,140
9,939,811	6,521,944	7,413,615	7,121,861	6,473,159	6,092,961
659,492	430,773	494,203	472,199	422,949	404,895
527,591	344,619	395,361	377,758	338,360	313,797
4,950,083	3,878,441	4,122,098	3,735,461	3,835,778	3,823,682
394,181	387,086	379,067	373,856	350,146	321,254
798,901	806,031	1,120,835	1,425,985	1,343,834	1,774,328
182,148	239,432	(3,698)	161,743	303,999	241,382
1,166,975	900,535	782,475	556,285	1,112,606	987,687
25,647	(285,706)	123,469	281,546	161,158	1,097,027
0	0	0	0	(2,613,682)	0
21,421,870	15,807,692	17,495,913	17,307,207	14,559,205	18,000,701
1,215	948	607	1,532	1,380	1,328
171,105	204,243	472,690	106,347	159,716	295,870
(25,647)	285,706	(123,469)	(281,546)	(161,158)	(1,097,027)
146,673	490,897	349,828	(173,667)	(62)	(799,829)
21,568,543	16,298,589	17,845,741	17,133,540	14,559,143	17,200,872
3,624,414	(2,985,417)	403,151	827,121	(1,244,236)	2,700,800
(460,026)	(1,585,337)	(815,196)	(852,751)	(1,598,497)	3,133,966
\$3,164,388	(\$4,570,754)	(\$412,045)	(\$25,630)	(\$2,842,733)	\$5,834,766

City of Sandusky  
Fund Balance  
Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016
General Fund				
Nonspendable	\$366,195	\$325,196	\$341,720	\$220,944
Restricted	0	0	0	0
Assigned	1,031,536	796,653	484,708	325,642
Unassigned	5,434,227	5,058,701	5,243,605	5,091,348
Total General Fund	<u>6,831,958</u>	<u>6,180,550</u>	<u>6,070,033</u>	<u>5,637,934</u>
All Other Governmental Funds				
Nonspendable	\$301,798	\$193,068	\$152,111	\$137,304
Restricted	8,013,606	8,166,540	7,294,677	8,275,192
Committed	72,927	56,390	64,437	62,410
Unassigned (Deficit)	<u>(3,816,636)</u>	<u>(137,817)</u>	<u>(130,335)</u>	<u>(200,928)</u>
Total All Other Governmental Funds	<u>4,571,695</u>	<u>8,278,181</u>	<u>7,380,890</u>	<u>8,273,978</u>
Total Governmental Funds	<u><u>\$11,403,653</u></u>	<u><u>\$14,458,731</u></u>	<u><u>\$13,450,923</u></u>	<u><u>\$13,911,912</u></u>

2015	2014	2013	2012	2011	2010
\$212,012	\$217,967	\$221,127	\$237,393	\$227,348	\$146,670
0	0	0	0	0	93,120
146,885	129,626	365,022	100,273	281,308	133,224
4,562,646	3,953,112	3,943,022	3,953,717	3,598,766	3,272,103
4,921,543	4,300,705	4,529,171	4,291,383	4,107,422	3,645,117
\$163,996	\$132,158	\$254,806	\$122,143	\$91,871	\$85,551
6,599,702	5,340,354	5,634,163	5,117,809	5,308,988	5,639,796
87,151	59,800	55,783	61,240	42,338	43,585
(243,329)	(314,737)	(157,449)	(3,310,167)	(4,310,201)	(4,345,598)
6,607,520	5,217,575	5,787,303	1,991,025	1,132,996	1,423,334
<u>\$11,529,063</u>	<u>\$9,518,280</u>	<u>\$10,316,474</u>	<u>\$6,282,408</u>	<u>\$5,240,418</u>	<u>\$5,068,451</u>

City of Sandusky  
Changes in Fund Balance  
Governmental Funds  
Last Ten Years  
(Modified Accrual Basis of Accounting)

	2019	2018	2017	2016
<u>Revenues</u>				
Property Taxes	\$2,213,212	\$2,185,535	\$2,181,279	\$2,162,354
Payment in Lieu of Taxes	527,531	574,675	611,812	557,852
Municipal Income Taxes	12,965,348	12,728,980	12,601,782	12,129,066
Other Local Taxes	6,090,162	6,132,053	6,019,747	6,214,372
Special Assessments	248,203	295,410	314,214	1,209,242
Charges for Services	2,514,406	2,446,153	2,457,699	2,414,694
Fees, Licenses, and Permits	1,266,196	1,523,428	1,203,220	1,345,243
Fines and Forfeitures	1,294,049	1,266,975	1,145,903	1,393,235
Intergovernmental	4,721,619	5,309,668	5,143,061	5,359,868
Interest	691,057	416,284	189,883	149,715
Other	1,815,875	1,884,330	1,734,169	2,240,524
<b>Total Revenues</b>	<b>34,347,658</b>	<b>34,763,491</b>	<b>33,602,769</b>	<b>35,176,165</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	5,593,131	5,926,291	5,827,286	5,754,747
Fire	6,034,618	6,669,542	6,788,655	6,068,768
Other	249,647	254,937	257,495	271,686
Public Health	354,883	365,162	348,265	328,937
Leisure Time Activities	1,339,162	1,639,560	1,116,125	464,583
Community Environment	6,076,151	5,368,399	4,813,221	3,911,191
Transportation	4,339,269	4,254,108	4,460,176	4,716,823
General Government				
Municipal Court	1,052,886	1,045,944	1,075,569	1,003,382
Other	5,191,780	4,943,624	4,234,648	3,398,846
Other	165,782	107,248	260,282	176,294
Capital Outlay	4,450,255	646,488	2,626,928	4,134,785
Debt Service:				
Principal Retirement	2,108,440	2,098,740	2,115,337	2,110,185
Interest and Fiscal Charges	475,251	442,725	488,384	518,537
Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>37,431,255</b>	<b>33,762,768</b>	<b>34,412,371</b>	<b>32,858,764</b>
Excess of Revenues Over (Under) Expenditures	<b>(3,083,597)</b>	<b>1,000,723</b>	<b>(809,602)</b>	<b>2,317,401</b>
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Revenue Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Premium on Special Assessment Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Sale of Capital Assets	28,519	7,085	59,187	16,230
Inception of Capital Lease	0	0	0	24,895
Transfers In	5,961,068	5,394,008	5,309,815	5,446,133
Transfers Out	(5,961,068)	(5,394,008)	(5,020,389)	(5,421,810)
<b>Total Other Financing Sources (Uses)</b>	<b>28,519</b>	<b>7,085</b>	<b>348,613</b>	<b>65,448</b>
<b>Changes in Fund Balance</b>	<b>(\$3,055,078)</b>	<b>\$1,007,808</b>	<b>(\$460,989)</b>	<b>\$2,382,849</b>
Debt Service as a Percentage of Noncapital Expenditures	8.70%	8.50%	8.34%	8.45%

2015	2014	2013	2012	2011	2010
\$2,179,144	\$2,165,483	\$2,156,325	\$2,266,548	\$2,290,106	\$2,265,450
565,102	569,888	591,483	541,236	554,005	546,140
11,159,835	7,815,510	7,961,439	7,679,283	7,240,793	6,716,022
5,391,794	4,319,159	4,542,872	4,176,906	4,287,830	4,289,953
1,194,518	790,084	225,647	263,281	329,360	312,486
2,408,821	2,179,994	1,873,124	1,751,080	1,408,172	1,566,291
923,474	994,644	1,050,523	977,026	940,663	951,838
1,085,410	992,340	1,072,425	1,129,197	1,027,377	1,089,255
7,232,856	5,982,009	4,853,612	5,802,086	5,717,042	7,606,331
198,328	259,189	(1,431)	184,401	341,790	322,815
1,075,204	1,145,250	973,777	944,060	1,225,758	1,253,526
<u>33,414,486</u>	<u>27,213,550</u>	<u>25,299,796</u>	<u>25,715,104</u>	<u>25,362,896</u>	<u>26,920,107</u>
5,447,833	5,225,064	4,918,939	5,066,185	5,498,666	5,440,140
5,816,249	5,603,879	5,478,660	5,512,695	5,522,370	5,263,815
267,254	271,810	252,367	244,688	252,562	249,581
292,412	282,640	291,026	310,763	271,130	353,288
520,098	445,443	490,240	455,973	385,373	340,606
2,776,759	3,671,076	2,288,489	3,060,559	2,704,414	3,464,442
4,702,816	4,712,716	3,277,176	3,178,728	3,110,557	3,864,900
984,633	1,077,058	1,016,432	981,662	1,038,040	957,168
3,245,649	2,618,712	2,566,204	2,829,493	2,863,831	2,795,838
152,549	181,625	88,357	128,727	92,756	68,108
4,174,274	1,164,442	547,247	803,610	1,635,471	4,507,569
2,098,519	2,423,334	1,959,320	1,500,472	5,455,694	1,213,401
907,334	812,248	930,235	896,912	1,001,860	1,241,563
0	0	0	0	115,335	0
<u>31,386,379</u>	<u>28,490,047</u>	<u>24,104,692</u>	<u>24,970,467</u>	<u>29,948,059</u>	<u>29,760,419</u>
<u>2,028,107</u>	<u>(1,276,497)</u>	<u>1,195,104</u>	<u>744,637</u>	<u>(4,585,163)</u>	<u>(2,840,312)</u>
7,549,069	370,000	0	0	4,090,000	0
180,931	45,000	0	0	0	0
0	0	2,680,000	0	0	0
205,835	0	0	0	120,335	0
5,682	0	0	0	0	0
(7,730,000)	0	0	0	0	0
45,512	6,361	35,493	1,161	385,637	18,478
0	0	0	0	0	0
4,717,900	2,913,091	3,414,520	3,257,469	4,961,338	4,664,279
(4,992,253)	(2,856,149)	(3,291,051)	(2,961,277)	(4,800,180)	(3,567,252)
<u>(17,324)</u>	<u>478,303</u>	<u>2,838,962</u>	<u>297,353</u>	<u>4,757,130</u>	<u>1,115,505</u>
<u>\$2,010,783</u>	<u>(\$798,194)</u>	<u>\$4,034,066</u>	<u>\$1,041,990</u>	<u>\$171,967</u>	<u>(\$1,724,807)</u>
11.21%	11.70%	12.33%	10.61%	23.43%	10.35%

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

Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility			
2019	\$298,977,110	\$144,580,430	\$1,267,307,257	\$23,240,630	\$26,409,807
2018	299,814,860	140,123,460	1,256,966,628	21,783,450	24,753,920
2017	299,623,060	140,052,250	1,256,215,171	20,622,650	23,434,830
2016	299,888,000	140,247,000	1,257,528,571	18,654,000	21,197,727
2015	304,128,000	137,324,000	1,261,291,428	17,826,000	20,256,818
2014	305,909,000	137,297,000	1,266,302,857	16,854,000	19,152,273
2013	307,005,000	138,009,000	1,271,468,571	15,219,000	17,294,318
2012	325,473,000	145,320,000	1,345,122,857	14,018,000	15,929,545
2011	327,604,000	146,862,000	1,355,617,142	13,386,000	15,211,364
2010	268,557,000	118,719,000	1,106,502,856	12,639,000	14,362,500

Source: Erie County Auditor

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 of actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent actual value for machinery and equipment and 23 percent for inventory. The general business tangible personal property tax has been phased out. No tangible personal property taxes have been levied or collected since 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed 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.

Tangible Personal Property		Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$0	\$0	\$466,798,170	\$1,293,717,064	36.08%	\$5.18
0	0	461,721,770	1,281,720,548	36.02	5.25
0	0	460,297,960	1,279,650,001	35.97	5.25
0	0	458,789,000	1,278,726,298	35.88	5.25
0	0	459,278,000	1,281,548,246	35.84	5.25
0	0	460,060,000	1,285,455,130	35.79	5.25
0	0	460,233,000	1,288,762,889	35.71	5.25
0	0	484,811,000	1,361,052,402	35.62	5.25
0	0	487,852,000	1,370,828,506	35.59	5.25
567,525	567,525	400,482,525	1,121,432,881	35.71	5.25

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

Year	2019	2018	2017	2016
City of Sandusky				
Voted Millage				
1998 Library Bond - 23 Years	\$0.9300	\$1.0000	\$1.0000	\$1.0000
Unvoted Millage				
General	3.6500	3.6500	3.6500	3.6500
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	4.2500	4.2500	4.2500	4.2500
Total Millage	5.1800	5.2500	5.2500	5.2500
Erie County	9.1000	9.0000	9.1000	9.1000
Sandusky City School District	85.0200	57.9562	85.0650	80.5250

Source: Erie County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property tax rate can be increased only by a majority vote of the City's residents.

Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City. Property tax rates for all overlapping governments are based upon the original voted levy.



2015	2014	2013	2012	2011	2010
\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
3.6500	3.6500	3.6500	3.6500	3.6500	3.6500
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.2500	4.2500	4.2500	4.2500	4.2500	4.2500
5.2500	5.2500	5.2500	5.2500	5.2500	5.2500
8.9000	8.8000	8.8000	8.8000	8.8000	8.8000
82.0250	80.5250	80.5250	75.4100	75.4000	75.4000



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

Year	Current Tax Levy (1)	Current Collections	Percentage of Current Collections to Current Tax Levy	Delinquent Charges	Delinquent Collections	Total Collections	Percentage of Total Collections to Current Tax Levy
2019	\$2,984,353	\$2,869,057	96.14%	\$232,806	\$164,907	\$3,033,964	101.66%
2018	3,041,904	2,855,607	93.88	226,275	148,469	3,004,076	98.76
2017	3,068,593	2,901,384	94.55	235,814	131,207	3,032,591	98.83
2016	3,005,680	2,840,752	94.51	260,215	126,964	2,967,716	98.74
2015	3,038,324	2,903,143	95.55	233,276	151,470	3,054,613	100.54
2014	3,038,646	2,895,623	95.29	390,445	148,768	3,044,391	100.19
2013	3,079,702	2,918,017	94.75	404,560	148,793	3,066,810	99.58
2012	3,087,085	2,602,352	84.30	466,638	157,080	2,759,432	89.39
2011	2,569,664	2,396,091	93.25	467,320	166,077	2,562,168	99.71
2010	3,172,208	2,990,421	94.27	427,533	127,728	3,118,149	98.30

Source: Erie County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County's current reporting system does not track delinquent tax collections by tax year.  
Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent.  
Penalties and interest are applied to the total outstanding delinquent balance.  
The presentation will be updated as new information becomes available.

City of Sandusky  
Principal Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	2019		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Cedar Fair	Theme Park	\$41,361,570	1	8.86%
Ohio Edison Company	Utility	13,303,410	2	2.85
Norfolk & Western Railway	Railroad	5,256,880	3	1.13
American Transmissions Systems	Manufacturing	5,114,100	4	1.10
Columbia Gas	Utility	4,824,590	5	1.03
Firelands Regional Health System	Hospital	4,198,910	6	0.90
S & S Realty	Realty	2,923,200	7	0.63
Key Real Estate LTD	Realty	2,163,060	8	0.46
Sandusky One LLC	Realty	2,155,510	9	0.46
Myers Industries, Inc.	Manufacturing/Assembly	2,075,980	10	0.44
CNL Income Sandusky Marina	Port Facilities			
Sandusky Limited	Port Facilities			
	Total	<u>83,377,210</u>		<u>17.86</u>
	All Other Taxpayers	<u>383,420,960</u>		<u>82.14</u>
	Total Assessed Valuation	<u>\$466,798,170</u>		<u>100.00%</u>

Source: Erie County Auditor

2010		
<u>Total Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
\$39,355,890	1	9.83%
9,524,510	2	2.38
4,205,200	4	1.05
1,890,540	9	0.47
4,401,000	3	1.10
3,456,310	5	0.86
2,170,020	8	0.55
2,306,800	7	0.58
2,494,360	6	0.62
1,835,400	10	0.45
<u>71,640,030</u>		<u>17.89</u>
<u>328,842,495</u>		<u>82.11</u>
<u><u>\$400,482,525</u></u>		<u><u>100.00%</u></u>

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years

2019				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	456	7.78%	\$86,413,835	32.54%
\$75,001 - \$100,000	415	7.08	35,673,870	13.44
\$50,001 - \$75,000	784	13.38	48,013,452	18.08
\$25,001 - \$50,000	1,843	31.45	66,612,085	25.09
\$25,000 and lower	2,362	40.31	28,801,590	10.85
<b>Total</b>	<b>5,860</b>	<b>100.00%</b>	<b>\$265,514,832</b>	<b>100.00%</b>

2018				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	423	7.05%	\$75,950,350	29.73%
\$75,001 - \$100,000	376	6.26	32,359,428	12.67
\$50,001 - \$75,000	814	13.56	49,647,669	19.43
\$25,001 - \$50,000	1,855	30.91	67,651,763	26.48
\$25,000 and lower	2,534	42.22	29,866,384	11.69
<b>Total</b>	<b>6,002</b>	<b>100.00%</b>	<b>\$255,475,594</b>	<b>100.00%</b>

2017				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	391	6.92%	\$71,312,726	29.66%
\$75,001 - \$100,000	391	6.92	33,533,855	13.95
\$50,001 - \$75,000	713	12.62	43,799,646	18.22
\$25,001 - \$50,000	1,775	31.42	64,185,632	26.70
\$25,000 and lower	2,379	42.12	27,583,994	11.47
<b>Total</b>	<b>5,649</b>	<b>100.00%</b>	<b>\$240,415,853</b>	<b>100.00%</b>

2016				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	407	6.76%	\$79,623,854	31.12%
\$75,001 - \$100,000	399	6.62	34,290,499	13.40
\$50,001 - \$75,000	805	13.36	49,284,292	19.26
\$25,001 - \$50,000	1,710	28.39	61,449,700	24.02
\$25,000 and lower	2,703	44.87	31,205,846	12.20
<b>Total</b>	<b>6,024</b>	<b>100.00%</b>	<b>\$255,854,191</b>	<b>100.00%</b>

(continued)

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years  
 (continued)

2015				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	403	6.30%	\$79,822,946	30.91%
\$75,001 - \$100,000	372	5.82	31,939,374	12.37
\$50,001 - \$75,000	837	13.09	51,076,079	19.78
\$25,001 - \$50,000	1,707	26.71	61,288,878	23.74
\$25,000 and lower	3,073	48.08	34,073,481	13.20
<b>Total</b>	<b>6,392</b>	<b>100.00%</b>	<b>\$258,200,758</b>	<b>100.00%</b>

2014				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	388	6.08%	\$76,299,804	29.81%
\$75,001 - \$100,000	374	5.86	32,161,678	12.57
\$50,001 - \$75,000	868	13.60	53,086,760	20.74
\$25,001 - \$50,000	1,689	26.46	61,059,096	23.85
\$25,000 and lower	3,064	48.00	33,363,234	13.03
<b>Total</b>	<b>6,383</b>	<b>100.00%</b>	<b>\$255,970,572</b>	<b>100.00%</b>

2013				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	410	6.40%	\$95,092,764	34.11%
\$75,001 - \$100,000	388	6.06	36,544,019	13.11
\$50,001 - \$75,000	853	13.32	52,244,517	18.74
\$25,001 - \$50,000	1,689	26.37	60,602,011	21.74
\$25,000 and lower	3,065	47.85	34,290,337	12.30
<b>Total</b>	<b>6,405</b>	<b>100.00%</b>	<b>\$278,773,648</b>	<b>100.00%</b>

2012				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	380	6.09%	\$77,823,120	30.78%
\$75,001 - \$100,000	390	6.25	33,788,858	13.36
\$50,001 - \$75,000	790	12.66	47,968,447	18.97
\$25,001 - \$50,000	1,664	26.66	60,546,655	23.95
\$25,000 and lower	3,018	48.34	32,690,204	12.94
<b>Total</b>	<b>6,242</b>	<b>100.00%</b>	<b>\$252,817,284</b>	<b>100.00%</b>

(continued)

City of Sandusky  
 Personal Income Tax Filers by Income Level  
 Last Ten Years  
 (continued)

2011				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	360	5.21%	\$69,826,664	26.86%
\$75,001 - \$100,000	394	5.70	34,025,087	13.09
\$50,001 - \$75,000	868	12.55	53,169,757	20.45
\$25,001 - \$50,000	1,799	26.01	64,745,186	24.90
\$25,000 and lower	3,495	50.53	38,203,367	14.70
<b>Total</b>	<b>6,916</b>	<b>100.00%</b>	<b>\$259,970,061</b>	<b>100.00%</b>

2010				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	331	4.81%	\$65,302,989	26.06%
\$75,001 - \$100,000	375	5.45	32,314,336	12.90
\$50,001 - \$75,000	839	12.19	51,281,828	20.47
\$25,001 - \$50,000	1,763	25.61	63,270,279	25.25
\$25,000 and lower	3,577	51.94	38,394,358	15.32
<b>Total</b>	<b>6,885</b>	<b>100.00%</b>	<b>\$250,563,790</b>	<b>100.00%</b>

Source: Regional Income Tax Agency (RITA)



City of Sandusky  
Water Service by Type of Customer  
Last Ten Years

Type of Customer	2019			2018		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	508,089	\$2,129,194	\$2,065,659	540,405	\$2,184,973	\$2,102,777
Commercial	564,312	1,955,682	1,917,905	728,184	2,437,005	2,146,846
Industrial	37,897	130,173	128,992	49,625	165,928	157,503
Municipal	56,731	0	0	55,576	0	0
<b>Total</b>	<b>1,167,029</b>	<b>\$4,215,049</b>	<b>\$4,112,556</b>	<b>1,373,790</b>	<b>\$4,787,906</b>	<b>\$4,407,126</b>
Monthly Base Rate		\$7.27			\$7.06	
Rate per 100 Cubic Feet		\$3.37			\$3.27	

Source: City Records

(continued)

Note: Rates are based on a 5/8" meter, which is the standard household meter.

Charges to Erie County are not included in payment amounts.

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2017			2016		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	521,631	\$2,060,669	\$2,064,447	550,667	\$2,016,974	\$1,974,036
Commercial	625,974	2,042,976	2,006,568	585,476	1,788,569	1,764,504
Industrial	43,829	141,808	147,642	45,234	136,837	130,350
Municipal	56,106	0	0	67,545	0	0
<b>Total</b>	<b>1,247,540</b>	<b>\$4,245,453</b>	<b>\$4,218,657</b>	<b>1,248,922</b>	<b>\$3,942,380</b>	<b>\$3,868,890</b>
Monthly Base Rate		\$7.06			\$6.85	
Rate per 100 Cubic Feet		\$3.27			\$3.18	

2015			2014		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
573,013	\$1,538,263	\$1,494,355	596,980	\$1,374,780	\$1,333,595
600,872	1,391,064	1,396,550	593,452	1,158,914	1,158,064
31,485	72,806	70,967	30,094	58,537	59,083
74,138	0	0	62,110	0	0
<u>1,279,508</u>	<u>\$3,002,133</u>	<u>\$2,961,872</u>	<u>1,282,636</u>	<u>\$2,592,231</u>	<u>\$2,550,742</u>
	\$6.41			\$4.10	
	\$2.97			\$1.90	

(continued)

City of Sandusky  
Water Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2013			2012		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	551,320	\$1,317,439	\$1,329,853	548,757	\$1,414,656	\$1,387,655
Commercial	510,084	1,158,926	1,150,794	507,931	1,299,733	1,163,057
Industrial	31,712	60,598	59,041	28,074	57,888	56,826
Municipal	72,120	0	0	57,723	0	0
<b>Total</b>	<b>1,165,236</b>	<b>\$2,536,963</b>	<b>\$2,539,688</b>	<b>1,142,485</b>	<b>\$2,772,277</b>	<b>\$2,607,538</b>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

2011			2010		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
615,721	\$1,439,777	\$1,400,365	602,857	\$1,417,520	\$1,408,563
521,961	1,190,109	1,179,737	488,715	1,173,261	1,143,321
31,093	59,055	57,115	25,519	50,625	46,932
52,242	0	0	56,694	0	0
<u>1,221,017</u>	<u>\$2,688,941</u>	<u>\$2,637,217</u>	<u>1,173,785</u>	<u>\$2,641,406</u>	<u>\$2,598,816</u>
	\$4.10			\$4.10	
	\$1.90			\$1.90	

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years

Type of Customer	2019			2018		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	510,399	\$4,916,893	\$4,773,942	532,238	\$5,064,423	\$4,801,074
Commercial	484,007	4,327,380	4,236,757	625,743	5,362,251	4,734,925
Industrial	36,247	338,725	335,692	47,751	425,777	396,341
Municipal	55,490	0	0	54,696	0	0
<b>Total</b>	<b>1,086,143</b>	<b>\$9,582,998</b>	<b>\$9,346,391</b>	<b>1,260,428</b>	<b>\$10,852,451</b>	<b>\$9,932,340</b>
Monthly Base Rate		\$14.79			\$14.36	
Rate per 100 Cubic Feet		\$8.39			\$8.14	

Source: City Records

Note: Rates are based on a 5/8" meter, which is the standard household meter.

Charges to Erie County are not included in payment amounts.

2017			2016		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
512,049	\$4,658,701	\$4,585,865	543,712	\$3,933,676	\$3,771,197
529,248	4,351,923	4,222,673	499,593	3,301,521	3,260,717
41,721	355,815	360,092	43,321	295,258	281,684
55,296	0	0	66,957	0	0
<u>1,138,314</u>	<u>\$9,366,439</u>	<u>\$9,168,630</u>	<u>1,153,583</u>	<u>\$7,530,455</u>	<u>\$7,313,598</u>
	\$13.67			\$10.94	
	\$7.75			\$6.20	

(continued)

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2015			2014		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	564,242	\$3,069,817	\$2,851,418	585,393	\$2,668,905	\$2,542,241
Commercial	516,644	2,608,735	2,502,094	505,059	2,085,709	2,065,514
Industrial	31,889	167,902	156,509	30,591	128,868	128,962
Municipal	72,950	0	0	60,792	0	0
<b>Total</b>	<b>1,185,725</b>	<b>\$5,846,454</b>	<b>\$5,510,021</b>	<b>1,181,835</b>	<b>\$4,883,482</b>	<b>\$4,736,717</b>
Monthly Base Rate		\$8.75			\$7.00	
Rate per 100 Cubic Feet		\$4.96			\$3.97	



2013			2012		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
551,320	\$2,531,256	\$2,532,349	548,757	\$2,601,336	\$2,645,519
510,084	2,110,759	2,073,429	507,931	2,106,498	2,095,062
31,712	133,237	130,017	28,074	122,333	126,372
72,120	0	0	57,723	0	0
<u>1,165,236</u>	<u>\$4,775,252</u>	<u>\$4,735,795</u>	<u>1,142,485</u>	<u>\$4,830,167</u>	<u>\$4,866,953</u>
	\$7.00			\$7.00	
	\$3.97			\$3.97	

(continued)

City of Sandusky  
Sewer Service by Type of Customer  
Last Ten Years  
(continued)

Type of Customer	2011			2010		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	615,721	\$2,785,808	\$2,657,644	602,857	\$2,734,948	\$2,689,269
Commercial	521,961	2,144,778	2,105,590	488,715	2,014,088	2,125,726
Industrial	31,093	130,625	126,327	25,519	108,864	101,797
Municipal	52,242	0	0	56,694	0	0
<b>Total</b>	<b>1,221,017</b>	<b>\$5,061,211</b>	<b>\$4,889,561</b>	<b>1,173,785</b>	<b>\$4,857,900</b>	<b>\$4,916,792</b>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

City of Sandusky  
Principal Water Customers  
Last Ten Years

Customer	2019	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$903,261	21.97%
Firelands Regional Health System	117,660	2.86
Sandusky Associates, LLC	50,597	1.23
Radisson Harbour Inn	48,285	1.17
Tofts Dairy	34,421	0.84
Sandusky Board of Education	24,648	0.60
Okamoto Sandusky Manufacturing	18,279	0.44
North Coast Property Management	15,886	0.39
Eastern Realty	13,864	0.34
MHD Corporation	13,676	0.33
Total	1,240,577	30.17
Balance from Other Customers	2,871,979	69.83
Total Water Revenue	<u>\$4,112,556</u>	<u>100.00%</u>

Customer	2018	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$1,166,415	26.46%
Firelands Regional Health System	128,229	2.91
Sandusky Associates, LLC	63,156	1.43
U. S. Tsubaki, Inc.	43,863	1.00
Tofts Dairy	38,958	0.88
Radisson Harbour Inn	29,802	0.68
Sandusky Foundry Machine	25,224	0.57
Okamoto Sandusky Manufacturing	24,603	0.56
Sandusky Board of Education	21,954	0.50
MHD Corporation	20,581	0.47
Total	1,562,785	35.46
Balance from Other Customers	2,844,341	64.54
Total Water Revenue	<u>\$4,407,126</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2017	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$970,978	23.02%
Firelands Regional Health System	124,064	2.94
Sandusky Associates, LLC	62,372	1.48
U. S. Tsubaki, Inc.	39,794	0.94
Tofts Dairy	37,886	0.90
A & L Metal Processing	22,304	0.53
Sandusky Board of Education	21,986	0.52
MHD Corporation	21,954	0.52
Radisson Harbour Inn	21,668	0.51
Okamoto Sandusky Manufacturing	21,127	0.50
Total	1,344,133	31.86
Balance from Other Customers	2,874,524	68.14
Total Water Revenue	<u>\$4,218,657</u>	<u>100.00%</u>

Customer	2016	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$841,343	21.74%
Firelands Regional Health System	110,228	2.84
Sandusky Associates, LLC	60,629	1.57
Tofts Dairy	36,869	0.95
U. S. Tsubaki, Inc.	33,899	0.88
Okamoto Sandusky Manufacturing	25,435	0.66
A & L Metal Processing	19,940	0.52
MHD Corporation	19,376	0.50
Sandusky Board of Education	19,346	0.50
North Coast Property Management	14,594	0.38
Total	1,181,659	30.54
Balance from Other Customers	2,687,231	69.46
Total Water Revenue	<u>\$3,868,890</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2015	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$688,371	23.25%
Firelands Regional Health System	78,628	2.66
U. S. Tsubaki, Inc.	33,811	1.14
MHD Corporation	24,085	0.81
A & L Metal Processing	18,109	0.61
Sandusky Board of Education	15,541	0.52
Okamoto Sandusky Manufacturing	12,198	0.41
North Coast Property Management	11,069	0.37
Erie County	9,702	0.33
Greentree Inn	8,063	0.27
Total	899,577	30.37
Balance from Other Customers	2,062,295	69.63
Total Water Revenue	<u>\$2,961,872</u>	<u>100.00%</u>

Customer	2014	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$541,507	21.23%
Firelands Regional Health System	63,486	2.49
Sandusky Associates, LLC	39,166	1.54
U. S. Tsubaki, Inc.	25,486	1.00
MHD Corporation	13,744	0.54
Sandusky Board of Education	12,946	0.51
Norfolk-Southern Corporation	11,219	0.44
Okamoto Sandusky Manufacturing	10,552	0.41
North Coast Property Management	9,908	0.38
Greentree Inn	9,165	0.36
Total	737,179	28.90
Balance from Other Customers	1,813,563	71.10
Total Water Revenue	<u>\$2,550,742</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2013	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$530,669	20.89%
Firelands Regional Health System	59,116	2.33
Sandusky Associates, LLC	40,686	1.60
MHD Corporation	23,280	0.92
U. S. Tsubaki, Inc.	22,446	0.88
Sandusky Board of Education	11,996	0.47
Westwood Management	10,202	0.40
North Coast Property Management	10,096	0.40
Greentree Inn	9,811	0.39
A & L Metal Processing	9,393	0.37
Total	727,695	28.65
Balance from Other Customers	1,811,993	71.35
Total Water Revenue	<u>\$2,539,688</u>	<u>100.00%</u>

Customer	2012	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$519,759	19.92%
Firelands Regional Health System	61,966	2.38
Sandusky Associates, LLC	34,226	1.31
U. S. Tsubaki, Inc.	27,006	1.04
MHD Corporation	12,338	0.47
Greentree Inn	10,115	0.39
Westwood Management	9,697	0.37
Erie Metro Housing	9,526	0.37
Sandusky Board of Education	9,336	0.36
Providence Care Center	9,127	0.35
Total	703,096	26.96
Balance from Other Customers	1,904,442	73.04
Total Water Revenue	<u>\$2,607,538</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Water Customers  
Last Ten Years  
(continued)

Customer	2011	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$507,358	19.24%
Firelands Regional Health System	58,166	2.22
Sandusky Associates, LLC	32,516	1.23
U. S. Tsubaki, Inc.	31,946	1.21
Sandusky Board of Education	19,976	0.76
MHD Corporation	15,587	0.59
Sandusky Foundry	11,619	0.44
Greentree Inn	9,982	0.38
Providence Care Center	9,906	0.37
Erie Metro Housing	9,526	0.35
Total	706,582	26.79
Balance from Other Customers	1,930,635	73.21
Total Water Revenue	<u>\$2,637,217</u>	<u>100.00%</u>

Customer	2010	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$525,661	20.23%
Firelands Regional Health System	61,288	2.37
Sandusky Associates, LLC	25,486	0.98
U. S. Tsubaki, Inc.	17,696	0.68
MHD Corporation	13,136	0.51
Providence Care Center	11,084	0.43
Greentree Inn	10,913	0.42
Sandusky Board of Education	10,856	0.41
Westwood Management	8,158	0.31
Erie Metro Housing	8,004	0.31
Total	692,282	26.64
Balance from Other Customers	1,906,534	73.36
Total Water Revenue	<u>\$2,598,816</u>	<u>100.00%</u>

Source: City Utility Department

City of Sandusky  
Principal Sewer Customers  
Last Ten Years

Customer	2019	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,911,477	20.46%
Firelands Regional Health System	282,667	3.02
Sandusky Associates, LLC	128,879	1.38
Radisson Harbour Inn	123,022	1.32
Tofts Dairy	70,195	0.75
Okamoto Sandusky Manufacturing	49,761	0.53
Sandusky Board of Education	52,334	0.56
North Coast Property Management	42,462	0.45
Eastern Realty	34,897	0.37
MHD Corporation	34,516	0.37
Total	2,730,210	29.21
Balance from Other Customers	6,616,181	70.79
Total Sewer Revenue	<u>\$9,346,391</u>	<u>100.00%</u>

Customer	2018	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$2,340,991	23.58%
Firelands Regional Health System	312,997	3.15
Sandusky Associates, LLC	160,046	1.61
Tofts Dairy	79,852	0.80
Radisson Harbour Inn	75,554	0.76
Okamoto Sandusky Manufacturing	67,882	0.68
Sandusky Foundry Machine	65,622	0.66
MHD Corporation	52,014	0.52
A & L Metal Processing	51,948	0.52
Sandusky Board of Education	51,296	0.52
Total	3,258,202	32.80
Balance from Other Customers	6,674,138	67.20
Total Sewer Revenue	<u>\$9,932,340</u>	<u>100.00%</u>

(continued)



City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2017	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,493,791	16.30%
Firelands Regional Health System	217,987	2.38
Sandusky Associates, LLC	128,583	1.40
Tofts Dairy	63,927	0.70
Okamoto Sandusky Manufacturing	57,828	0.63
A & L Metal Processing	42,599	0.46
MHD Corporation	41,004	0.45
Sandusky Board of Education	33,165	0.36
North Coast Property Management	32,483	0.35
Radisson Harbour Inn	31,439	0.34
Total	2,142,806	23.37
Balance from Other Customers	7,025,824	76.63
Total Sewer Revenue	<u>\$9,168,630</u>	<u>100.00%</u>

Customer	2016	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,493,791	20.43%
Firelands Regional Health System	217,987	2.99
Sandusky Associates, LLC	128,583	1.76
Tofts Dairy	63,927	0.87
Okamoto Sandusky Manufacturing	57,828	0.79
A & L Metal Processing	42,599	0.58
MHD Corporation	41,004	0.56
Sandusky Board of Education	33,165	0.45
North Coast Property Management	32,483	0.44
Radisson Harbour Inn	31,439	0.43
Total	2,142,806	29.30
Balance from Other Customers	5,170,792	70.70
Total Sewer Revenue	<u>\$7,313,598</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2015	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$1,212,006	21.99%
Firelands Regional Health System	159,245	2.89
MHD Corporation	50,655	0.92
A & L Metal Processing	38,296	0.70
Okamoto Sandusky Manufacturing	28,189	0.51
Sandusky Board of Education	26,427	0.48
North Coast Property Management	24,243	0.44
Erie County	20,780	0.38
Greentree Inn	17,127	0.31
Providence Care Center	15,204	0.28
Total	1,592,172	28.90
Balance from Other Customers	3,917,849	71.10
Total Sewer Revenue	<u>\$5,510,021</u>	<u>100.00%</u>

Customer	2014	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$943,181	19.91%
Firelands Regional Health System	127,169	2.69
Sandusky Associates, LLC	82,348	1.74
MHD Corporation	28,851	0.61
Okamoto Sandusky Manufacturing	23,314	0.49
North Coast Property Management	21,259	0.45
Greentree Inn	19,283	0.41
Sandusky Board of Education	19,272	0.40
Erie Metro Housing	16,176	0.34
Myers Industries, Inc.	2,152	0.05
Total	1,283,005	27.09
Balance from Other Customers	3,453,712	72.91
Total Sewer Revenue	<u>\$4,736,717</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2013	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$926,309	19.55%
Firelands Regional Health System	89,811	1.90
Sandusky Associates, LLC	85,524	1.81
MHD Corporation	48,833	1.03
Sandusky Board of Education	25,330	0.53
North Coast Property Management	21,607	0.46
Westwood Management	21,332	0.45
Greentree Inn	20,454	0.43
A & L Metal Processing	19,760	0.42
Providence Care Center	16,028	0.34
Total	1,274,988	26.92
Balance from Other Customers	3,460,807	73.08
Total Sewer Revenue	<u>\$4,735,795</u>	<u>100.00%</u>

Customer	2012	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$920,514	18.92%
Firelands Regional Health System	96,084	1.98
Sandusky Associates, LLC	69,247	1.42
MHD Corporation	25,913	0.53
Westwood Management	20,287	0.42
Erie Metro Housing	20,146	0.41
Sandusky Board of Education	20,019	0.41
North Coast Property Management	19,621	0.40
Providence Care Center	19,203	0.39
Greentree Inn	15,631	0.32
Total	1,226,665	25.20
Balance from Other Customers	3,640,288	74.80
Total Sewer Revenue	<u>\$4,866,953</u>	<u>100.00%</u>

(continued)

City of Sandusky  
Principal Sewer Customers  
Last Ten Years  
(continued)

Customer	2011	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$901,372	18.43%
Firelands Regional Health System	93,821	1.92
Sandusky Associates, LLC	68,453	1.40
Sandusky Board of Education	41,981	0.86
MHD Corporation	32,702	0.67
Providence Care Center	20,832	0.43
Erie Metro Housing	20,146	0.41
A & L Metal Processing	19,283	0.39
Sandusky Foundry	18,828	0.38
Greentree Inn	16,429	0.34
Total	1,233,847	25.23
Balance from Other Customers	3,655,714	74.77
Total Sewer Revenue	<u>\$4,889,561</u>	<u>100.00%</u>

Customer	2010	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$984,267	20.02%
Firelands Regional Health System	89,619	1.82
Sandusky Associates, LLC	53,764	1.09
MHD Corporation	27,581	0.56
Providence Care Center	23,293	0.48
Sandusky Board of Education	23,195	0.47
Greentree Inn	19,565	0.40
Westwood Management	17,071	0.35
Erie Metro Housing	16,945	0.34
Lutheran Memorial Home	15,671	0.32
Total	1,270,971	25.85
Balance from Other Customers	3,645,821	74.15
Total Sewer Revenue	<u>\$4,916,792</u>	<u>100.00%</u>

Source: City Utility Department

City of Sandusky  
 Number of Water and Sewer Customers by Type  
 Last Ten Years

Year	Water		Sewer		Total	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
2019	8,247	1,015	8,224	993	16,471	2,008
2018	8,382	1,030	8,340	1,004	16,722	2,034
2017	8,316	1,035	8,280	1,012	16,596	2,047
2016	8,375	1,041	8,324	1,018	16,699	2,059
2015	8,340	1,039	8,294	1,018	16,634	2,057
2014	8,208	1,168	8,166	1,143	16,374	2,311
2013	8,345	1,036	8,319	1,020	16,664	2,056
2012	8,389	1,027	8,357	1,014	16,746	2,041
2011	8,357	1,006	8,329	989	16,686	1,995
2010	8,361	1,019	8,334	1,002	16,695	2,021

Source: City Utility Department



City of Sandusky  
 Water Produced and Consumed and Wastewater Treated  
 Last Ten Years

Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water City Usage	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2019	3,380,801,200	2,703,997,407	828,597,748	157,683,603	20.02%	7,444,353,000
2018	3,602,715,200	2,828,658,972	940,660,864	173,732,596	21.49	7,025,804,000
2017	3,500,746,100	2,806,477,070	940,989,236	139,969,270	19.83	5,997,373,000
2016	3,322,261,545	2,642,588,574	921,968,344	142,446,326	20.46	5,150,653,000
2015	3,298,592,130	2,635,860,027	921,046,060	240,900,163	20.12	5,131,900,000
2014	3,304,447,404	2,489,943,910	841,352,644	153,627,237	5.81	4,625,400,000
2013	3,323,608,000	2,336,032,624	724,070,810	324,043,324	12.18	4,696,100,000
2012	3,420,350,900	2,509,011,164	806,177,308	43,260,580	1.69	4,400,500,000
2011	3,477,491,000	2,478,440,404	860,098,299	38,144,266	25.76	5,865,100,000
2010	3,311,345,000	2,732,551,064	462,193,250	64,910,000	14.47	3,764,140,000

Source: City Utility Department

City of Sandusky  
Ratios of Outstanding Debt by Type  
Last Ten Years

Governmental Activities					
Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Loans Payable	Capital Leases
2019	\$4,829,910	\$0	\$1,569,791	\$0	\$0
2018	6,374,928	410,000	1,738,654	0	0
2017	7,884,798	810,000	1,934,288	0	8,299
2016	9,314,227	1,200,000	2,125,599	110,599	16,597
2015	10,713,509	1,580,000	2,356,309	216,646	0
2014	12,148,290	1,950,000	2,627,833	318,327	0
2013	13,443,350	2,310,000	2,903,175	415,821	0
2012	14,677,706	0	3,183,334	509,301	0
2011	15,803,424	0	3,486,729	598,932	0
2010	15,901,176	0	3,812,686	684,873	914

Source: City Records

(1) See schedule on S-56 for population and personal income.



Business-Type Activities					
General Obligation Revenue Bonds	OWDA Loans	Loans Payable	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$1,195,000	\$39,394,393	\$0	\$46,989,094	\$1,821.78	7.94%
1,275,000	42,144,494	0	51,943,076	2,013.84	9.11
1,350,000	45,262,928	0	57,250,313	2,219.61	10.67
1,425,000	46,379,503	68,723	60,640,248	2,351.04	10.73
1,500,000	41,713,399	134,616	58,214,479	2,256.99	10.39
1,570,000	44,107,382	197,796	62,919,628	2,439.41	11.23
1,588,285	46,436,047	258,374	67,355,052	2,611.37	13.06
1,649,180	48,063,420	316,459	68,399,400	2,651.86	13.02
1,753,994	46,725,607	372,152	68,740,838	2,665.10	13.91
1,935,910	43,537,012	425,552	66,298,123	2,570.39	13.58

City of Sandusky  
Ratio of General Bonded Debt to  
Estimated Actual Value and General Bonded Debt Per Capita  
Last Ten Years

Year	Population	Estimated Actual Value	Gross Bonded Debt	Bonded Debt Per Capita	Ratio of Bonded Debt to Estimated Actual Value
2019	25,793	\$1,293,717,064	\$6,024,910	\$233.59	0.47%
2018	25,793	1,281,720,548	7,649,928	296.59	0.60
2017	25,793	1,279,650,001	9,234,798	358.04	0.72
2016	25,793	1,278,726,298	10,739,227	416.36	0.84
2015	25,793	1,281,548,246	12,213,509	473.52	0.95
2014	25,793	1,285,455,130	13,718,290	531.86	1.07
2013	25,793	1,288,762,889	15,031,635	582.78	1.17
2012	25,793	1,361,052,402	16,326,886	633.00	1.20
2011	25,793	1,370,828,506	17,557,418	680.70	1.28
2010	25,793	1,121,432,882	17,837,086	691.55	1.59

Source: City Records

Erie County Auditor

(1) See schedule on S-13 for estimated actual value.

Note: Resources have not been externally restricted for the repayment of debt.

City of Sandusky  
 Computation of Direct and Overlapping Debt for Governmental Activities  
 December 31, 2019

	Debt Outstanding	Percent Applicable to City of Sandusky (1)	Amount Applicable to City of Sandusky
City of Sandusky			
2001 Various Purpose	\$30,000	100.00%	\$30,000
2011 Library Refunding	1,585,309	100.00	1,585,309
2014 Various Purpose Refunding	80,000	100.00	80,000
2015 City Complex Refunding	810,000	100.00	810,000
2015 Police Pension Bonds Refunding	215,275	100.00	215,275
2015 Fire Pension Bonds Refunding	289,725	100.00	289,725
2015 Various Purpose Bonds Refunding	1,819,601	100.00	1,819,601
Special Assessment Bonds	<u>1,569,791</u>	100.00	<u>1,569,791</u>
Total City of Sandusky	<u>6,399,701</u>		<u>6,399,701</u>
Erie County	9,170,459	21.63	1,983,570
Sandusky City School District	<u>32,475,000</u>	100.00	<u>32,475,000</u>
Total Overlapping	<u>41,645,459</u>		<u>34,458,570</u>
Total	<u><u>\$48,045,160</u></u>		<u><u>\$40,858,271</u></u>

Source: City Records and Erie County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision. The valuations used were for the 2019 collection year.

City of Sandusky  
Computation of Legal Debt Margin  
Last Ten Years

	2019	2018	2017
Total Assessed Valuation	<u>\$466,798,170</u>	<u>\$461,721,770</u>	<u>\$460,297,960</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	49,013,808	48,480,786	48,331,286
Gross Indebtedness	55,679,393	56,763,934	60,001,809
Less Debt Outside Limitation			
Revenue Bonds	0	410,000	810,000
Special Assessment Bonds	1,505,399	1,668,972	1,859,546
General Obligation Revenue Bonds	1,195,000	1,275,000	1,350,000
OWDA Loans	<u>39,394,393</u>	<u>42,144,494</u>	<u>45,262,928</u>
Net Indebtedness	13,584,601	11,265,468	10,719,335
Less Fund Balance in Debt Service Fund	<u>139,195</u>	<u>155,899</u>	<u>167,788</u>
Net Debt Within 10.5 Percent Limitation	<u>13,445,406</u>	<u>11,109,569</u>	<u>10,551,547</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$35,568,402</u>	<u>\$37,371,217</u>	<u>\$37,779,739</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	72.57%	77.08%	78.17%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$25,673,899	\$25,394,697	\$25,316,388
Gross Indebtedness	55,679,393	56,763,934	60,001,809
Less Debt Outside Limitation			
Revenue Bonds	0	410,000	810,000
Special Assessment Bonds	1,505,399	1,668,972	1,859,546
General Obligation Revenue Bonds	1,195,000	1,275,000	1,350,000
OWDA Loans	<u>39,394,393</u>	<u>42,144,494</u>	<u>45,262,928</u>
Net Indebtedness	13,584,601	11,265,468	10,719,335
Less Fund Balance in Debt Service Fund	<u>139,195</u>	<u>155,899</u>	<u>167,788</u>
Net Debt Within 5.5 Percent Limitation	<u>13,445,406</u>	<u>11,109,569</u>	<u>10,551,547</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$12,228,493</u>	<u>\$14,285,128</u>	<u>\$14,764,841</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	47.63%	56.25%	58.32%

Source: City Records

2016	2015	2014	2013	2012	2011	2010
<u>\$458,789,000</u>	<u>\$459,278,000</u>	<u>\$460,060,000</u>	<u>\$460,233,000</u>	<u>\$484,811,000</u>	<u>\$487,852,000</u>	<u>\$400,482,525</u>
48,172,845	48,224,190	48,306,300	48,324,465	50,905,155	51,224,460	42,050,665
63,739,824	60,044,560	64,847,881	69,424,886	73,103,099	73,755,127	71,437,371
1,200,000	1,580,000	1,950,000	2,310,000	0	0	0
2,046,119	2,272,092	2,539,063	2,810,036	3,086,009	3,384,549	3,706,088
1,425,000	1,500,000	1,570,000	1,565,000	1,625,000	1,729,000	1,906,000
<u>46,379,503</u>	<u>41,713,399</u>	<u>44,107,382</u>	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>	<u>43,537,012</u>
12,689,202	12,979,069	14,681,436	16,303,803	20,328,670	21,915,971	22,288,271
<u>152,986</u>	<u>129,875</u>	<u>45,366</u>	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>	<u>82,687</u>
<u>12,536,216</u>	<u>12,849,194</u>	<u>14,636,070</u>	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>	<u>22,205,584</u>
<u>\$35,636,629</u>	<u>\$35,374,996</u>	<u>\$33,670,230</u>	<u>\$32,077,792</u>	<u>\$30,605,619</u>	<u>\$29,341,242</u>	<u>\$19,845,081</u>
73.98%	73.36%	69.70%	66.38%	60.12%	57.28%	47.19%
\$25,233,395	\$25,260,290	\$25,303,300	\$25,312,815	\$26,664,605	\$26,831,860	\$22,026,539
63,739,824	60,044,560	64,847,881	69,424,886	73,103,099	73,755,127	71,437,371
1,200,000	1,580,000	1,950,000	2,310,000	0	0	0
2,046,119	2,272,092	2,539,063	2,810,036	3,086,009	3,384,549	3,706,088
1,425,000	1,500,000	1,570,000	1,565,000	1,625,000	1,729,000	1,906,000
<u>46,379,503</u>	<u>41,713,399</u>	<u>44,107,382</u>	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>	<u>43,537,012</u>
12,689,202	12,979,069	14,681,436	16,303,803	20,328,670	21,915,971	22,288,271
<u>152,986</u>	<u>129,875</u>	<u>45,366</u>	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>	<u>82,687</u>
<u>12,536,216</u>	<u>12,849,194</u>	<u>14,636,070</u>	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>	<u>22,205,584</u>
<u>\$12,697,179</u>	<u>\$12,411,096</u>	<u>\$10,667,230</u>	<u>\$9,066,142</u>	<u>\$6,365,069</u>	<u>\$4,948,642</u>	<u>(\$179,045)</u>
50.32%	49.13%	42.16%	35.82%	23.87%	18.44%	(0.81%)



City of Sandusky  
Revenue Supported - Bond Coverage  
Governmental Activities  
Last Seven Years

Year	Payment in Lieu of Taxes Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2019	\$527,531	\$410,000	\$20,336	\$430,336	1.23
2018	571,170	400,000	31,137	431,137	1.32
2017	575,201	390,000	40,470	430,470	1.34
2016	523,299	380,000	49,597	429,597	1.22
2015	532,265	370,000	59,525	429,525	1.24
2014	537,159	360,000	69,005	429,005	1.25
2013	558,906	370,000	133,603	503,603	1.11

Source: City Records

(1) Includes only payment in lieu of taxes revenue from the Urban Renewal Debt Retirement debt service fund.

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

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2019	\$7,536,475	\$7,309,180	\$227,295	\$5,000	\$3,355	\$8,355	27.20
2018	7,673,836	6,838,235	835,601	5,000	3,508	8,508	98.21
2017	7,608,677	6,625,048	983,629	5,000	3,660	8,660	113.58
2016	6,563,905	5,576,045	987,860	5,000	3,813	8,813	112.09
2015	5,402,733	4,985,761	416,972	10,000	4,118	14,118	29.53
2014	5,395,434	5,100,326	295,108	140,000	9,140	149,140	1.98
2013	5,330,875	4,681,292	649,583	5,000	5,641	10,641	61.05
2012	5,301,855	4,537,221	764,634	5,000	5,898	10,898	70.16
2011	5,296,814	4,770,271	526,543	85,000	10,523	95,523	5.51
2010	5,135,801	4,198,140	937,661	85,000	14,523	99,523	9.42

Source: City Records

(1) Includes depreciation expense, excludes interest expense.



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

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2019	\$10,881,750	\$8,793,839	\$2,087,911	\$75,000	\$35,533	\$110,533	18.89
2018	12,220,491	8,433,003	3,787,488	70,000	37,668	107,668	35.18
2017	11,359,516	7,705,045	3,654,471	70,000	39,803	109,803	33.28
2016	9,620,724	6,964,106	2,656,618	70,000	41,938	111,938	23.73
2015	7,311,210	6,338,635	972,575	60,000	43,768	103,768	9.37
2014	5,789,026	5,836,218	(47,192)	1,485,000	108,913	1,593,913	(0.03)
2013	5,981,063	5,316,839	664,224	55,000	59,739	114,739	5.79
2012	5,552,003	4,829,487	722,516	99,000	64,335	163,335	4.42
2011	6,816,622	6,343,763	472,859	92,000	68,641	160,641	2.94
2010	6,390,831	5,854,281	536,550	92,000	72,946	164,946	3.25

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

City of Sandusky  
Demographic Statistics  
Last Ten Years

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Dwelling Units (1)	Occupied Dwelling Units Households (1)
2019	25,793	\$591,639,834	\$22,938	13,416	10,913
2018	25,793	569,947,921	22,097	13,455	11,052
2017	25,793	536,313,849	20,793	13,600	11,264
2016	25,793	565,408,353	21,921	13,617	11,333
2015	25,793	560,352,925	21,725	13,706	11,432
2014	25,793	538,635,219	20,883	13,447	11,155
2013	25,793	515,679,449	19,993	13,536	11,138
2012	25,793	525,222,859	20,363	13,386	11,082
2011	25,793	494,116,501	19,157	13,386	11,082
2010	25,793	488,106,732	18,924	13,377	11,153

Source: (1) U.S. Bureau of the Census

(2) U.S. Department of Labor: Bureau of Labor Statistics

(3) Computation of per capita personal income multiplied by population.

Persons Per Household (1)	Owner Occupied Units (1)	Median Family Income (1)	Unemployment Rate (2)
2.25	5,577	\$36,448	5.6%
2.25	5,856	42,495	6.2
2.12	5,854	41,296	6.9
2.15	5,810	42,928	6.0
2.15	5,965	44,441	5.9
2.25	5,786	45,208	7.0
2.27	5,906	43,723	7.9
2.28	5,916	44,615	7.6
2.28	5,916	44,270	9.2
2.26	6,490	43,302	9.8

City of Sandusky  
Principal Employers  
Current Year and Nine Years Ago

Employer	Type of Business	2019		
		Number of Employees	Rank	Percentage of Total Employment
Magnum Management Corp.	Entertainment	7,060	1	45.69%
Firelands Regional Health System	Hospital	2,374	2	15.36
Sandusky Board of Education	Education	732	3	4.74
Erie County	Government	656	4	4.25
Providence Care Center	Nursing Home	374	5	2.42
City of Sandusky	Government	282	6	1.83
John Bean Technology Corp.	Manufacturing	233	7	1.51
Lewco, Inc.	Manufacturing	223	8	1.44
Stein Hospice Service	Hospice	162	9	1.05
Okamoto Sandusky Manufacturing	Manufacturing	150	10	0.97
Delphi Automotive System	Automotive			
FMC Food Tech	Service			
Ford Motor Company	Automotive			
Cedar Fair	Entertainment			
	Total	<u>12,246</u>		<u>79.26%</u>
	Total City Employment	<u>15,451</u>		

Source: Regional Income Tax Agency (RITA)

2010		
<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
5,547	1	45.10%
1,985	2	16.14
850	3	6.91
593	4	4.82
314	7	2.55
322	6	2.62
500	5	4.07
250	8	2.03
150	9	1.22
115	10	0.93
<u>10,626</u>		<u>86.39%</u>
<u>12,300</u>		

City of Sandusky  
Full Time Equivalent City Government Employees by Function/Program  
Last Ten Years

Function/Program	2019	2018	2017
Security of Persons and Property-Police			
Police Patrol	48.0	48.0	48.0
Police Records	2.0	2.0	2.0
Police Reserve	2.5	4.5	4.5
Security of Persons and Property-Fire			
Fire Suppression	48.0	48.0	48.0
Public Health			
Oakland Cemetery	3.5	3.0	3.5
Leisure Time Activities			
Golf Course	0.0	0.0	0.0
Recreation	12.5	3.5	2.0
Community Environment			
Community Development	17.5	17.0	17.0
Building	5.0	5.0	0.0
Horticultural Services	11.0	10.5	11.5
Transportation			
Streets	12.5	11.0	10.0
Traffic and Electrical Maintenance	2.0	2.0	2.0
General Government-Municipal Court			
Court-Criminal	16.5	16.0	16.5
General Government-Other			
City Manager	3.0	3.0	3.0
Personnel Labor Relations	5.5	5.0	6.0
Finance	3.0	3.0	3.0
Law Director	4.5	3.5	4.5
City Commission	8.0	8.0	8.0
Municipal Buildings and Lands	5.0	5.0	5.5
Engineering	7.0	7.0	7.0
Fleet	5.0	5.0	5.0
Basic Utility Services			
Water/Sewer Office	5.0	4.0	4.0
Waterworks Filtration	15.0	15.0	15.0
Waterworks Distribution	11.0	10.5	10.5
Water Pollution Control	18.0	18.0	17.0
Sewer Maintenance	11.0	11.0	11.0
Total	282.0	268.5	264.5

Source: City Records

Method: Using 1.0 for each full-time employee and .5 for each part-time employee as of December 31 of each year.

2016	2015	2014	2013	2012	2011	2010
47.0	47.0	45.0	45.0	45.0	47.0	45.0
2.0	2.0	1.0	1.0	1.0	4.5	6.0
4.0	3.0	0.0	4.0	4.0	2.0	0.0
48.0	48.0	48.0	53.0	53.0	54.0	48.0
2.5	2.5	2.0	2.5	2.5	2.5	2.5
0.0	0.5	0.0	0.0	0.5	0.0	0.0
1.0	1.5	1.0	1.0	1.0	2.0	1.0
16.0	10.0	6.0	7.0	6.0	6.0	6.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
10.5	9.0	7.0	7.5	8.0	8.5	8.5
11.5	11.5	11.0	10.5	10.5	9.5	9.5
2.0	1.0	2.0	2.0	2.0	2.0	3.0
17.0	17.0	14.0	17.0	17.5	17.0	18.0
3.0	2.0	1.0	1.0	1.0	1.5	0.0
4.0	4.0	2.0	3.0	3.0	4.0	4.0
3.0	3.0	3.0	3.0	3.0	2.0	3.0
4.5	5.5	4.0	4.5	4.5	4.5	4.5
8.0	8.0	8.0	8.0	8.0	8.0	8.0
4.0	4.0	2.0	2.5	3.5	3.5	4.5
11.5	10.0	8.0	8.0	7.0	7.0	7.0
5.0	4.0	4.0	4.0	4.0	4.0	4.0
4.0	3.0	3.0	3.0	3.0	3.0	3.0
14.0	13.0	13.0	12.0	13.0	13.0	13.0
10.0	10.0	9.0	9.0	8.0	8.0	8.5
17.0	15.0	15.0	15.0	17.0	18.0	18.0
9.0	10.0	9.0	9.0	9.0	8.0	9.0
<u>258.5</u>	<u>244.5</u>	<u>218.0</u>	<u>232.5</u>	<u>235.0</u>	<u>239.5</u>	<u>234.0</u>

City of Sandusky  
Operating Indicators by Function/Program  
Last Ten Years

Function/Program	2019	2018	2017
<b>Security of Persons and Property-Police</b>			
Number of Calls for Service	33,848	34,430	28,957
Number of Traffic Citations and Arrests	2,285	2,314	2,642
Number of Parking Tickets Issued	454	495	612
<b>Accident Severity Breakdown</b>			
Fatalities	0	1	0
Injury	119	114	167
Property Damage	551	533	487
Number of Criminal Arrests	3,628	4,198	4,030
Number of DUI Arrests	178	185	240
Square Miles Served	14.9	14.9	14.9
Original Department Operating Budget (General Fund)	\$5,674,591	\$5,557,415	\$5,509,581
<b>Security of Persons and Property-Fire</b>			
Number of EMS Calls	5,398	4,837	5,014
Number of Fire Calls	902	1,456	1,533
Net Ambulance Billing Collections	\$1,063,211	\$1,012,586	\$980,106
EMS Response Time (in seconds)	194	181	186
Fire Reponse Time (in seconds)	218	367	239
Number of Times Mutual Aid Given	35	30	62
Number of Times Mutual Aid Received	53	29	36
Square Miles Served	14.9	14.9	14.9
Number of Stations	3	3	3
Original Department Operating Budget (General Fund)	\$5,203,565	\$5,160,045	\$4,983,891
<b>Public Health</b>			
Cemetery Burials	126	136	151
Cemetery Cremations	47	50	47
Cemetery Sale of Lots	111	136	117
Cemetery Charges for Services Receipts	\$114,271	\$127,480	\$120,544
<b>Leisure Time Activities</b>			
<b>Recreation</b>			
Boat Ramp Receipts	\$125	\$0	\$0
Golf Course Receipts	\$156,218	\$161,363	\$183,747
Recreation Receipts	\$107,818	\$62,011	\$59,479
Sandusky Bay Pavilion Receipts	\$0	\$0	\$750
Paper District Marina Receipts	\$44,500	\$37,200	\$9,000
Reimbursements/Donations	\$5,666	\$11,250	\$2,145
Golf Course-Daily Pay Rounds	5,770	5,771	13,915
Golf Course-Daily Pass Rounds	4,740	5,177	6,685
Golf Course-Annual Pass Sales	87	85	130
Boat Ramp-Number of Daily Passes Sold	0	0	0
Boat Ramp-Number of Season Passes Sold	0	0	0
Boat Ramp-Number of Tournament Days	17	11	6
Paper District Marina-3-Hour Docks	3,037	2,749	3,015
Paper District Marina-Overnight Boat	513	410	497
Paper District Marina-Weekly Boat	0	0	0
Paper District Marina-Jetski Day	0	0	0
Paper District Marina-Jetski Overnight	27	3	4
Paper District Marina-Jetski 10-Day	0	0	0
Paper District Marina-Seasonal Dock (Boat)	24	22	20
Paper District Marina-Seasonal Dock (Jetski)	6	8	8



2016	2015	2014	2013	2012	2011	2010
28,533	34,386	25,192	43,330	36,934	37,071	19,471
3,174	2,050	2,785	4,281	3,922	3,452	3,072
757	426	349	396	445	557	611
1	1	0	0	2	0	0
122	120	125	100	127	138	101
475	539	568	514	577	574	603
4,135	4,256	6,026	6,391	6,094	5,881	6,505
223	173	255	237	184	185	241
14.9	14.9	14.9	14.9	14.9	14.9	14.9
\$5,328,569	\$5,042,948	\$4,665,990	\$4,727,118	\$4,951,507	\$4,686,741	\$4,673,083
4,771	4,962	4,904	4,542	4,495	4,312	3,914
1,539	1,241	1,059	897	855	791	838
\$999,773	\$907,778	\$850,165	\$780,893	\$864,791	\$622,476	\$767,177
189	101	186	175	178	191	184
241	237	255	226	251	288	285
35	31	29	32	23	26	21
32	33	23	23	17	29	23
14.9	14.9	14.9	14.9	14.9	14.9	14.9
3	3	3	3	3	3	3
\$4,688,936	\$4,666,999	\$4,508,719	\$4,294,596	\$4,176,776	\$4,105,936	\$4,392,888
154	124	138	138	108	128	110
47	35	38	48	34	34	33
82	93	62	75	74	66	65
\$117,474	\$106,665	\$90,118	\$96,550	\$74,340	\$90,515	\$86,562
\$5,150	\$300	\$0	\$28,763	\$21,369	\$938	\$201
\$172,769	\$188,674	\$183,990	\$162,553	\$204,010	\$211,717	\$214,839
\$62,676	\$42,286	\$46,700	\$40,456	\$30,954	\$30,958	\$23,786
\$0	\$1,000	\$790	\$10,540	\$0	\$5,000	\$500
\$36,667	\$50,848	\$44,738	\$36,975	\$21,369	\$6,033	\$0
\$1,317	\$1,211	\$3,048	\$3,483	\$3,262	\$760	\$650
6,870	7,638	7,707	7,150	9,801	6,935	9,610
5,076	5,489	6,487	5,983	6,952	6,880	6,588
106	102	110	113	120	119	124
0	0	0	2,932	2,501	0	n/a
0	0	0	80	65	0	n/a
20	19	22	19	12	14	12
2,757	1,795	1,811	1,722	722	186	0
420	255	299	334	109	89	0
0	0	0	0	0	11	0
0	14	15	38	17	39	0
6	5	0	6	0	2	0
0	2	0	0	0	2	0
22	10	6	1	0	0	0
8	8	8	5	0	0	0

(continued)

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years  
 (continued)

Function/Program	2019	2018	2017
<b>Horticulture Services</b>			
Trees Planted	310	65	99
Trees Removed	320	134	55
Trees Trimmed	415	166	88
Stumps Removed	305	107	6
Loads of Wood and Chips to Residents	600	20	25
<b>Number of Regularly Scheduled Work Hours Related to</b>			
Trees Planted	400	260	276
Trees Removed	3,000	804	456
Trees Trimmed	1,680	249	110
Stumps Removed	1,000	642	633
Storm Cleanup	120	220	100
Plant Propagation	1,650	1,700	1,300
Plant Installation	1,325	1,300	1,000
Landscape Maintenance	2,500	2,750	2,200
Fountain and Irrigation Maintenance	400	2,750	350
Playground Equipment Maintenance	1,531	2,620	316
Nursery Maintenance	0	0	0
Baseball Field Maintenance	610	610	610
Public Restroom Maintenance	700	700	700
Holiday Decorations	750	800	700
Christmas Tree Pickup	120	150	225
<b>Transportation</b>			
Cost of Salt Purchased	\$68,822	\$94,549	\$37,946
Number of Regularly Scheduled Work Hours Related to Snow Removal	358	220	205
Sign Department Hours	1,750	2,355	2,128
Guardrail Repair Hours	12	76	80
Street Improvements-Asphalt Overlay (linear feet)	5,488	6,100	1,863
Pavement Marking Hours	860	0	208
Cold Patch Hours	348	1,486	936
Street Sweeping Hours	1,464	839	1,456
<b>General Government-Court</b>			
<b>Municipal Court</b>			
Number of Civil Cases	3,137	3,006	2,839
Number of Criminal Cases	8,127	9,919	10,179
<b>General Government-Other</b>			
<b>Finance</b>			
Agency Ratings-Moody's Financial Services	Aa3	Aa3	Aa3
<b>Income Tax</b>			
Number of Individual Returns	15,293	16,073	16,305
Number of Business Returns	2,652	3,538	3,104
Number of Business Withholding Accounts	18,984	18,595	17,046
Amount of Interest and Penalties Collected	123,635	121,670	128,529
Tax Revenue	\$12,341,766	\$12,957,559	\$12,301,074
<b>City Commission</b>			
Number of Ordinances Passed	225	248	234
Number of Resolutions Passed	46	55	59

2016	2015	2014	2013	2012	2011	2010
110	40	58	56	65	52	25
136	129	136	113	153	143	118
150	102	235	250	232	223	478
50	62	136	98	177	132	114
25	30	132	132	135	128	132
276	0	135	143	244	18	166
624	0	818	827	688	939	854
40	0	427	476	375	430	622
360	32	137	149	144	119	185
100	350	336	297	491	220	179
1,200	1,060	1,172	1,112	1,350	1,055	931
1,000	700	565	499	731	465	300
2,000	1,500	1,575	1,521	1,945	1,260	1,357
400	200	143	164	174	92	226
316	225	103	102	120	87	99
0	0	327	371	16	593	503
610	400	117	106	125	120	73
700	680	295	289	286	309	271
206	224	793	732	715	931	551
225	40	87	81	122	57	64
\$34,652	\$9,847	\$45,472	\$50,460	\$25,307	\$60,650	\$63,648
491	0	996	1,110	694	1,185	1,452
2,414	2,180	1,561	1,600	1,503	1,581	1,716
10	48	3	8	0	0	24
1,942	4,084	896	1,241	1,331	115	2,278
1,072	256	555	654	520	492	950
1,187	2,512	1,090	1,245	839	1,185	1,711
1,376	1,160	1,502	1,484	1,425	1,598	1,429
2,865	2,383	2,375	2,622	2,749	2,502	2,727
10,401	10,519	11,716	12,843	11,597	9,879	10,295
Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
15,619	14,938	15,827	13,682	15,306	15,050	10,091
3,195	3,019	3,382	2,927	2,748	2,460	1,846
15,626	13,979	14,381	14,168	13,387	12,168	9,767
120,705	115,775	\$149,107	\$97,234	\$100,984	\$122,404	\$98,699
\$13,121,939	\$11,126,894	\$7,297,336	\$8,303,179	\$7,971,818	\$7,234,468	\$6,811,653
236	201	160	146	141	143	162
73	57	54	50	39	52	44

(continued)

City of Sandusky  
 Operating Indicators by Function/Program  
 Last Ten Years  
 (continued)

Function/Program	2019	2018	2017
<b>Municipal Buildings and Lands</b>			
Number of Construction Permits Issued (building, electric, plumbing)	841	917	929
Estimated Value of Construction	\$24,617,876	\$14,551,131	\$24,530,634
Amount of Revenue Generated from Building Department	\$255,792	\$383,056	\$242,967
<b>Civil Service</b>			
Number of Police Entry Tests Administered	1	1	1
Number of Fire Entry Tests Administered	1	0	1
Number of Police Promotional Tests Administered	1	1	1
Number of Fire Promotional Tests Administered	2	0	1
Number of Hires of Police Officers from Certified Lists	2	4	5
Number of Hires of Fire/Medics from Certified Lists	2	0	0
Number of Promotions from Police Certified Lists	3	1	2
Number of Promotions from Fire Certified Lists	3	0	0
<b>Water Department</b>			
Water Base Rate (1)	\$7.27	\$7.06	\$7.06
<b>Sewer Department</b>			
Sewer Base Rate (1)	\$14.79	\$14.36	\$13.67
Total Flow of Wastewater Treatment Plant	7,444	7,026	5,997
Average Daily Flow (millions of gallons per day)	20.40	19.25	16.43
Tons of Dry Sludge Removed	926	1,413	1,141

Source: City Records

(1) Based on 5/8" meter (base rate)

2016	2015	2014	2013	2012	2011	2010
900	803	772	842	927	1,060	2,259
\$16,932,873	\$8,096,977	\$15,478,633	\$55,106,730	\$16,070,557	\$11,484,665	\$26,426,795
\$218,303	\$192,458	\$170,621	\$290,930	\$188,287	\$146,647	\$232,932
0	1	0	0	0	1	0
0	1	0	1	0	1	0
0	0	0	1	0	2	0
0	1	0	2	1	2	0
2	4	0	0	7	5	0
2	3	0	0	4	6	0
0	2	2	0	5	4	0
0	2	4	0	6	2	0
\$6.85	\$6.41	\$4.10	\$4.10	\$4.10	\$4.10	\$4.10
\$10.94	\$8.75	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
5,151	5,132	4,625	4,696	4,401	5,865	3,764
14.10	14.10	12.70	12.90	12.01	16.10	10.30
1,369	1,189	1,211	1,210	1,272	1,017	1,246

City of Sandusky  
Capital Assets by Function/Program  
Last Ten Years

Function/Program	2019	2018	2017
Security of Persons and Property-Police			
Stations	1	1	1
Vehicles	24	23	24
Security of Persons and Property-Fire			
Stations	3	3	3
Vehicles	14	14	15
Public Health			
Vehicles	3	3	3
Leisure Time Activities			
Number of Parks	22	22	22
Number of Piers/Pavilions/Plazas	7	7	7
Number of Boat Launch Ramps	1	1	1
Number of Golf Courses	1	1	1
Number of Baseball/Softball Diamonds	17	17	17
Number of Skateboarding Areas	1	1	1
Community Environment			
Vehicles	50	50	55
Transportation			
Bridges	2	2	2
Streets (miles)	113.8	113.8	113.8
Vehicles	21	20	19
General Government-Other			
City Manager Vehicles	1	1	1
Mechanic Vehicles	5	4	5
Engineering Vehicles	6	6	3
Water			
Water Lines (miles)	135.88	135.88	135.88
Vehicles	16	16	14
Sewer			
Sewer Lines (miles)	165.92	165.92	165.92
Vehicles	18	17	16

Source: City Records

2016	2015	2014	2013	2012	2011	2010
1 26	1 26	1 24	1 22	1 27	1 26	1 26
3 15	3 15	3 15	3 15	3 16	3 15	3 15
3	2	2	2	3	3	3
20 3 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1	20 4 1 1 17 1
42	50	50	46	46	46	46
2 113.8 19	1 113.8 17	1 113.7 17	1 113.7 17	1 113.7 29	1 113.7 29	1 113.7 29
1 4 3	0 4 3	0 4 3	0 4 3	5 4 10	6 4 10	6 4 10
135.88 14	134.88 14	134.88 12	134.88 11	134.88 18	134.88 18	134.88 18
165.92 13	164.44 15	164.15 16	163.69 14	163.69 20	163.69 20	163.69 20







Rea & associates *a brighter way*

# City of Sandusky

## Erie County, Ohio

*Reports Issued Pursuant to  
Government Auditing Standards  
And Uniform Guidance*

For the Year Ended  
December 31, 2019

**City of Sandusky**  
**Erie County, Ohio**  
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July 9, 2020

To the City Commission  
City of Sandusky  
Erie County, Ohio  
240 Columbus Ave  
Sandusky, OH 44870

**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***

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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandusky, Erie County, Ohio (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 9, 2020, in which we noted that during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Kea & Associates, Inc." in a cursive script.

Medina, Ohio

July 9, 2020

To the City Commission  
City of Sandusky  
Erie County, Ohio  
240 Columbus Ave  
Sandusky, OH 44870

**Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

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

We have audited the City of Sandusky's, Erie County, Ohio (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the City 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 December 31, 2019.

### **Report on Internal Control over Compliance**

Management of the City 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 City'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 Uniform Guidance, 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 City'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 9, 2020, which contained unmodified opinions on those financial statements, in which we noted in our report that, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. 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 Uniform Guidance 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 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Hea & Associates, Inc.*

Medina, Ohio

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CITY OF SANDUSKY  
ERIE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Subrecipients
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Direct</i>				
Community Development Block Grant - Entitlement Grants	N/A	14.218	\$ 808,502	\$ 67,725
Total United States Department of Housing and Urban Development			<b>808,502</b>	<b>67,725</b>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster	PID #103737	20.205	11,218	0
	PID #106672		164,367	0
Total Highway Planning and Construction Cluster			175,585	0
Federal Transit Grant	RPTM-0081-050-181	20.509	25,796	0
	RPTF-4081-050-191		903,795	0
	RPTM-0081-050-191		241,915	0
Total Formula Grants for Rural Areas			1,171,506	0
FY 2015 TIGER	OH-2016-036-00	20.933	118,470	0
Total United States Department of Transportation			<b>1,465,561</b>	<b>0</b>
<b>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</b>				
<i>Direct</i>				
Brownfields Assessment and Cleanup Cooperative Agreements	N/A	66.818	102,334	0
Total United States Environmental Protection Agency			<b>102,334</b>	<b>0</b>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>				
<i>Direct</i>				
Bulletproof Vest Partnership	N/A	16.607	4,950	0
Total United States Department of Justice			<b>4,950</b>	<b>0</b>
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Direct</i>				
Assistance to Firefighters Grant	N/A	97.044	3,427	0
Total United States Department of Homeland Security			<b>3,427</b>	<b>0</b>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<b>\$ 2,384,774</b>	<b>\$ 67,725</b>

The accompanying notes are an integral part of this Schedule

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Sandusky (City) under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The City elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – MATCHING REQUIREMENTS**

Certain federal programs require that the City contribute non-federal funds (matching funds) to support the federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
DECEMBER 31, 2019**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	None reported
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
(d) (1) (vii)	Major Programs (list): Community Development Block Grant – Entitlement	CFDA #14.218
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: > all others
(d) (1) (ix)	Low Risk Auditee under 2 CFR 200.520	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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NONE

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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NONE

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF SANDUSKY**

**ERIE COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/15/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)