

City of Sandusky

Erie County, Ohio

*Reports Issued Pursuant to
Government Auditing Standards
And OMB Circular A-133*

For the Year Ended
December 31, 2013



Dave Yost • Auditor of State

City Council
City of Sandusky
222 Meigs Street
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, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 8, 2014

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Erie County, Ohio
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June 24, 2014

To the City Commission
City of Sandusky
Erie County, Ohio
222 Meigs Street
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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2014, wherein we noted the City restated the 2012 financial statements to correct a misstatement.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hea & Associates, Inc.

Medina, Ohio

June 24, 2014

To the City Commission
City of Sandusky
Erie County, Ohio
222 Meigs Street
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 OMB Circular A-133**

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 Circular A-133 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, 2013. 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 requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2013.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2013, and have issued our report thereon dated June 24, 2014, which contained an unmodified opinion on those financial statements, wherein we noted the City restated the 2012 financial statements to correct a misstatement. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 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 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 financial statements as a whole.

Hea & Associates, Inc.
Medina, Ohio

CITY OF SANDUSKY
ERIE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct</i>			
Community Development Block Grant - Entitlement Grants	N/A	14.218	\$ 363,708
Total United States Department of Housing and Urban Development			<u>363,708</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<i>Direct</i>			
Federal Transit Grant	N/A	20.507	<u>184,936</u>
Total Federal Transit Grant			<u>184,936</u>
<i>Passed Through Ohio Department of Transportation</i>			
Job Access - Reverse Commute Program	13-JARC-0022-071	20.516	71,481
	13-JARC-4022-071	20.516	41,960
	14-JARC-0022-071	20.516	64,137
	14-JARC-4022-071	20.516	35,574
Total Job Access - Reverse Commute Program			<u>213,152</u>
Formula Grants for Rural Areas	13-RPT-0022	20.509	98,986
	13-RPT-4022	20.509	257,943
	14-RPT-0022	20.509	200,110
	14-RPT-4022	20.509	198,109
Total Formula Grants for Rural Areas			<u>755,148</u>
Highway Planning and Construction	PID #79275	20.205	3,100
	PID #82670	20.205	59,548
	PID #90456	20.205	94,231
Total Highway Planning and Construction	PID #95084	20.205	4,990
			<u>161,869</u>
Total United States Department of Transportation			<u>1,315,105</u>
UNITED STATES DEPARTMENT OF JUSTICE			
<i>Direct</i>			
Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738	15,883
ARRA - Edward Byrne Memorial Justice Assistance Grant	N/A	16.803	<u>8,311</u>
Total United States Department of Justice			<u>24,194</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
<i>Direct</i>			
Assistance to Firefighters Grant	EMW-2010-FH-00803	97.044	<u>373,445</u>
Total United States Department of Homeland Security			<u>373,445</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u><u>\$ 2,076,452</u></u>

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, 2013**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) reports the City of Sandusky's (the City) federal award programs' expenditures. The Schedule has been prepared on the cash basis of accounting.

NOTE B – SUBRECIPIENTS

The City passes certain federal awards received from the United States Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of federal awards to subrecipients when paid in cash. Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant – Entitlement	14.218	\$ 182,748

The City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE C – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and for economic development. The Federal Department of Housing and Urban Development (HUD) granted money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards when drawn from HUD. Loans repaid, including interest, are used to make additional loans. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property, business assets to include equipment, inventory and receivables, and personal assets. At December 31, 2013, the gross amount of loans outstanding under this program was \$788,108.

Activity in the CDBG revolving loan fund during 2013 is as follows:

Beginning loans receivable balance as of January 1, 2013:	\$ 529,628
Loans made:	314,009
Loan principal repaid on loans issued prior to 2013:	(55,529)
Loans written off:	<u>0</u>
Ending loan receivable balance as of December 31, 2013:	<u>\$ 788,108</u>

**CITY OF SANDUSKY
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

NOTE C – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS (continued)

Ending loan receivable balance as of December 31, 2013 (from previous page)	\$ 788,108
Cash balance on hand in the revolving loan fund as of December 31, 2013:	477,918
Interest subsidies and administrative costs expended during 2013:	<u>80,012</u>
Total value of RLF portion of the CDBG 14.218 program	1,346,038
Other grants administered through the 14.218 program	<u>363,708</u>
Total CDBG 14.218 program	<u>\$ 1,709,746</u>

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2013, the City estimates \$187,541 to be uncollectible.

NOTE D – HOME REVOLVING LOAN PROGRAM

The City has established a revolving loan program to provide low-interest loans to eligible persons to rehabilitate homes, for rental housing rehabilitation, and down payment assistance. HUD granted money for these loans to the City, passed through the Ohio Department of Development. The initial loan of this money would be recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are also included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2013, the gross amount of loans outstanding under this program was \$1,611,905. Loans written off are \$59,541.

NOTE E – MATCHING REQUIREMENTS

Certain federal programs require that the City contribute non-federal funds (matching funds) to support federally-funded programs. The City has met its matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

**CITY OF SANDUSKY
ERIE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, Section .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(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 internal control deficiencies reported for major programs which were not considered to be material?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under Section 510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): Formula Grants for Rural Areas	CFDA #20.509
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

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The City of Sandusky, Ohio



Comprehensive Annual Financial Report

**For the Year Ended
December 31, 2013**

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Introductory

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CITY OF SANDUSKY, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2013

Prepared By:

Department of Finance

Hank S. Solowiej, CPA
Finance Director

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Senior Accountant/Auditor

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CITY OF SANDUSKY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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DEPARTMENT OF FINANCE
HANK S. SOLOWIEJ, CPA, FINANCE DIRECTOR

222 Meigs Street
Sandusky, Ohio 44870
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June 24, 2014

To the City Commission and Citizens of Sandusky:

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2013, 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 insure 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, 2013. 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, Finance Director, Law Director, and Clerk of Commission are appointed by, and serve at the pleasure of, the City Commission.

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 at Griffing-Sandusky Airport located in the City. Cleveland Hopkins International Airport and the Toledo Express Airport 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.

Within commuting distance are several public and private two-year and four-year colleges and universities including Firelands College, 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.

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 healthcare 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.

The construction of several indoor waterpark resorts over the past several years has made the area a year round tourist destination. In 2001, Great Wolf Lodge completed the construction of a 271-room resort near the City with a 22,000 square foot indoor water amusement park. In 2004, Cedar Point completed construction of Castaway Bay, a 35,000 square foot indoor, year-round, waterpark. Castaway Bay is located at the entrance to the Cedar Point Causeway within the City. Finally, the Kalahari Resort and Convention Center, located near the City, opened in 2005 and includes an 80,000 square foot indoor waterpark. In 2011, Kalahari spent \$22 million to boost its existing convention space to 250,000 square feet, which increased the conference capacity from 2,200 people to 5,200 people, making it the largest independently owned convention center in the Midwest. In 2007, the Green Tree Inn on Cleveland Road opened another waterpark facility titled "The Rain". Further waterpark expansion was completed at the Green Tree Inn during 2008.

A public library and several museums 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 agency 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 expire on December 31, 2015.

LOCAL ECONOMY

Major industries located within the City's boundaries or in close proximity include manufacturers of automotives 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 slowly risen from 6.4 percent in December 2004 to an estimated 7.9 percent in December 2013. The 2013 median family income for the City is an estimated \$43,723, compared to the County, State, and national medians of \$62,207, \$61,163, and \$64,585, respectively. The 2013 median value of owner-occupied housing units for the City is an estimated \$86,800, compared to the County, State, and national medians of \$139,100, \$133,700, and \$181,400, respectively.

LONG-TERM FINANCIAL PLANNING

The City Commission approved the City Strategic Plan in February 2005. 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. If maintained successfully, the strategy will result in growth and overall positive results in the City. The overall purpose of the Strategic Plan is making the City a place where people choose to live, work, and play.

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

- Development of Housing
- Development of Business
- Promotion of the City
- Relationships with Other Local Organizations
- Cultural Diversity
- Customer-Focused Organization

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 staff responsible for its completion;
- Contain an estimate of resources necessary to complete the plan;
- Contain a timeline;
- Contain an estimate of the impact;
- Define how success is measured.

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. Several years ago, the City enhanced its shoreline by entering into a development agreement with a private developer in order to implement improvements to the City's Battery Park Marina and adjacent park. These improvements included not only the marina and park, but also a restaurant and a break wall. Battery Park is now a successful commercial operation, which has further enhanced the use of the City's waterfront. Further improvements to the City's waterfront include Shoreline Park, which consists of shore protection, bridges, sidewalks, parking, a gazebo, playground equipment, landscaping, and lighting as well as the 1.7 mile Bay-Front Corridor, a linear park linking major attractions located on the City's central waterfront with a continuous walkway. In 1998, the City received a very generous donation (over \$1 million) from a long-time Sandusky benefactor to develop a plaza at the foot of Columbus Avenue as part of the Bay-Front Corridor development; that project was completed in 2000. All of these waterfront improvements are part of the Port Development Plan adopted by the City Commission in 1991 and updated in 1996.

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

Implementation of the Sandusky Bay Pathway Master Plan, which trails along the lakefront, began in 2004 with Phase 1 and Phase 2 construction beginning in 2005. The pathway provides a route that offers a means of exercise, relaxation, and access to public parks and facilities and provides a scenic view of the Sandusky Bay. Phase 3 was completed during 2009 with the assistance of a grant through the Ohio Department of Natural Resources Recreational Trails Program.

Cedar Point, a 364-acre amusement and theme park, is located on a peninsula extending into Lake Erie from the City. Developed as a resort area in 1870, Cedar Point is open daily from early May to early October, attracting in excess of 3 million visitors each season to its numerous rides and attractions. Cedar Point also includes a recreational vehicle area, marina, restaurants, 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 as "Challenge Park", with miniature golf, bungee jumping, and grand prix racing. Cedar Point employs 3,700 seasonal employees, primarily college students, and approximately 400 year-round employees.

Significant capital expenditures on new attractions are made every year at Cedar Point. These expenditures have aggregated over \$85 million during the last few years. Cedar Point opened "Breakers Express" hotel in 2001. In 2003, they opened another new roller coaster, its 16th; called the "Top Thrill Dragster", it is one of the tallest and fastest in the world. In 2004, they completed their first year-round attraction - Castaway Bay Indoor Water Park Resort. In 2005, Cedar Point unveiled "maXair". In 2006, Cedar Point added a world-record-breaking thrill ride - "Skyhawk.", the tallest ride of its kind in the world, standing 103 feet above the ground and featuring two giant swinging arms. In 2007, Cedar Point added its 17th roller coaster, "Maverick". The addition of this coaster gave the park more scream machines than any park in the world. Maverick's cost of approximately \$21 million makes it one of the single largest investments in the park's 137-year history. In 2008, capital improvements included a new children's area featuring seven rides and a family lounge area. This area replaced the former Peanuts Playground. In addition, a new corporate headquarters building was constructed adjacent to the current corporate office. In 2009, the \$1 million Starlight Experience, a nighttime LED light extravaganza with floats themed to the four seasons was added. In 2010, Cedar Point added "Shoot the Rapids," a new flume ride located on the parks Frontier Trail. This was a \$10.5 million investment. For the 2011 season, Cedar Point debuted the new ride "WindSeeker," a 301-foot tall tower that spin riders almost thirty stories high along the shoreline of Lake Erie. "WindSeeker" was a \$5 million investment by Cedar Point.

In 2012, Cedar Point invested \$1 million in the “Dinosaurs Alive!” attraction. This attraction is located on four acres on the wooded island that is located in the lagoons toward the back of the park. The attraction is multi-sensory and interactive as guests can see approximately fifty life-size dinosaurs that roar and move. In 2013, Cedar Point introduced another record-breaking coaster. Named “GateKeeper”, this winged roller coaster is the longest winged roller coaster in the world and boasts the longest drop of any winged coaster on the planet. With the addition of “GateKeeper” and the redesign to the park’s main entrance, Cedar Point invested approximately \$30 million on improvements for the 2013 season. For the 2014 season, Cedar Point is adding Pipe Scream and Lake Erie Eagles, two new family rides which will be located in the Gemini Midway near the back of the park. In addition, a two-year renovation project of the historical Hotel Breakers began during the winter of 2013. Phase one will include upgrading a portion of the exterior of Hotel Breakers. Phase two will take place over the 2014-2015 winter season and include both interior and exterior renovations.

In 2004, the Firelands Regional Medical Center began planning for a construction project to ease parking constraints, to expand capacity for increasing admissions and outpatient visits, and to focus concerns on one of the top health issues in Sandusky and Erie County, the prevention and treatment of cancer. A 600-space parking garage, which features free parking, was completed and opened in December 2005. Firelands Professional Center I, which houses the new Cancer Center along with physician offices, opened in August 2006. Firelands Regional Medical Center’s East Tower opened in spring 2008. The building features a new main entrance and lobby, complete with a gift shop and cafe, registration services, financial counseling, pre-surgical testing, the cashier’s office, centralized scheduling, the clergy’s office, and the Heart Institute, all on the first floor. In addition, the emergency services department has expanded and is connected to the tower’s first floor. Thirteen state-of-the-art operating room suites, specifically equipped for open heart, vascular, orthopedic, neurological, and general surgery, are located on the second floor along with recovery bays and private consultation rooms for surgeons to meet with family members. The third and fourth floors house private patient rooms. In February 2013, Firelands Regional Medical Center announced construction on the renovation and relocation of its inpatient rehabilitation unit. The \$6.5 million project will include 25,826 square feet of space located on the fifth floor of the hospital’s patient tower at the Main Campus facility when completed.

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.

The City has established a number of programs to encourage economic development, including the Sandusky Revolving Loan Program. The City has maintained its Labor Surplus Area Designation and its Impacted City Certification by the State Department of Development. These designations help the City provide additional economic development tools for use with manufacturing and commercial development projects. The City has negotiated with new and existing businesses to help them locate or expand within the City using these and other City and State development tools and incentives. In the past several years, the City has provided support to local businesses by selling over twenty acres of business park land to local companies. A number of businesses were able to expand because of tax abatements that the City and the School District provided and the availability of City revolving loan funds.

The City purchased the Chesapeake Building in 1999 and also adopted an urban renewal plan to revitalize about forty acres of the waterfront, including the Chesapeake property, and that area is now referred to as the “Paper District”. In 2002, the Bay-Front Corridor Committee was established to act as an advisory committee on the selection of a developer. They received proposals from six developers and selected Mid-States Development Corporation (Mid-States) to develop certain properties. The City received a State grant to pay for acquisition, environmental cleanup, and demolition of part of the project site and also issued urban revitalization notes for that purpose. Mid-States redeveloped the Chesapeake Building into 190 condominium units a few years ago; thereafter, the development agreement with Mid-States was terminated in March 2009. Construction on a lighted public concrete walkway around the Chesapeake Building was completed in 2009 and a sixty-two slip transient public marina and amphitheater was completed in 2011. The City issued \$2,500,000 in urban renewal temporary revenue bonds in 2012 to provide resources to pay for a portion of that project. Debt charges on that financing are expected to be met from “urban renewal service payments” (commonly referred to as “payments in lieu of taxes”) from this redevelopment. In 2013, urban renewal revenue bonds were issued to retire the temporary bonds. The urban renewal bonds will be retired over a seven-year period.

In 2010, the City invested over \$137,000 for the installation of an 18,720 watt commercial solar system on the roof of the City’s greenhouse. The Solar Array panel system consists of seventy-eight panels at 240-watts each that will provide up to 70 percent of the greenhouse’s energy needs. A portion of this project was funded by a grant through the Ohio Department of Development.

In January 2011, the U.S. Department of Homeland Security awarded the City over \$1 million to provide for two years of salaries for six firefighters under Round 5 of the Assistance to Firefighters Grant Program - Staffing for Adequate Fire and Emergency Response (SAFER). The goal of any SAFER grant is to enhance the ability of grantees to attain and maintain 24-hour staffing and to assure that their communities have adequate protection from fire and fire-related hazards. The objective of the program is to award grants directly to volunteer, combination, and career fire departments to help the departments increase the number of frontline firefighters and to rehire firefighters who were laid-off due to the economy. In February 2013, the City was notified that the grant period was extended through December 21, 2013.

Finally, the West End Overpass Project is a project the City is undertaking in cooperation with the Ohio Department of Transportation (ODOT) in order to build a grade separation bridge over rail lines in the western area of the City. These rail lines are heavily used by Norfolk Southern resulting in significant traffic delays in, and access to, that part of the City. ODOT is in charge of the bidding and contracting for the construction of the project and is expected to pay over 90 percent of the cost of the project. A groundbreaking ceremony was held on October 24, 2011, and the project was substantially complete by December 31, 2013. The City’s share of the project was approximately \$600,000.

AWARDS AND ACKNOWLEDGEMENTS

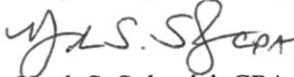
The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-second time a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandusky for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2012. The 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,

A handwritten signature in dark ink, appearing to read "Hank S. Solowiej". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Hank S. Solowiej, CPA
Finance Director



Government Finance Officers Association

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Achievement
for Excellence
in Financial
Reporting**

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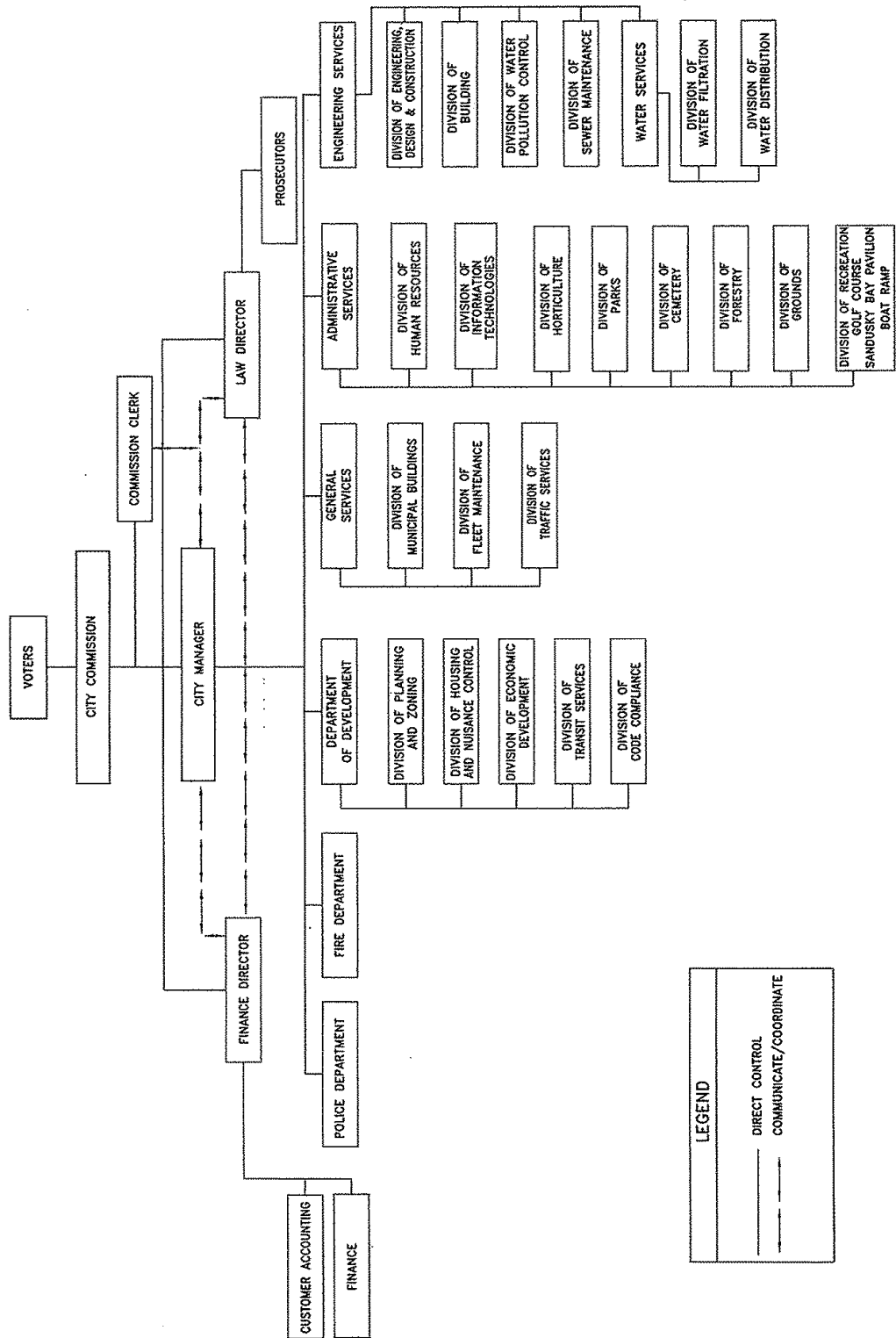
**City of Sandusky
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

ORGANIZATIONAL CHART City of Sandusky



CITY OF SANDUSKY, OHIO

ELECTED PUBLIC OFFICIALS

December 31, 2013

CITY COMMISSION

John Hamilton
President/Ex-Officio Mayor
Term Expires 12-31-13
First took office 01-01-10

Diedre Cole
Vice-President
Term Expires 12-31-13
First took office 08-09-10

Pervis D. Brown, Jr.
Term Expires 12-31-13
First took office 12-12-08

Julie A. Farrar
Term Expires 12-31-15
First took office 01-01-08

Jeffrey S. Smith
Term Expires 12-31-15
First took office 01-01-12

Keith A. Grohe
Term Expires 12-31-15
First took office 01-01-12

C. Wesley Poole
Term Expires 12-31-15
First took office 01-01-12

APPOINTED OFFICIALS

December 31, 2013

CITY MANAGER

Nicole C. Ard

FINANCE DIRECTOR

Hank S. Solowiej, CPA

LAW DIRECTOR

Donald C. Icsman

CLERK OF COMMISSION

Kelly Kresser



Financial

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June 24, 2014

To the City Commission
City of Sandusky
Erie County, Ohio
222 Meigs Street
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, 2013, 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, 2013, 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 Matter

As discussed in Note 3 to the financial statements, the 2012 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 June 24, 2014 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Medina, Ohio

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
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, 2013. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

HIGHLIGHTS

Highlights for 2013 are as follows:

In total, the City's net position decreased \$412,045, less than 1 percent from the prior year. The increase for governmental activities was less than 1 percent and the decrease for business-type activities was less than 2 percent.

Various contracts for improvements to the City's water and sewer treatment facilities were awarded in prior years. Construction activities on the water facilities continued in 2013, while construction of the sewer treatment facilities was completed in 2013. Both projects are funded by charges for services and with resources borrowed from the Ohio Water Development Authority (OWDA).

Both of the City's enterprise funds had an operating income in 2013, indicating operating revenues are currently sufficient to cover operating expenses of the respective funds. As needed, rate increases in the Water and Sewer enterprise funds have kept these funds with positive operating balances; however, 2003 was the last year of scheduled rate increases.

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, Special Assessment Bond Retirement, 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 2013. These statements include all assets and liabilities 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.

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

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.

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, Special Assessment Bond Retirement, 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.

Enterprise Funds - The City's enterprise funds use the accrual basis of accounting, the same as that used for the business-type activities on the government-wide financial statements.

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 provides a summary of the City's net position for 2013 and 2012.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Assets</u>						
Current and Other Assets	\$26,737,600	\$26,004,960	\$16,136,207	\$17,719,648	\$42,873,807	\$43,724,608
Capital Assets, Net	47,236,004	49,843,108	88,091,117	89,451,891	135,327,121	139,294,999
Total Assets	73,973,604	75,848,068	104,227,324	107,171,539	178,200,928	183,019,607
<u>Deferred Outflows of Resources</u>	609,767	665,126	0	0	609,767	665,126
<u>Liabilities</u>						
Current and Other Liabilities	4,643,727	7,698,851	1,808,725	2,166,116	6,452,452	9,864,967
Long-Term Liabilities	20,969,311	20,141,313	48,889,577	50,661,205	69,858,888	70,802,518
Total Liabilities	25,613,038	27,840,164	50,698,302	52,827,321	76,311,340	80,667,485
<u>Deferred Inflows of Resources</u>	2,714,401	2,820,249	0	0	2,714,401	2,820,249
<u>Net Position</u>						
Net Investment in Capital Assets	34,031,522	35,252,903	40,066,785	39,713,895	74,098,307	74,966,798
Restricted	12,363,624	11,312,520	0	0	12,363,624	11,312,520
Unrestricted (Deficit)	(139,214)	(712,642)	13,462,237	14,630,323	13,323,023	13,917,681
Total Net Position	\$46,255,932	\$45,852,781	\$53,529,022	\$54,344,218	\$99,784,954	\$100,196,999

Net position for governmental activities increased less than 1 percent, which was not a significant change overall. As such, the above table reflects few changes for governmental activities. The increase in current and other assets is primarily related to an increase in cash and cash equivalents as total revenues continued to exceed expenses (also reflected in the increase in unrestricted net position). The decrease in net capital assets and the net investment in capital assets is generally due to annual depreciation. The decrease in current and other liabilities represents the retirement of temporary revenue bonds with long-term debt issued in 2013. The City issued revenue supported bonds in 2013 for urban renewal activities. This new debt contributed to the increase in long-term liabilities; however, long-term liabilities were also affected by scheduled debt retirement during the year.

Similarly, the overall change in net position for business-type activities was not significant, less than 2 percent. The most significant change was a decrease in cash and cash equivalents of \$1.7 million resulting from cash used in operations and for the acquisition of capital assets.

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

Table 2 reflects the change in net position for 2013 and 2012.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$3,949,870	\$3,907,891	\$10,846,913	\$10,753,226	\$14,796,783	\$14,661,117
Operating Grants, Contributions, and Interest	3,144,597	3,711,215	0	0	3,144,597	3,711,215
Capital Grants and Contributions	722,483	500,093	275,377	271,057	997,860	771,150
Total Program Revenues	<u>7,816,950</u>	<u>8,119,199</u>	<u>11,122,290</u>	<u>11,024,283</u>	<u>18,939,240</u>	<u>19,143,482</u>
General Revenues						
Property Taxes	2,077,005	2,259,277	0	0	2,077,005	2,259,277
Payment in Lieu of Taxes	591,483	541,236	0	0	591,483	541,236
Municipal Income Taxes	8,303,179	7,971,818	0	0	8,303,179	7,971,818
Other Local Taxes	4,122,098	3,735,461	0	0	4,122,098	3,735,461
Franchise Taxes	379,067	373,856	0	0	379,067	373,856
Grants and Entitlements not Restricted to Specific Programs	1,120,835	1,425,985	0	0	1,120,835	1,425,985
Interest	(3,698)	161,743	607	1,532	(3,091)	163,275
Other	782,475	556,285	472,690	106,347	1,255,165	662,632
Total General Revenues	<u>17,372,444</u>	<u>17,025,661</u>	<u>473,297</u>	<u>107,879</u>	<u>17,845,741</u>	<u>17,133,540</u>
Total Revenues	<u>25,189,394</u>	<u>25,144,860</u>	<u>11,595,587</u>	<u>11,132,162</u>	<u>36,784,981</u>	<u>36,277,022</u>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	5,032,468	5,032,700	0	0	5,032,468	5,032,700
Fire	5,953,841	5,905,825	0	0	5,953,841	5,905,825
Other	252,367	244,688	0	0	252,367	244,688
Public Health	318,872	306,388	0	0	318,872	306,388
Leisure Time Activities	614,010	216,767	0	0	614,010	216,767
Community Environment	2,538,486	2,476,125	0	0	2,538,486	2,476,125
Transportation	4,848,791	4,470,255	0	0	4,848,791	4,470,255
General Government						
Municipal Court	1,013,065	1,033,017	0	0	1,013,065	1,033,017
Other	3,372,415	3,617,806	0	0	3,372,415	3,617,806
Interest and Fiscal Charges	965,397	1,295,714	0	0	965,397	1,295,714
Water	0	0	5,561,209	5,368,961	5,561,209	5,368,961
Sewer	0	0	6,726,105	6,334,406	6,726,105	6,334,406
Total Expenses	<u>24,909,712</u>	<u>24,599,285</u>	<u>12,287,314</u>	<u>11,703,367</u>	<u>37,197,026</u>	<u>36,302,652</u>
Increase (Decrease) in Net Position before Transfers	279,682	545,575	(691,727)	(571,205)	(412,045)	(25,630)
Transfers	123,469	281,546	(123,469)	(281,546)	0	0
Increase (Decrease) in Net Position	403,151	827,121	(815,196)	(852,751)	(412,045)	(25,630)
Net Position Beginning of Year	45,852,781	45,025,660	54,344,218	55,196,969	100,196,999	100,222,629
Net Position End of Year	<u>\$46,255,932</u>	<u>\$45,852,781</u>	<u>\$53,529,022</u>	<u>\$54,344,218</u>	<u>\$99,784,954</u>	<u>\$100,196,999</u>

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

For governmental activities, program revenues decreased almost 4 percent from the prior year. The most significant change is reflected in operating grants and contributions and largely the result of a reduction in federal funding for community development projects. There was little change in general revenues from the prior year; however, note the negative interest revenue being reported due to market valuation changes in investments.

Governmental activities expenses remained very similar to the prior year with a very modest 1 percent increase overall.

The City's business-type activities are largely funded through charges for services. There was very little change from the prior year for both revenues and expenses. The increase in expenses for the Sewer Fund was generally due to non-capitalized costs related to the wastewater treatment plant expansion project.

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	
	2013	2012	2013	2012
Security of Persons and Property				
Police	\$5,032,468	\$5,032,700	\$4,621,094	\$4,509,694
Fire	5,953,841	5,905,825	4,797,244	4,739,433
Other	252,367	244,688	252,367	244,688
Public Health	318,872	306,388	202,012	210,001
Leisure Time Activities	614,010	216,767	170,339	(74,367)
Community Environment	2,538,486	2,476,125	1,991,041	1,081,092
Transportation	4,848,791	4,470,255	1,478,459	1,294,785
General Government				
Municipal Court	1,013,065	1,033,017	(186,185)	(251,565)
Other	3,372,415	3,617,806	2,800,994	3,430,611
Interest and Fiscal Charges	965,397	1,295,714	965,397	1,295,714
Total Expenses	<u>\$24,909,712</u>	<u>\$24,599,285</u>	<u>\$17,092,762</u>	<u>\$16,480,086</u>

It should be noted that for all governmental activities, 69 percent of the costs for services in 2013 were provided for through general revenues (compared to 67 percent in 2012), that being primarily property taxes, municipal income taxes, tourism taxes, and State shared revenues.

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

Although the dependence on general revenues is substantial, there are several programs which were supported through program revenues in 2013. Program revenues received for the leisure time activities program covered 72 percent of the expenses of this program. The majority of these revenues are generated by charges for services in the City's park and recreation programs. Community environment activities received only 22 percent of its support through program revenues in 2013 resulting from less funding restricted for this program. This is primarily the result of 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.

The negative net cost of services for the Municipal Court indicates that program revenues are sufficient to cover the costs of these programs. 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. The combined operations of the court resulted in the \$186,185 negative net cost of services; however, revenues 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.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Special Assessment Bond Retirement debt service fund, and the Capital Projects capital projects fund. There was a 6 percent increase in fund balance in the General Fund. The change for both revenues and expenditures were minimal as revenues increased only 2 percent while expenditures decreased 4 percent.

There was no change in fund balance in the Special Assessment Bond Retirement debt service fund as all resources were used to make principal and interest payments during the year.

The Capital Projects capital projects fund had a \$900,000 increase in fund balance from the prior year. In 2012, the fund had a negative balance of nearly \$570,000. Continued support provided by transfers coupled with bond proceeds in 2013 provided for the positive fund balance.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds consist of the Water and Sewer funds. Both funds reflect an operating income for 2013; however, both funds had a decrease in net position. Currently, the Water and Sewer funds are generating adequate revenues to cover the cost of operations but not to cover debt service within current year revenues. These funds continue to accumulate a significant amount of debt with the Ohio Water Development Authority for major renovations at the water and sewer treatment plants. The improvements are required to keep the City in compliance with EPA standards. There will be additional improvements within both utilities. The City did increase water and sewer rates by 25 percent in January 2003 as part of a three-year rate program to provide additional funds for operations and future debt retirement; however, 2003 was the last year of the rate increase period.

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

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, there was an increase from the original budget to the final budget of over 5 percent primarily related to increasing the estimate for municipal income and other local taxes (improving economy). The change from the final budget to actual revenues was not significant. Changes from the original budget to the final budget as well as from the final budget to actual expenditures were not significant.

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

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, 2013, was \$34,031,522 and \$40,066,785, respectively. The primary additions for governmental activities included ongoing construction in progress (mainly street resurfacing projects), other street improvements, and equipment replacement. The primary additions for the business-type activities were related to water treatment plant chemical improvements, wastewater treatment plant improvements, and water and sewer line improvement/replacement. Disposals were minimal for both governmental and business-type activities. For further information on the City's capital assets, refer to Note 12 to the basic financial statements.

Debt - At December 31, 2013, the City had \$3,035,000 in bond anticipation notes payable from governmental activities. The City also has a number of long-term obligations outstanding. These obligations included \$13,443,350 in general obligation bonds, \$2,310,000 in revenue bonds, \$2,903,175 in special assessment bonds, \$1,588,285 in general obligation revenue bonds, \$46,436,047 in Ohio Water Development Authority loans, and \$674,195 in other long-term loans. Of these total long-term obligations, \$48,282,706 will be repaid from business-type activities.

In addition to the debt discussed above, the City's long-term obligations also include compensated absences. For further information on the City's debt, refer to Notes 19 and 20 to the basic financial statements.

CURRENT ISSUES

The City of Sandusky 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. Along with existing City grant programs, which includes the Clean Ohio Program, the City of Sandusky will continue to have several million dollars in grant monies available in 2014 for public programs.

CITY OF SANDUSKY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

In January 2011, the U.S. Department of Homeland Security awarded the City over \$1 million to provide for two years of salaries for six firefighters under Round 5 of the Assistance to Firefighters Grant Program - Staffing for Adequate Fire and Emergency Response (SAFER). The goal of any SAFER grant is to enhance the ability of grantees to attain and maintain 24-hour staffing and to assure that their communities have adequate protection from fire and fire-related hazards. The objective of the program is to award grants directly to volunteer, combination, and career fire departments to help the departments increase the number of frontline firefighters, and to rehire firefighters who were laid-off due to the economy. In February 2013, the City was notified that the grant period was extended until December 21, 2013.

In October 2013, the City Commission authorized the issuance of \$3,035,000 in various improvement notes. The 2013 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, fire boat, replace the air conditioning unit at the Municipal Building, street improvements, sidewalk, curb, and gutter improvements, revitalize the Bayfront Urban Revitalization Area by acquiring and clearing various properties, undertaking environmental cleanup and remediation, and exercising options on certain properties within the area, and to pay the costs of the Venice Road grade separation. This funding will also assist with downtown redevelopment.

In May 2012, the Ohio Department of Development awarded the City over \$950,000 for the demolition and remediation of the former Sandusky Cabinets facility. Following the demolition, the City plans to utilize the property as a mixed-use development site including commercial and residential usage.

On March 28, 2013, the City issued \$2,680,000 in urban renewal revenue bonds to retire bond anticipation notes previously issued to pay costs of carrying out urban renewal project activities in the Bayfront Urban Revitalization Area. The bonds have an interest rate of 2.55 percent and mature on December 1, 2019. The bonds will be repaid from payments in lieu of taxes paid by the applicable property owners.

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 Hank S. Solowiej, CPA, Finance Director, 222 Meigs Street, Sandusky, Ohio 44870.



City of Sandusky
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$11,152,434	\$13,631,784	\$24,784,218
Cash and Cash Equivalents in Segregated Accounts	28,604	0	28,604
Accounts Receivable	979,423	1,129,583	2,109,006
Accrued Interest Receivable	23,303	0	23,303
Due from Other Governments	1,529,079	695,371	2,224,450
Municipal Income Taxes Receivable	2,671,862	0	2,671,862
Other Local Taxes Receivable	54,950	0	54,950
Materials and Supplies Inventory	365,045	679,469	1,044,514
Property Taxes Receivable	2,522,225	0	2,522,225
Payment in Lieu of Taxes Receivable	560,519	0	560,519
Notes Receivable	2,234,047	0	2,234,047
Special Assessments Receivable	4,616,109	0	4,616,109
Nondepreciable Capital Assets	11,256,682	7,915,605	19,172,287
Depreciable Capital Assets, Net	35,979,322	80,175,512	116,154,834
Total Assets	73,973,604	104,227,324	178,200,928
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding	609,767	0	609,767
<u>Liabilities</u>			
Accrued Wages Payable	322,789	119,721	442,510
Accounts Payable	310,577	137,218	447,795
Contracts Payable	368,321	46,383	414,704
Due to Other Governments	493,348	395,679	889,027
Accrued Interest Payable	71,968	1,099,433	1,171,401
Notes Payable	3,035,000	0	3,035,000
Retainage Payable	41,724	10,291	52,015
Long-Term Liabilities			
Due Within One Year	2,387,921	2,264,139	4,652,060
Due in More Than One Year	18,581,390	46,625,438	65,206,828
Total Liabilities	25,613,038	50,698,302	76,311,340
<u>Deferred Inflows of Resources</u>			
Property Taxes	2,153,882	0	2,153,882
Payment in Lieu of Taxes	560,519	0	560,519
Total Deferred Inflows of Resources	2,714,401	0	2,714,401
<u>Net Position</u>			
Net Investment in Capital Assets	34,031,522	40,066,785	74,098,307
Restricted for			
Capital Projects	4,280,873	0	4,280,873
Debt Service	2,162,193	0	2,162,193
Other Purposes			
Street Maintenance	806,119	0	806,119
State Grants	2,580,339	0	2,580,339
Federal Grants	351,750	0	351,750
Court Operations	829,776	0	829,776
Cemetery Operations	718,694	0	718,694
Other	633,880	0	633,880
Unrestricted (Deficit)	(139,214)	13,462,237	13,323,023
Total Net Position	\$46,255,932	\$53,529,022	\$99,784,954

See Accompanying Notes to the Basic Financial Statements

City of Sandusky
Statement of Activities
For the Year Ended December 31, 2013

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$5,032,468	\$354,756	\$56,618	\$0
Fire	5,953,841	756,733	399,344	520
Other	252,367	0	0	0
Public Health	318,872	116,853	7	0
Leisure Time Activities	614,010	257,010	16,010	170,651
Community Environment	2,538,486	19,156	312,871	215,418
Transportation	4,848,791	982,640	2,295,199	92,493
General Government				
Municipal Court	1,013,065	1,134,702	64,548	0
Other	3,372,415	328,020	0	243,401
Interest and Fiscal Charges	965,397	0	0	0
Total Governmental Activities	24,909,712	3,949,870	3,144,597	722,483
<u>Business-Type Activities</u>				
Water	5,561,209	5,259,240	0	173,038
Sewer	6,726,105	5,587,673	0	102,339
Total Business-Type Activities	12,287,314	10,846,913	0	275,377
Total	\$37,197,026	\$14,796,783	\$3,144,597	\$997,860

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (Note 3)

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
(\$4,621,094)	\$0	(\$4,621,094)
(4,797,244)	0	(4,797,244)
(252,367)	0	(252,367)
(202,012)	0	(202,012)
(170,339)	0	(170,339)
(1,991,041)	0	(1,991,041)
(1,478,459)	0	(1,478,459)
186,185	0	186,185
(2,800,994)	0	(2,800,994)
(965,397)	0	(965,397)
(17,092,762)	0	(17,092,762)
0	(128,931)	(128,931)
0	(1,036,093)	(1,036,093)
0	(1,165,024)	(1,165,024)
(17,092,762)	(1,165,024)	(18,257,786)
1,444,024	0	1,444,024
237,368	0	237,368
395,613	0	395,613
591,483	0	591,483
7,413,615	0	7,413,615
494,203	0	494,203
395,361	0	395,361
4,122,098	0	4,122,098
379,067	0	379,067
1,120,835	0	1,120,835
(3,698)	607	(3,091)
782,475	472,690	1,255,165
17,372,444	473,297	17,845,741
123,469	(123,469)	0
17,495,913	349,828	17,845,741
403,151	(815,196)	(412,045)
45,852,781	54,344,218	100,196,999
\$46,255,932	\$53,529,022	\$99,784,954

City of Sandusky
Balance Sheet
Governmental Funds
December 31, 2013

	General	Special Assessment Bond Retirement	Capital Projects	Other Governmental	Total Governmental Funds
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,254,640	\$0	\$3,756,077	\$3,038,929	\$11,049,646
Cash and Cash Equivalents in Segregated Accounts	28,604	0	0	0	28,604
Accounts Receivable	368,888	0	0	610,535	979,423
Accrued Interest Receivable	22,481	0	0	822	23,303
Interfund Receivable	10,800	0	0	0	10,800
Due from Other Governments	456,247	0	115,223	957,609	1,529,079
Municipal Income Taxes Receivable	2,371,278	0	0	300,584	2,671,862
Other Local Taxes Receivable	22,820	0	0	32,130	54,950
Materials and Supplies Inventory	110,239	0	0	254,806	365,045
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	102,788	0	0	0	102,788
Property Taxes Receivable	1,759,929	0	0	762,296	2,522,225
Payment in Lieu of Taxes Receivable	2,084	0	0	558,435	560,519
Notes Receivable	0	0	0	2,234,047	2,234,047
Special Assessments Receivable	0	4,616,109	0	0	4,616,109
Total Assets	<u>\$9,510,798</u>	<u>\$4,616,109</u>	<u>\$3,871,300</u>	<u>\$8,750,193</u>	<u>\$26,748,400</u>
<u>Liabilities</u>					
Accrued Wages Payable	\$298,485	\$0	\$0	\$24,304	\$322,789
Accounts Payable	119,861	0	25,598	165,118	310,577
Contracts Payable	0	0	351,332	16,989	368,321
Interfund Payable	0	0	0	10,800	10,800
Due to Other Governments	353,987	0	155	139,206	493,348
Accrued Interest Payable	0	0	8,747	0	8,747
Notes Payable	0	0	3,035,000	0	3,035,000
Retainage Payable	0	0	30,378	11,346	41,724
Total Liabilities	<u>772,333</u>	<u>0</u>	<u>3,451,210</u>	<u>367,763</u>	<u>4,591,306</u>
<u>Deferred Inflows of Resources</u>					
Property Taxes	1,503,843	0	0	650,039	2,153,882
Payment in Lieu of Taxes	2,084	0	0	558,435	560,519
Unavailable Revenue	2,703,367	4,616,109	87,822	1,718,921	9,126,219
Total Deferred Inflows of Resources	<u>4,209,294</u>	<u>4,616,109</u>	<u>87,822</u>	<u>2,927,395</u>	<u>11,840,620</u>
<u>Fund Balance</u>					
Nonspendable	221,127	0	0	254,806	475,933
Restricted	0	0	332,268	5,301,895	5,634,163
Committed	0	0	0	55,783	55,783
Assigned	365,022	0	0	0	365,022
Unassigned (Deficit)	3,943,022	0	0	(157,449)	3,785,573
Total Fund Balance	<u>4,529,171</u>	<u>0</u>	<u>332,268</u>	<u>5,455,035</u>	<u>10,316,474</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$9,510,798</u>	<u>\$4,616,109</u>	<u>\$3,871,300</u>	<u>\$8,750,193</u>	<u>\$26,748,400</u>

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, 2013

Total Governmental Fund Balance	\$10,316,474
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Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	47,236,004
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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	912,522	
Accrued Interest Receivable	18,049	
Due from Other Governments	1,179,158	
Municipal Income Taxes Receivable	2,020,931	
Other Local Taxes Receivable	11,107	
Delinquent Property Taxes Receivable	368,343	
Special Assessments Receivable	4,616,109	9,126,219

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.	(63,221)
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Deferred outflows of resources consists of deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.	609,767
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Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds Payable	(13,443,350)	
Revenue Bonds Payable	(2,310,000)	
Special Assessment Bonds Payable	(2,903,175)	
Loans Payable	(415,821)	
Compensated Absences Payable	(1,896,965)	(20,969,311)

Net Position of Governmental Activities	\$46,255,932
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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, 2013

	General	Special Assessment Bond Retirement	Capital Projects	Other Governmental	Total Governmental Funds
Revenues					
Property Taxes	\$1,499,170	\$0	\$0	\$657,155	\$2,156,325
Payment in Lieu of Taxes	2,228	0	0	589,255	591,483
Municipal Income Taxes	7,109,401	0	0	852,038	7,961,439
Other Local Taxes	4,110,991	0	0	431,881	4,542,872
Special Assessments	0	225,647	0	0	225,647
Charges for Services	768,267	0	693,309	411,548	1,873,124
Fees, Licenses, and Permits	712,158	0	136,040	202,325	1,050,523
Fines and Forfeitures	1,009,961	0	0	62,464	1,072,425
Intergovernmental	1,083,633	0	653,773	3,116,206	4,853,612
Interest	(3,102)	0	0	1,671	(1,431)
Other	606,529	0	35,668	331,580	973,777
Total Revenues	16,899,236	225,647	1,518,790	6,656,123	25,299,796
Expenditures					
Current:					
Security of Persons and Property					
Police	4,327,271	0	5,266	586,402	4,918,939
Fire	4,149,188	0	233,551	1,095,921	5,478,660
Other	252,367	0	0	0	252,367
Public Health	216,728	0	0	74,298	291,026
Leisure Time Activities	478,966	0	4,563	6,711	490,240
Community Environment	1,282,337	0	329,964	676,188	2,288,489
Transportation	3,410	0	109,314	3,164,452	3,277,176
General Government					
Municipal Court	940,509	0	11,235	64,688	1,016,432
Other	2,313,933	0	252,271	0	2,566,204
Other	0	0	0	88,357	88,357
Capital Outlay	0	0	529,683	17,564	547,247
Debt Service:					
Principal Retirement	73,183	275,973	0	1,610,164	1,959,320
Interest and Fiscal Charges	16,172	164,618	34,539	714,906	930,235
Total Expenditures	14,054,064	440,591	1,510,386	8,099,651	24,104,692
Excess of Revenues Over (Under) Expenditures	2,845,172	(214,944)	8,404	(1,443,528)	1,195,104
Other Financing Sources (Uses)					
Revenue Bonds Issued	0	0	500,000	2,180,000	2,680,000
Sale of Capital Assets	18,185	0	9,594	7,714	35,493
Transfers In	0	217,644	494,843	2,702,033	3,414,520
Transfers Out	(2,625,569)	(2,700)	(112,760)	(550,022)	(3,291,051)
Total Other Financing Sources (Uses)	(2,607,384)	214,944	891,677	4,339,725	2,838,962
Changes in Fund Balance	237,788	0	900,081	2,896,197	4,034,066
Fund Balance Beginning of Year	4,291,383	0	(567,813)	2,558,838	6,282,408
Fund Balance End of Year	\$4,529,171	\$0	\$332,268	\$5,455,035	\$10,316,474

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, 2013

Changes in Fund Balance - Total Governmental Funds \$4,034,066

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 depreciation exceeded capital outlays in the current year.

Capital Outlay	666,404	
Depreciation	(3,269,589)	
		(2,603,185)

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 on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(35,493)	
Gain on Disposal of Capital Assets	31,574	
		(3,919)

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

Delinquent Property Taxes	(79,320)	
Municipal Income Taxes	341,740	
Other Local Taxes	11,107	
Special Assessments	(225,647)	
Charges for Services	(289,514)	
Fees, Licenses, and Permits	(341)	
Intergovernmental	98,809	
Interest	(264)	
Other	1,454	
		(141,976)

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	1,219,867	
Revenue Bonds Payable	370,000	
Special Assessment Bonds Payable	275,973	
Loans Payable	93,480	
		1,959,320

Debt proceeds are other financing sources in governmental funds but the issuance increases long-term liabilities on the statement of net position (2,680,000)

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	1,522	
Amortization of Premium	18,675	
Amortization of Deferred Charge on Refunding	(55,359)	
		(35,162)

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. (125,993)

Change in Net Position of Governmental Activities \$403,151

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, 2013

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<u>Revenues</u>				
Property Taxes	\$1,495,952	\$1,495,952	\$1,499,170	\$3,218
Payment in Lieu of Taxes	2,228	2,228	2,228	0
Municipal Income Taxes	6,734,000	6,974,780	7,034,693	59,913
Other Local Taxes	3,826,000	4,121,707	4,119,785	(1,922)
Charges for Services	640,450	701,141	773,089	71,948
Fees, Licenses, and Permits	636,500	718,790	712,183	(6,607)
Fines and Forfeitures	1,095,000	1,084,232	1,008,837	(75,395)
Intergovernmental	1,104,359	1,325,730	1,326,606	876
Interest	140,000	140,000	141,709	1,709
Other	271,450	264,904	250,356	(14,548)
Total Revenues	15,945,939	16,829,464	16,868,656	39,192
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	4,727,118	4,444,118	4,402,210	41,908
Fire	4,294,596	4,144,596	4,109,479	35,117
Other	235,000	235,000	233,378	1,622
Public Health	196,100	221,100	215,508	5,592
Leisure Time Activities	408,078	480,947	480,947	0
Community Environment	1,185,271	1,301,271	1,275,554	25,717
Transportation	1,000	3,500	3,410	90
General Government				
Municipal Court	898,512	928,512	926,125	2,387
Other	2,601,692	2,490,992	2,324,630	166,362
Debt Service:				
Principal Retirement	73,183	73,183	73,183	0
Interest and Fiscal Charges	16,172	16,172	16,172	0
Total Expenditures	14,636,722	14,339,391	14,060,596	278,795
Excess of Revenues Over Expenditures	1,309,217	2,490,073	2,808,060	317,987
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	326,800	315,699	364,466	48,767
Sale of Capital Assets	0	0	18,185	18,185
Advances In	2,700	2,700	2,700	0
Transfers Out	(1,679,110)	(2,626,536)	(2,625,569)	967
Total Other Financing Sources (Uses)	(1,349,610)	(2,308,137)	(2,240,218)	67,919
Changes in Fund Balance	(40,393)	181,936	567,842	385,906
Fund Balance Beginning of Year	3,867,464	3,867,464	3,867,464	0
Prior Year Encumbrances Appropriated	18,790	18,790	18,790	0
Fund Balance End of Year	\$3,845,861	\$4,068,190	\$4,454,096	\$385,906

See Accompanying Notes to the Basic Financial Statements

City of Sandusky
Statement of Fund Net Position
Enterprise Funds
December 31, 2013

	Water	Sewer	Total
<u>Assets</u>			
<u>Current Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$7,472,176	\$6,159,608	\$13,631,784
Accounts Receivable	328,102	801,481	1,129,583
Due from Other Governments	533,545	161,826	695,371
Materials and Supplies Inventory	398,132	281,337	679,469
Total Current Assets	8,731,955	7,404,252	16,136,207
<u>Non-Current Assets</u>			
Nondepreciable Capital Assets	6,987,429	928,176	7,915,605
Depreciable Capital Assets, Net	22,894,466	57,281,046	80,175,512
Total Non-Current Assets	29,881,895	58,209,222	88,091,117
Total Assets	38,613,850	65,613,474	104,227,324
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accrued Wages Payable	57,036	62,685	119,721
Accounts Payable	83,109	54,109	137,218
Contracts Payable	40,733	5,650	46,383
Due to Other Governments	73,790	321,889	395,679
Accrued Interest Payable	432,024	667,409	1,099,433
Retainage Payable	10,291	0	10,291
General Obligation Revenue Bonds Payable	5,000	55,000	60,000
OWDA Loans Payable	818,863	1,169,198	1,988,061
Loans Payable	44,356	16,222	60,578
Compensated Absences Payable	63,889	91,611	155,500
Total Current Liabilities	1,629,091	2,443,773	4,072,864
<u>Non-Current Liabilities</u>			
General Obligation Revenue Bonds Payable	130,000	1,398,285	1,528,285
OWDA Loans Payable	17,160,799	27,287,187	44,447,986
Loans Payable	144,828	52,968	197,796
Compensated Absences Payable	170,582	280,789	451,371
Total Non-Current Liabilities	17,606,209	29,019,229	46,625,438
Total Liabilities	19,235,300	31,463,002	50,698,302
<u>Net Position</u>			
Net Investment in Capital Assets	11,767,233	28,299,552	40,066,785
Unrestricted	7,611,317	5,850,920	13,462,237
Total Net Position	\$19,378,550	\$34,150,472	\$53,529,022

See Accompanying Notes to the Basic Financial Statements

City of Sandusky
Statement of Revenues, Expenses,
and Changes in Fund Net Position
Enterprise Funds
For the Year Ended December 31, 2013

	Water	Sewer	Total
<u>Operating Revenues</u>			
Charges for Services	\$5,259,240	\$5,587,673	\$10,846,913
Other	71,635	393,390	465,025
Total Operating Revenues	5,330,875	5,981,063	11,311,938
<u>Operating Expenses</u>			
Personal Services	2,108,094	2,463,365	4,571,459
Travel and Transportation	12,934	14,376	27,310
Contractual Services	587,118	1,277,337	1,864,455
Materials and Supplies	931,113	355,001	1,286,114
Depreciation	1,040,076	1,205,679	2,245,755
Other	1,957	1,081	3,038
Total Operating Expenses	4,681,292	5,316,839	9,998,131
Operating Income	649,583	664,224	1,313,807
<u>Non-Operating Revenues (Expenses)</u>			
Gain on Disposal of Capital Assets	6,692	973	7,665
Interest Revenue	200	407	607
Interest Expense	(879,917)	(1,409,266)	(2,289,183)
Total Non-Operating Revenues (Expenses)	(873,025)	(1,407,886)	(2,280,911)
Loss before Contributions and Transfers	(223,442)	(743,662)	(967,104)
Capital Contributions	173,038	102,339	275,377
Transfers Out	(30,915)	(92,554)	(123,469)
Changes in Net Position	(81,319)	(733,877)	(815,196)
Net Position Beginning of Year	19,459,869	34,884,349	54,344,218
Net Position End of Year	\$19,378,550	\$34,150,472	\$53,529,022

See Accompanying Notes to the Basic Financial Statements

City of Sandusky
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2013

	Water	Sewer	Total
Increases (Decreases) in Cash and Cash Equivalents			
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$4,967,475	\$5,719,946	\$10,687,421
Cash Payments for Personal Services	(2,102,278)	(2,461,845)	(4,564,123)
Cash Payments for Contractual Services	(577,438)	(1,021,215)	(1,598,653)
Cash Payments to Vendors	(1,415,333)	(571,550)	(1,986,883)
Cash Received from Other Revenues	71,635	393,934	465,569
Cash Payments for Other Expenses	(1,957)	(1,081)	(3,038)
Net Cash Provided by Operating Activities	942,104	2,058,189	3,000,293
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers Out	(30,915)	(92,554)	(123,469)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Principal Paid on General Obligation Revenue Bonds	(5,000)	(55,000)	(60,000)
Principal Paid on OWDA Loans	(891,494)	(1,371,554)	(2,263,048)
Principal Paid on Loans	(42,530)	(15,555)	(58,085)
Interest Paid on General Obligation Revenue Bonds	(5,641)	(59,739)	(65,380)
Interest Paid on OWDA Loans	(877,566)	(1,378,116)	(2,255,682)
Interest Paid on Loans	(9,398)	(3,437)	(12,835)
OWDA Loans Issued	440,727	194,948	635,675
Acquisition of Capital Assets	(495,609)	(230,359)	(725,968)
Capital Contributions	216,145	0	216,145
Sale of Capital Assets	6,692	973	7,665
Net Cash Used for Capital and Related Financing Activities	(1,663,674)	(2,917,839)	(4,581,513)
<u>Cash Flows from Investing Activities</u>			
Interest	200	407	607
Net Decrease in Cash and Cash Equivalents	(752,285)	(951,797)	(1,704,082)
Cash and Cash Equivalents Beginning of Year	8,224,461	7,111,405	15,335,866
Cash and Cash Equivalents End of Year	<u>\$7,472,176</u>	<u>\$6,159,608</u>	<u>\$13,631,784</u>

(continued)

City of Sandusky
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2013
(continued)

	Water	Sewer	Total
<u>Reconciliation of Operating Income to Net</u>			
<u>Cash Provided by Operating Activities</u>			
Operating Income	\$649,583	\$664,224	\$1,313,807
<u>Adjustments to Reconcile Operating Income to Net</u>			
<u>Cash Provided by Operating Activities</u>			
Depreciation	1,040,076	1,205,679	2,245,755
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(113)	1,326	1,213
(Increase) Decrease in Due from Other Governments	(291,652)	131,491	(160,161)
(Increase) Decrease in Materials and Supplies Inventory	22,550	(27,350)	(4,800)
Increase in Accrued Wages Payable	7,100	6,500	13,600
Decrease in Accounts Payable	(18,768)	(52,088)	(70,856)
Decrease in Contracts Payable	(313,897)	(16,785)	(330,682)
Increase in Due to Other Governments	13,215	157,554	170,769
Decrease in Retainage Payable	(153,077)	0	(153,077)
Decrease in Compensated Absences Payable	(12,913)	(12,362)	(25,275)
Net Cash Provided by Operating Activities	<u>\$942,104</u>	<u>\$2,058,189</u>	<u>\$3,000,293</u>

Non-Cash Capital Transactions

In 2013, the Water enterprise fund had a receivable for grants related to capital assets, in the amount of \$40,733.

In 2013, the Sewer enterprise fund received contributions of capital assets from Erie County, in the amount of \$102,339.

See Accompanying Notes to the Basic Financial Statements

City of Sandusky
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$353,329</u>
<u>Liabilities</u>	
Due to Other Governments	\$101,163
Undistributed Assets	<u>252,166</u>
Total Liabilities	<u>\$353,329</u>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 2013.

The City of Sandusky participates in the Buckeye Ohio Risk Management Association (BORMA), a public entity shared risk pool. This organization is presented in Note 24 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, 2013
(continued)

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 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, 2013
(continued)

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.

Special Assessment Bond Retirement Fund - This fund accounts for special assessments restricted for the payment of principal, interest, and fiscal charges on special assessment debt.

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.

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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

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 trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are not available to support the City's own programs. The City did not have any trust funds in 2013. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for various funds held for final disposition to the Erie County Law Library, contractors, municipal courts (excluding the City of Sandusky), insurance proceeds to secure proper handling of fire damaged structures, and employee payroll deductions.

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 enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. 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 enterprise activities.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise 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/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, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty-one days 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.

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 consists of a deferred charge on refunding reported in the government-wide statement of net position. 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 of the life of the old debt or the life of the new debt, whichever is shorter.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payment in lieu of taxes, and unavailable revenue. Property taxes represent amounts for which there was an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 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.

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.

E. Budgetary Process

All funds, except agency 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.

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 amended certificate of estimated resources in effect at the time final appropriations were passed by the City Commission.

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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 separately within departments of the City, and not included in the City treasury, are recorded as “Cash and Cash Equivalents in Segregated Accounts”.

During 2013, the City’s investments included negotiable and nonnegotiable 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s net asset value per share, which is the price the investment could be sold for on December 31, 2013.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Due to a decrease in the fair market value of the City’s investments, the General Fund reported negative interest revenue for 2013.

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. 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.

H. 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.

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

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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 enterprise funds are reported in both the business-type activities column on the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market 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. Interest incurred during the construction of enterprise fund capital assets is also 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

J. 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.

K. Interfund Receivables/Payables

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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. 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.

M. 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 enterprise funds are reported on the enterprise 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, revenue bonds, special assessment bonds, and long-term loans are recognized as liabilities on the fund financial statements when due.

N. Unamortized Bond Premiums and Discounts

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

O. 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 municipal court and 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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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. It also includes the long-term portion of interfund receivables.

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 City Council. The committed amounts cannot be used for any other purpose unless City Council 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 City Council, 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.

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. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the City Commission. 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.

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 resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for water and sewer services. 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 nonoperating.

R. Capital Contributions

Capital contributions arise from contributions from other governments.

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 enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

T. 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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

A. Change in Accounting Principles

For 2013, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus". GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and the financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change to the City financial statements.

B. Restatement of Net Position

In 2012, the City overstated the amount of nondepreciable capital assets for governmental activities related to construction in progress. The restatement had the following effect on net position as previously reported for governmental activities.

	Governmental Activities
Net Position at December 31, 2012	\$46,366,373
Nondepreciable Capital Assets	(513,592)
Restated Net Position at December 31, 2012	<u>\$45,852,781</u>

NOTE 4 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At December 31, 2013, the Public Transit, Fire Pension, and Police Pension special revenue funds had deficit fund balances, in the amount of \$61,928, \$54,985, and \$40,536, respectively, resulting from 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.

B. Compliance

For the year ended December 31, 2013, the Water enterprise fund, waterworks filtration department had expenses in excess of appropriations within the capital outlay account, in the amount of \$169,248. The City will monitor future appropriations to ensure they are adequate for amounts needed for expenses.

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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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).
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.
5. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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	
	<u>General</u>
GAAP Basis	\$237,788
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2012, Received in Cash 2013	993,925
Accrued 2013, Not Yet Received in Cash	(791,456)
Expenditure Accruals:	
Accrued 2012, Paid in Cash 2013	(761,592)
Accrued 2013, Not Yet Paid in Cash	769,356
Cash Adjustments:	
Unrecorded Activity 2012	5,578
Unrecorded Activity 2013	125,863
Materials and Supplies Inventory	14,899
Advances In	2,700
Excess of Revenues Over Expenditures for Nonbudgeted Activity	(24)
Encumbrances Outstanding at Year End (Budget Basis)	<u>(29,195)</u>
Budget Basis	<u>\$567,842</u>

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
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);
7. The State Treasurer's investment pool (STAR Ohio), and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,783,231 of the City's bank balance of \$12,752,424 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2013, the City had the following investments:

	Total	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Negotiable Certificates of Deposit	\$3,707,443	\$100,035	\$240,574	\$101,262	\$3,265,572
Federal National Mortgage Association Notes	5,655,817	0	0	0	5,655,817
Federal Home Loan Mortgage Corporation Notes	1,110,189	0	0	0	1,110,189
Federal Farm Credit Bank Notes	894,402	0	0	0	894,402
STAR Ohio	1,265,337	1,265,337	0	0	0
	<u>\$12,633,188</u>	<u>\$1,365,372</u>	<u>\$240,574</u>	<u>\$101,262</u>	<u>\$10,925,980</u>

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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.

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.

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:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Federal National Mortgage Association	\$5,655,817	44.8%
Federal Home Loan Mortgage Corporation	1,110,189	8.8
Federal Farm Credit Bank	894,402	7.1

NOTE 7 - RECEIVABLES

Receivables at December 31, 2013, consisted of accounts (billings for user charged services); accrued interest; interfund; 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 interfund, 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 \$2,162,909, will not be received within one year. Special assessments, in the amount of \$4,254,677, will not be received within one year. At December 31, 2013, the amount of delinquent special assessments was \$1,289,928.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$91,937
Local Government	211,932
Beer and Liquor Permits	32,233
Estate Tax	45,253

(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 7 - RECEIVABLES (continued)

	Amount
Governmental Activities (continued)	
Major Funds (continued)	
General Fund (continued)	
Cigarette Tax	\$797
Fines and Forfeitures	64,857
Other	9,238
Total General Fund	456,247
Capital Projects Fund	
Fees, Licenses, and Permits	7,540
Clean Ohio Revitalization	42,346
Ohio Department of Transportation	65,337
Total Capital Projects Fund	115,223
Total Major Funds	571,470
Nonmajor Funds	
Street Maintenance	
Gasoline Tax	382,905
Motor Vehicle License Tax	82,639
Total Street Maintenance	465,544
State Highway	
Gasoline Tax	31,047
Motor Vehicle License Tax	6,701
Total State Highway	37,748
Public Transit	
Job Access/Reverse Commute Grant	48,441
Fire Pension	
Homestead and Rollback	7,556
Personal Property Phase-Out	2,685
Total Fire Pension	10,241
Police Pension	
Homestead and Rollback	7,556
Personal Property Phase-Out	2,685
Total Police Pension	10,241
State Grants	
Community Corrections Grant	32,274
	(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 7 - RECEIVABLES (continued)

	<u>Amount</u>
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Federal Grants	
U.S. Department of Transportation	\$143,431
Bulletproof Vest Partnership Grant	6,165
FEMA - SAFER Grant	29,301
CDBG	136,385
Total Federal Grants	<u>315,282</u>
Indigent Drivers Alcohol	
Drug and Alcohol Addiction Grant	9,286
Fees, Licenses, and Permits	1,351
Total Indigent Drivers Alcohol	<u>10,637</u>
Enforcement and Education	
Fines and Forfeitures	<u>606</u>
Court Computerization	
Fines and Forfeitures	<u>1,407</u>
General Bond Retirement Fund	
Homestead and Rollback	<u>25,188</u>
Total Nonmajor Funds	<u>957,609</u>
Total Governmental Activities	<u><u>\$1,529,079</u></u>
Business-Type Activities	
Water Fund	
Erie County	\$492,812
Ohio Public Works Commission	40,733
Total Water Fund	<u>533,545</u>
Sewer Fund	
Erie County	<u>161,826</u>
Total Business-Type Activities	<u><u>\$695,371</u></u>

NOTE 8 - MUNICIPAL INCOME TAXES

The City levies and collects an income tax of 1 percent based on all income earned within the City as well as on incomes of residents earned outside the City. 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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 8 - MUNICIPAL INCOME TAXES (continued)

For 2013, 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.

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 2013 represent the collection of 2012 taxes. Real property taxes received in 2013 were levied after October 1, 2012, on the assessed values as of January 1, 2012, 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 2013 represent the collection of 2012 taxes. Public utility real and tangible personal property taxes received in 2013 became a lien on December 31, 2011, were levied after October 1, 2012, 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, 2013, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2013 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.

The full tax rate for all City operations for the year ended December 31, 2013, was \$5.25 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2013 property tax receipts were based are as follows:

Category	Amount
Real Property	\$445,014,000
Public Utility Personal Property	15,219,000
Total Assessed Value	<u>\$460,233,000</u>

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 10 - PAYMENT IN LIEU OF TAXES

According to State law, 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 2013 follows:

	Balance January 1, 2013	New Loans	Repayments	Balance December 31, 2013
Special Revenue Funds				
State Grants				
Revolving Loans	\$529,628	\$314,009	\$55,529	\$788,108
Rehabilitation Revolving Loans	1,670,517	5,000	63,612	1,611,905
Micro-Enterprise Loans	0	7,500	0	7,500
Total State Grants	2,200,145	326,509	119,141	2,407,513
Federal Grants				
Downtown Façade Loans	28,118	0	14,043	14,075
	<u>\$2,228,263</u>	<u>\$326,509</u>	<u>\$133,184</u>	2,421,588
Less Allowance for Uncollectible Accounts				187,541
				<u>\$2,234,047</u>

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

NOTE 12 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Restated Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$7,180,226	\$0	\$0	\$7,180,226
Construction in Progress	4,233,923	378,805	(536,272)	4,076,456
Total Nondepreciable Capital Assets	11,414,149	378,805	(536,272)	11,256,682

(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 12 - CAPITAL ASSETS (continued)

	Restated Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Governmental Activities (continued)				
Depreciable Capital Assets				
Buildings	\$18,510,164	\$10,674	\$0	\$18,520,838
Improvements Other Than Buildings	22,242,653	77,720	0	22,320,373
Streets	45,121,181	536,272	0	45,657,453
Bridges	229,802	0	0	229,802
Equipment	10,977,731	199,205	(174,348)	11,002,588
Total Depreciable Capital Assets	<u>97,081,531</u>	<u>823,871</u>	<u>(174,348)</u>	<u>97,731,054</u>
Less Accumulated Depreciation for				
Buildings	(10,509,387)	(603,816)	0	(11,113,203)
Improvements Other Than Buildings	(8,007,942)	(732,740)	0	(8,740,682)
Streets	(32,070,387)	(1,458,148)	0	(33,528,535)
Bridges	(91,920)	(4,596)	0	(96,516)
Equipment	(7,972,936)	(470,289)	170,429	(8,272,796)
Total Accumulated Depreciation	<u>(58,652,572)</u>	<u>(3,269,589)</u>	<u>170,429</u>	<u>(61,751,732)</u>
Total Depreciable Capital Assets, Net	<u>38,428,959</u>	<u>(2,445,718)</u>	<u>(3,919)</u>	<u>35,979,322</u>
Governmental Activities Capital Assets, Net	<u>\$49,843,108</u>	<u>(\$2,066,913)</u>	<u>(\$540,191)</u>	<u>\$47,236,004</u>
Business-Type Activities				
Nondepreciable Capital Assets				
Land	\$801,702	\$0	\$0	\$801,702
Construction in Progress	28,634,647	558,821	(22,079,565)	7,113,903
Total Nondepreciable Capital Assets	<u>29,436,349</u>	<u>558,821</u>	<u>(22,079,565)</u>	<u>7,915,605</u>
Depreciable Capital Assets				
Buildings	43,109,967	21,213,506	0	64,323,473
Improvements Other Than Buildings	26,017,956	0	0	26,017,956
Utility Plant	5,507,740	108,381	0	5,616,121
Water and Sewer Lines	21,295,353	894,559	0	22,189,912
Equipment	2,770,442	189,279	(66,338)	2,893,383
Total Depreciable Capital Assets	<u>98,701,458</u>	<u>22,405,725</u>	<u>(66,338)</u>	<u>121,040,845</u>

(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 12 - CAPITAL ASSETS (continued)

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Business-Type Activities (continued)				
Less Accumulated Depreciation for				
Buildings	(\$16,098,716)	(\$669,657)	\$0	(16,768,373)
Improvements Other Than Buildings	(7,022,222)	(915,118)	0	(7,937,340)
Utility Plant	(3,422,931)	(200,361)	0	(3,623,292)
Water and Sewer Lines	(10,087,074)	(345,178)	0	(10,432,252)
Equipment	(2,054,973)	(115,441)	66,338	(2,104,076)
Total Accumulated Depreciation	(38,685,916)	(2,245,755)	66,338	(40,865,333)
 Total Depreciable Capital Assets, Net	 60,015,542	 20,159,970	 0	 80,175,512
 Business-Type Activities Capital Assets, Net	 \$89,451,891	 \$20,718,791	 (\$22,079,565)	 \$88,091,117

The Sewer enterprise fund accepted a contribution of capital assets from Erie County with a fair value of \$102,339, during 2013.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$92,180
Security of Persons and Property - Fire	431,027
Public Health	24,994
Leisure Time Activities	122,788
Community Environment	185,571
Transportation	1,698,819
General Government - Municipal Court	9,721
General Government - Other	704,489
Total Depreciation Expense - Governmental Activities	<u>\$3,269,589</u>

NOTE 13 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2013, the General Fund had an interfund receivable, in the amount of \$10,800, for a loan made to other governmental funds. Of this amount, \$8,100 is not scheduled to be collected within one year.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2013, the City contracted with the Travelers Indemnity Company for the following coverage:

Type of Coverage	Coverage
Property (building and contents)	\$135,963,229
Excess Liability	10,000,000
General Liability	3,000,000
Employee Benefit Liability	3,000,000
Auto Liability	1,000,000
Public Official Liability	2,000,000

There has been no significant reduction in insurance coverage from 2012, and no insurance settlement has exceeded insurance coverage during the last three years.

The City participates in the Buckeye Ohio Risk Management Association (BORMA), a public entity shared risk pool among various local governments in Northern Ohio. The City pays monthly premiums for health care coverage for its employees. BORMA is responsible for the management and operation of the program. Member cities agree to share in the coverage of losses and pay all premiums necessary for the specified insurance coverage provided under the program. Member cities are subject to supplemental assessments of up to 25 percent of the premiums paid for health insurance during that year in the event of deficiencies. Upon withdrawal from BORMA, a participant is responsible for the payment of all liabilities accruing as a result of withdrawal.

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

NOTE 15 - SIGNIFICANT CONTRACTUAL COMMITMENTS

The City has outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2013:

Contract	Remaining Commitment
Newcomer Concrete	\$1,442
Partners Environmental	21,040
Mannik & Smith	663
Norfolk Southern	9,298
K.E. McCartney & Associates	864
Toltest	9,900
O.R. Colan & Associates	85
RMH Construction, LLC	6,951
Jones & Henry	1,640
Total	51,883

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 15 - SIGNIFICANT CONTRACTUAL COMMITMENTS (continued)

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2013 are as follows:

General Fund	\$17,722
Capital Projects Fund	51,815
Nonmajor Governmental Funds	28,418
Total	<u>\$97,955</u>

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2013, members in state and local classifications contributed 10 percent of covered payroll. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 1 percent for 2013. Effective January 1, 2014, the portion of the employer contribution allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 16 - DEFINED BENEFIT PENSION PLANS (continued)

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2013, 2012, and 2011 was \$845,387, \$649,642, and \$636,084, respectively. For 2013, 88 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the member-directed plan for 2013 were \$606 made by the City and \$433 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. 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 and required supplementary information for the plan. The report that 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 website at www.op-f.org.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013, through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013, through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For January 1, 2013, through May 31, 2013, the portion of the City's contribution used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, through December 31, 2013, the portion of the City's contribution used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$473,562 and \$660,218 for the year ended December 31, 2013, \$382,390 and \$571,075, for the year ended December 31, 2012, and \$414,828 and \$530,397, for the year ended December 31, 2011. For 2013, 91 percent has been contributed for both police and firefighters with the balance for both being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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, 2013
(continued)

NOTE 17 - POSTEMPLOYMENT BENEFITS (continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided 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/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 1 percent in 2013. Effective January 1, 2014, the portion of the employer contribution allocated to health care was raised to 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2013, 2012, and 2011 was \$65,076, \$261,630, and \$255,648, respectively. For 2013, 88 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 17 - POSTEMPLOYMENT BENEFITS (continued)

B. Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing, multiple-employer defined benefit postemployment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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.

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 by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For January 1, 2013, through May 31, 2013, the employer contribution allocated to the health care plan 4.69 percent of covered payroll. For June 1, 2013, through December 31, 2013, the employer contribution allocated to the health care plan 2.85 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 17 - POSTEMPLOYMENT BENEFITS (continued)

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$107,831 and \$117,145 for the year ended December 31, 2013, \$202,442 and \$223,464 for the year ended December 31, 2012, and \$219,615 and \$207,547 for the year ended December 31, 2011. For 2013, 91 percent has been contributed for both police and firefighters with the balance for both being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

NOTE 18 - 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:

	AFCSME	IAF	FOP	Administration
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 %
53 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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(b continued)

NOTE 19 - SHORT-TERM OBLIGATIONS

The City's short-term obligations activity for the year ended December 31, 2013, was as follows:

	Interest Rate	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
<u>Governmental Activities</u>					
<u>Bond Anticipation Notes</u>					
Capital Projects Funds					
2012 Various Improvement	1.00%	\$3,340,000	\$0	\$3,340,000	\$0
2013 Various Improvement	1.25	0	3,035,000	0	3,035,000
Total Bond Anticipation Notes		3,340,000	3,035,000	3,340,000	3,035,000
<u>Temporary Revenue Bonds</u>					
Debt Service Fund					
2012 Urban Renewal	0.65	2,500,000	0	2,500,000	0
Total Governmental Activities		\$5,840,000	\$3,035,000	\$5,840,000	\$3,035,000

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 2012 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, fire boat, replace the air conditioning unit at the Municipal Building, street improvements, sidewalk, curb, and gutter improvements, to revitalize the Bayfront Urban Revitalization Area, and to pay the cost of the Venice Road Grade Separation Project. The 2013 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, fire boat, replace the air conditioning unit at the Municipal Building, street improvements, sidewalk, curb, and gutter improvements, to revitalize the Bayfront Urban Revitalization Area, and to pay the cost of the Venice Road Grade Separation Project.

At December 31, 2013, the total amount of various improvement notes outstanding was \$3,035,000, of which \$3,035,000 has been expended for construction. Of the \$3,035,000, \$1,800,000 was not capitalized.

The temporary revenue bonds previously issued to revitalize the Bayfront Urban Revitalization Area, in the amount of \$2,500,000, were retired by revenue bonds issued in 2013.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS

The City's long-term obligations activity for the year ended December 31, 2013, was as follows:

	Interest Rate	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
2001 Various Purpose	3.00-5.05%	\$120,000	\$0	\$10,000	\$110,000	\$10,000
2005 Various Purpose	3.50-5.13	465,000	0	110,000	355,000	115,000
2005 City Complex Refunding	4.28	5,285,000	0	495,000	4,790,000	530,000
Bond Premium		38,414	0	3,598	34,816	0
2007 Police Pension Refunding	4.00-4.25	402,882	0	21,316	381,566	23,448
Bond Premium		4,247	0	225	4,022	0
2007 Fire Pension Refunding	4.00-4.25	542,118	0	28,684	513,434	31,552
Bond Premium		5,716	0	302	5,414	0
2007 Various Purpose Refunding	4.00-4.25	3,878,670	0	254,867	3,623,803	264,867
Bond Premium		29,003	0	1,537	27,466	0
2011 Library Refunding	2.00-4.25	3,795,000	0	300,000	3,495,000	310,000
Bond Premium		111,656	0	8,827	102,829	0
Total General Obligation Bonds		14,677,706	0	1,234,356	13,443,350	1,284,867
Revenue Bonds						
2013 Urban Renewal	2.55	0	2,680,000	370,000	2,310,000	360,000
Special Assessment Bonds with Government Commitment						
Special Assessment Bonds	3.50-6.00	3,086,009	0	275,973	2,810,036	270,973
2008 Bond Premium		97,325	0	4,186	93,139	0
Total Special Assessment Bonds		3,183,334	0	280,159	2,903,175	270,973
Other Long-Term Obligations						
Loans		509,301	0	93,480	415,821	97,494
Compensated Absences		1,770,972	160,231	34,238	1,896,965	374,587
Total Other Long-Term Obligations		2,280,273	160,231	127,718	2,312,786	472,081
Total Governmental Activities		\$20,141,313	\$2,840,231	\$2,012,233	20,969,311	2,387,921
<u>Business-Type Activities</u>						
General Obligation Revenue Bonds						
2005 Water System	3.50-5.13%	\$140,000	\$0	\$5,000	\$135,000	\$5,000
2005 Wastewater System	3.50-5.13	1,485,000	0	55,000	1,430,000	55,000
Bond Premium		41,767	0	1,547	40,220	0
Bond Discount		(17,587)	0	(652)	(16,935)	0
Total General Obligation Revenue Bonds		1,649,180	0	60,895	1,588,285	60,000

(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013	Due Within One Year
<u>Business-Type Activities</u> (continued)						
OWDA Loans						
Water	4.60-5.20%	\$18,430,429	\$440,727	\$891,494	\$17,979,662	\$818,863
Sewer	4.27-6.39	29,632,991	194,948	1,371,554	28,456,385	1,169,198
Total OWDA Loans		48,063,420	635,675	2,263,048	46,436,047	1,988,061
<u>Other Long-Term Obligations</u>						
Loans		316,459	0	58,085	258,374	60,578
Compensated Absences		632,146	89,680	114,955	606,871	155,500
Total Other Long-Term Obligations		948,605	89,680	173,040	865,245	216,078
Total Business-Type Activities		\$50,661,205	\$725,355	\$2,496,983	\$48,889,577	\$2,264,139

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.

2005 Various Purpose General Obligation Bonds

In 2005, the City issued \$1,295,000 in unvoted general obligation bonds for acquiring two fire pumper trucks, the grade separation project, and improving the boat launch ramp. The bonds were issued for a twenty year period with maturity beginning December 1, 2006. The bonds will be paid from the General Bond Retirement debt service fund.

2005 City Complex Refunding General Obligation Bonds

On March 22, 2005, the City issued \$6,410,000 in unvoted refunding general obligation bonds to refund \$5,770,000 in unvoted general obligation bonds for the construction of a city service complex. The bonds were issued for a fifteen year period with maturity beginning December 1, 2005. The bonds will be paid from the General Bond Retirement debt service fund.

The proceeds from the bonds were used to fully extinguish the old debt on December 1, 2005.

2007 Police Pension Refunding General Obligation Bonds

On September 27, 2007, the City issued \$445,515 in unvoted refunding general obligation bonds to refund \$417,803 in pension general obligation bonds previously issued. The bonds were issued for a twenty year period with maturity beginning December 1, 2010. The bonds will be paid from the General Bond Retirement debt service fund.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

The bonds maturing on or after December 1, 2015, are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000, on any date on or after June 1, 2015, at par plus accrued interest to the redemption date.

At December 31, 2013, the refunded bonds were fully retired.

2007 Fire Pension Refunding General Obligation Bonds

On September 27, 2007, the City issued \$599,485 in unvoted refunding general obligation bonds to refund \$562,197 in pension general obligation bonds previously issued. The bonds were issued for a twenty year period with maturity beginning December 1, 2010. The bonds will be paid from the General Bond Retirement debt service fund.

The bonds maturing on or after December 1, 2015, are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000, on any date on or after June 1, 2015, at par plus accrued interest to the redemption date.

At December 31, 2013, the refunded bonds were fully retired.

2007 Various Purpose Refunding General Obligation Bonds

On September 27, 2007, the City issued \$4,433,271 in unvoted refunding general obligation bonds to refund \$4,183,404 in 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 a twenty year period with maturity beginning December 1, 2008. The bonds will be paid from the General Bond Retirement debt service fund.

The bonds maturing on or after December 1, 2015, are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000, on any date on or after June 1, 2015, at par plus accrued interest to the redemption date.

At December 31, 2013, the refunded bonds were fully retired.

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 bonds maturing after December 1, 2018, are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000 on any date on or after December 1, 2018, at 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

The current refunding fully retired the refunded bonds.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

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.

2013 Urban Renewal Revenue Bonds

On March 28, 2013, the City issued \$2,680,000 in revenue bonds 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 will be paid 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 September 27, 2007, the City issued \$66,729 in unvoted refunding general obligation bonds to refund \$61,596 in bonds previously issued for the Remington Avenue project. The bonds were issued for a fifteen year period with maturity beginning December 1, 2011. The bonds will be paid from the Special Assessment Bond Retirement debt service fund.

The bonds maturing on or after December 1, 2015, are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000, on any date on or after June 1, 2015, at par plus accrued interest to the redemption date.

At December 31, 2013, the refunded bonds were fully retired.

Loans Payable

On June 22, 2007, the City entered into a loan agreement with Honeywell, in the amount of \$1,489,793, for energy efficiency upgrades at a number of City buildings. The loans have an interest rate of 4.25 percent. The loans were obtained for a ten year period with maturity beginning June 22, 2007. The loans are being retired through the General Fund and the Water and Sewer enterprise funds. Of this loan, \$415,821 was not capitalized in governmental activities and \$258,374 was not capitalized in the business-type activities.

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, and Federal Grants special revenue funds, the Various Improvement capital projects fund, and the Water and Sewer enterprise funds.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

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. 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.

2005 Water System Bonds

In 2005, the City issued \$175,000 in unvoted general obligation revenue bonds for improvements to the Big Island water works building. The bonds were issued for a twenty-five year period with maturity beginning December 1, 2006. The bonds will be retired from the Water enterprise fund.

2005 Wastewater System Bonds

In 2005, the City issued \$1,815,000 in unvoted general obligation revenue bonds for improvements to the municipal wastewater system. The bonds were issued for a twenty-five year period with maturity beginning December 1, 2006. The bonds will be retired from the Sewer enterprise fund.

OWDA Loans

The City entered into agreements with the Ohio Water Development Authority for loans for water plant improvements, water treatment plant electrical improvements, chemical improvements, ultraviolet treatment, sewer rehabilitation, flow monitors, sludge digestion system improvements, Cedar Point pump station, settling tank improvements, wastewater treatment plant expansion, and wastewater treatment plant phase II design. 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 \$36,181,055. Principal and interest paid for the current year and net revenues were \$1,769,060 and \$1,689,659 from the Water enterprise fund and \$2,749,670 and \$1,869,903 for the Sewer enterprise fund.

The City's legal debt margin was \$32,077,792 at December 31, 2013.

The chemical improvements and the wastewater treatment plant phase II design 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.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire governmental activities general long-term obligations outstanding at December 31, 2013, were as follows:

Year	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$1,284,867	\$522,889	\$360,000	\$58,905	\$270,973	\$150,528	\$97,494	\$16,643
2015	1,374,867	476,719	370,000	49,725	246,972	137,694	101,680	12,457
2016	1,329,867	426,764	380,000	40,290	225,973	126,266	106,047	8,091
2017	1,389,867	377,284	390,000	30,600	191,574	115,360	110,600	3,537
2018	1,469,867	324,509	400,000	20,655	190,573	106,131	0	0
2019-2023	5,404,468	783,364	410,000	10,455	758,971	400,487	0	0
2024-2028	1,015,000	86,590	0	0	925,000	167,776	0	0
	<u>\$13,268,803</u>	<u>\$2,998,119</u>	<u>\$2,310,000</u>	<u>\$210,630</u>	<u>\$2,810,036</u>	<u>\$1,204,242</u>	<u>\$415,821</u>	<u>\$40,728</u>

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2013, from the enterprise funds were as follows:

Year	2005 Water System		2005 Wastewater System	
	Principal	Principal	Principal	Interest
2014	\$5,000	\$5,385	\$55,000	\$56,920
2015	5,000	5,210	60,000	54,995
2016	5,000	5,030	60,000	52,835
2017	5,000	4,840	65,000	50,555
2018	5,000	4,650	65,000	48,085
2019-2023	40,000	19,770	385,000	199,685
2024-2028	50,000	10,370	500,000	114,220
2029-2030	20,000	1,260	240,000	15,330
	<u>\$135,000</u>	<u>\$56,515</u>	<u>\$1,430,000</u>	<u>\$592,625</u>

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

Year	OWDA Loans		Loans	
	Principal	Interest	Principal	Interest
2014	\$1,988,061	\$1,342,762	\$60,578	\$10,342
2015	2,087,261	1,243,562	63,181	7,740
2016	2,191,447	1,139,376	65,893	5,027
2017	2,300,867	1,029,956	68,722	2,198
2018	2,415,785	915,038	0	0
2019-2023	13,428,306	2,653,133	0	0
2024-2026	3,244,991	200,510	0	0
	<u>\$27,656,718</u>	<u>\$8,524,337</u>	<u>\$258,374</u>	<u>\$25,307</u>

Long-term obligations at December 31, 2013, consisted of the following issues:

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/13
General Obligation Bonds				
2001 Various Purpose	2001-2026	3.00-5.05%	\$6,037,200	\$110,000
2005 Various Purpose	2005-2015	3.50-5.13	1,295,000	355,000
2005 City Complex Refunding	2005-2020	4.28	6,410,000	4,790,000
2007 Police Pension Refunding	2007-2026	4.00-4.25	445,515	381,566
2007 Fire Pension Refunding	2007-2026	4.00-4.25	599,485	513,434
2007 Various Purpose Refunding	2007-2026	4.00-4.25	4,433,271	3,623,803
2011 Library Refunding	2011-2023	2.00-4.25	4,090,000	3,495,000
			<u>23,310,471</u>	<u>13,268,803</u>
Revenue Bonds				
2013 Urban Renewal	2013-2019	2.55	<u>2,680,000</u>	<u>2,310,000</u>
Special Assessment Bonds				
1995 PP McDonough Street	1995-2015	5.23	2,963	155
1995 PP Street	1995-2014	5.23	120,974	6,368
1995 Filmore	1995-2014	5.23	247,677	28,477
1996 Perry Street	1996-2016	5.72	40,000	6,000
1996 Perry Street - City Port	1996-2016	5.72	350,000	69,000
1998 PP Street	1998-2018	4.87	48,894	12,142
1998 PP Street	1998-2018	4.87	31,000	7,699
1998 PP Street	1998-2018	4.87	69,106	17,159
1999 Winnebago	1999-2019	5.50	81,000	24,000
1999 Wilbert	1999-2019	5.50	143,000	38,000

(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/13
Special Assessment Bonds (continued)				
1999 Streetscape	1999-2019	5.50%	\$329,000	\$98,000
2005 Sidewalk	2005-2015	3.50-5.13	185,000	40,000
2006 Sidewalk	2006-2016	4.66	104,000	31,200
2007 Remington Refunding	2007-2026	4.00	66,729	46,196
2007 Seneca	2007-2027	4.00	52,000	36,400
2007 Huntington	2007-2027	4.00	147,000	118,200
2007 Sidewalk	2007-2027	4.00	91,000	45,400
2008 Sidewalk, Curb, and Gutter	2008-2018	4.00-5.00	113,000	61,000
2008 Cold Creek	2008-2028	4.00-6.00	2,425,000	2,025,000
2008 Monroe Street	2008-2018	4.00-5.00	87,000	49,000
2009 Monroe Street	2009-2019	4.50	84,400	50,640
			<u>4,818,743</u>	<u>2,810,036</u>
General Obligation Revenue Bonds				
Water				
2005 Water System	2005-2030	3.50-5.13	175,000	135,000
Sewer				
2005 Wastewater System	2005-2030	3.50-5.13	1,815,000	1,430,000
			<u>1,990,000</u>	<u>1,565,000</u>
			<u>\$32,799,214</u>	<u>\$19,953,839</u>
OWDA Loans				
Water				
2003 Water Plant Improvements	2004-2024	5.20%	\$19,993,686	\$6,220,998
2005 WTP Electrical Improvements	2005-2030	4.60	8,628,362	5,925,399
2011 Chemical Improvements	2011-2042	4.45	5,629,944	5,833,265
			<u>34,251,992</u>	<u>17,979,662</u>
Sewer				
1998 Ultraviolet Treatment	2001-2026	5.56	2,110,930	1,403,668
1999 Sewer Rehabilitation	2001-2025	6.13	350,878	232,180
2000 Sewer Rehabilitation	2001-2026	6.39	713,436	450,192
2000 CSO Flow Monitors	2001-2026	6.39	306,536	216,054
2000 Sludge Digestion System	2001-2026	6.03	1,409,888	827,141
2001 Cedar Point Pump Station	2002-2022	5.05	4,393,697	2,450,494

(continued)

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 20 - LONG-TERM OBLIGATIONS (continued)

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/13
OWDA Loans (continued)				
Sewer				
2001 Final Settling Tank Improv	2002-2022	5.05%	\$383,484	\$161,682
2002 WWTP Expansion	2003-2024	4.65	26,286,934	9,768,910
2007 WWTP Phase II Design	2008-2041	4.27	13,438,130	12,946,064
			<u>49,393,913</u>	<u>28,456,385</u>
			<u>\$83,645,905</u>	<u>\$46,436,047</u>

NOTE 21 - 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.

For 2013, the City received payments, in the amount of \$18,750. Future annual lease payments to be received are as follows:

Year	Annual Lease Payment	Total Lease for Period
2014	\$31,250	\$31,250
2015-2024	30,000	300,000
Total minimum future rentals		<u>\$331,250</u>

Beginning in 2000, Sandusky Bay Investment Company, Limited is required to pay additional rents to the City if net income is reported for that year. The additional rent will be a percentage of gross income calculated at the following percentages:

	Percentage of Gross Income
2014	1.0%
2015-2024	2.0

The City did not receive any additional rent in 2013.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 22 - 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:			
Interfund Loans	\$8,100	\$0	\$0
Materials and Supplies			
Inventory	110,239	0	254,806
Unclaimed Monies	102,788	0	0
Total Nonspendable	221,127	0	254,806
Restricted for:			
Capital Improvements	0	332,268	0
Cemetery Operations	0	0	718,694
Court Computerization	0	0	197,501
Debt Retirement	0	0	193,286
Drug and Alcohol Treatment/Enforcement	0	0	356,698
Economic Development and Rehabilitation	0	0	2,723,857
Electronic Monitoring	0	0	17,450
Police and Fire Operations	0	0	149,792
Probation	0	0	417,715
Recreation	0	0	247,419
Street Construction and Maintenance	0	0	248,426
Transit System	0	0	31,057
Total Restricted	0	332,268	5,301,895
Committed for:			
Capital Improvements	0	0	55,783
Assigned for:			
Future Severance Payments	160,867	0	0
Projected Budget Shortage	186,433	0	0
Unpaid Obligations	17,722	0	0
Total Assigned	365,022	0	0
Unassigned (Deficit)	3,943,022	0	(157,449)
Total Fund Balance	\$4,529,171	\$332,268	\$5,455,035

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 23 - INTERFUND TRANSFERS

During 2013, the General Fund made transfers to the Special Assessment Bond Retirement Fund and other governmental funds, in the amount of \$159,961 and \$560,000, respectively, to move receipts as debt payments became due, and to other governmental funds, in the amount of \$1,905,608, to subsidize various activities in other funds. The Special Assessment Bond Retirement Fund made transfers to other governmental funds, in the amount of \$2,700, to move receipts as debt payments became due. The Capital Projects Fund made transfers to other governmental funds, in the amount of \$112,760, to move receipts as debt payments became due. Other governmental funds made transfers to the Capital Projects fund to fund various capital projects activities, in the amount of \$429,057, and to other governmental funds to move receipts as debt payments became due, in the amount of \$120,965.

The Water Fund made transfers to the Capital Projects Fund, in the amount of \$30,915, to pay for capital projects activities within the funds. The Sewer Fund made transfers to the Special Assessment Bond Retirement Fund and the Capital Projects Fund, in the amount of \$57,683 and \$34,871; respectively, to move receipts as debt payments became due and to pay for capital projects activities within the funds.

NOTE 24 - PUBLIC ENTITY SHARED RISK POOL

The Buckeye Ohio Risk Management Association (BORMA) is a public entity shared risk pool among various local governments in Northern Ohio. BORMA was formed as an Ohio not-for-profit corporation. The City participates in the health insurance program. Each member appoints one person to represent the City on the board of directors for a term of one year for participation in the program. Each member's control over the budgeting and financing of BORMA is limited to its voting authority and any representation it may have on the board of directors.

Participation in BORMA is by written application subject to the approval of the board of directors and the payment of premiums. Members must remain members for cycles of three years. A member may withdraw from a program by giving a forty day notice prior to the beginning of the next cycle. BORMA did not have any outstanding debt obligations as of December 31, 2013. Financial information may be obtained from Buckeye Ohio Risk Management Association, 631 Perry Street, Defiance, Ohio 43512.

NOTE 25 - CONTINGENT LIABILITIES

A. Litigation

The City of Sandusky is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. Approximately \$327,000 of receivables reported in the Water enterprise fund due from Erie County (intergovernmental receivable) is being disputed by Erie County and is currently in litigation. The outcome of this dispute cannot be determined as of the date of these financial statements.

City of Sandusky
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013
(continued)

NOTE 25 - CONTINGENT LIABILITIES (continued)

B. Federal and State Grants

For the period January 1, 2013, to December 31, 2013, 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 26 - SUBSEQUENT EVENT

On June 23, 2014, the City Commission authorized the issuance of refunding general obligation bonds, not to exceed \$2,060,000. The bonds are expected to be issued in July 2014 and to mature in 2030.

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 under the Section 18 Program and from charges to users of the public transit system. 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 both the current pension contribution and the long-term accounting liability.

Police Pension

To account for property taxes and transfers from the General Fund restricted for payment of both the current pension contribution and the long-term accounting liability.

State Grants

To account for grants 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 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)

City of Sandusky
Combining Statements - Nonmajor Governmental Funds

**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. Eppler 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.

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.

City of Sandusky
Combining Statements - Nonmajor Governmental Funds

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.)

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, 2013

	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	\$2,620,976	\$152,092	\$265,861	\$3,038,929
Accounts Receivable	10,810	0	599,725	610,535
Accrued Interest Receivable	822	0	0	822
Due from Other Governments	932,421	25,188	0	957,609
Municipal Income Taxes Receivable	0	166,991	133,593	300,584
Other Local Taxes Receivable	32,130	0	0	32,130
Materials and Supplies Inventory	254,806	0	0	254,806
Property Taxes Receivable	280,124	482,172	0	762,296
Payment in Lieu of Taxes Receivable	360	530,949	27,126	558,435
Notes Receivable	2,234,047	0	0	2,234,047
Total Assets	<u>\$6,366,496</u>	<u>\$1,357,392</u>	<u>\$1,026,305</u>	<u>\$8,750,193</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$22,763	\$0	\$1,541	\$24,304
Accounts Payable	163,305	0	1,813	165,118
Contracts Payable	16,989	0	0	16,989
Interfund Payable	0	0	10,800	10,800
Due to Other Governments	137,183	0	2,023	139,206
Retainage Payable	11,346	0	0	11,346
Total Liabilities	<u>351,586</u>	<u>0</u>	<u>16,177</u>	<u>367,763</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	238,028	412,011	0	650,039
Payment in Lieu of Taxes	360	530,949	27,126	558,435
Unavailable Revenue	797,412	221,146	700,363	1,718,921
Total Deferred Inflows of Resources	<u>1,035,800</u>	<u>1,164,106</u>	<u>727,489</u>	<u>2,927,395</u>
<u>Fund Balance</u>				
Nonspendable	254,806	0	0	254,806
Restricted	4,881,753	193,286	226,856	5,301,895
Committed	0	0	55,783	55,783
Unassigned (Deficit)	(157,449)	0	0	(157,449)
Total Fund Balance	<u>4,979,110</u>	<u>193,286</u>	<u>282,639</u>	<u>5,455,035</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$6,366,496</u>	<u>\$1,357,392</u>	<u>\$1,026,305</u>	<u>\$8,750,193</u>

City of Sandusky
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$174,331	\$31,903	\$826	\$0	\$0
Accounts Receivable	0	0	10,810	0	0
Accrued Interest Receivable	0	0	0	0	0
Due from Other Governments	465,544	37,748	48,441	10,241	10,241
Other Local Taxes Receivable	32,130	0	0	0	0
Materials and Supplies Inventory	254,724	0	0	0	0
Property Taxes Receivable	0	0	0	140,062	140,062
Payment in Lieu of Taxes Receivable	0	0	0	180	180
Notes Receivable	0	0	0	0	0
Total Assets	<u>\$926,729</u>	<u>\$69,651</u>	<u>\$60,077</u>	<u>\$150,483</u>	<u>\$150,483</u>
<u>Liabilities</u>					
Accrued Wages Payable	\$19,985	\$0	\$1,411	\$0	\$0
Accounts Payable	19,352	0	119,443	0	0
Contracts Payable	4,302	0	0	0	0
Due to Other Governments	25,821	942	1,151	54,985	40,536
Retainage Payable	0	0	0	0	0
Total Liabilities	<u>69,460</u>	<u>942</u>	<u>122,005</u>	<u>54,985</u>	<u>40,536</u>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	119,014	119,014
Payment in Lieu of Taxes	0	0	0	180	180
Unavailable Revenue	391,135	31,693	0	31,289	31,289
Total Deferred Inflows of Resources	<u>391,135</u>	<u>31,693</u>	<u>0</u>	<u>150,483</u>	<u>150,483</u>
<u>Fund Balance</u>					
Nonspendable	254,724	0	0	0	0
Restricted	211,410	37,016	0	0	0
Unassigned (Deficit)	0	0	(61,928)	(54,985)	(40,536)
Total Fund Balance (Deficit)	<u>466,134</u>	<u>37,016</u>	<u>(61,928)</u>	<u>(54,985)</u>	<u>(40,536)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$926,729</u>	<u>\$69,651</u>	<u>\$60,077</u>	<u>\$150,483</u>	<u>\$150,483</u>

State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation
\$330,161	\$76,040	\$298,554	\$58,809	\$196,615	\$17,450	\$327,130
0	0	0	0	0	0	0
0	783	0	0	0	0	0
32,274	315,282	10,637	606	1,407	0	0
0	0	0	0	0	0	0
0	82	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,219,972	14,075	0	0	0	0	0
<u>\$2,582,407</u>	<u>\$406,262</u>	<u>\$309,191</u>	<u>\$59,415</u>	<u>\$198,022</u>	<u>\$17,450</u>	<u>\$327,130</u>
\$0	\$1,367	\$0	\$0	\$0	\$0	\$0
379	16,853	2,622	0	521	0	265
0	12,687	0	0	0	0	0
1,689	9,786	0	0	0	0	1,159
0	11,346	0	0	0	0	0
<u>2,068</u>	<u>52,039</u>	<u>2,622</u>	<u>0</u>	<u>521</u>	<u>0</u>	<u>1,424</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
16,137	286,583	9,286	0	0	0	0
<u>16,137</u>	<u>286,583</u>	<u>9,286</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	82	0	0	0	0	0
2,564,202	67,558	297,283	59,415	197,501	17,450	325,706
0	0	0	0	0	0	0
<u>2,564,202</u>	<u>67,640</u>	<u>297,283</u>	<u>59,415</u>	<u>197,501</u>	<u>17,450</u>	<u>325,706</u>
<u>\$2,582,407</u>	<u>\$406,262</u>	<u>\$309,191</u>	<u>\$59,415</u>	<u>\$198,022</u>	<u>\$17,450</u>	<u>\$327,130</u>

(continued)

City of Sandusky
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013
(continued)

	General Trust	Park Donations	Cemetery Donations	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$177,437	\$211,951	\$719,769	\$2,620,976
Accounts Receivable	0	0	0	10,810
Accrued Interest Receivable	0	0	39	822
Due from Other Governments	0	0	0	932,421
Other Local Taxes Receivable	0	0	0	32,130
Materials and Supplies Inventory	0	0	0	254,806
Property Taxes Receivable	0	0	0	280,124
Payment in Lieu of Taxes Receivable	0	0	0	360
Notes Receivable	0	0	0	2,234,047
Total Assets	<u>\$177,437</u>	<u>\$211,951</u>	<u>\$719,808</u>	<u>\$6,366,496</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$0	\$22,763
Accounts Payable	3,870	0	0	163,305
Contracts Payable	0	0	0	16,989
Due to Other Governments	0	0	1,114	137,183
Retainage Payable	0	0	0	11,346
Total Liabilities	<u>3,870</u>	<u>0</u>	<u>1,114</u>	<u>351,586</u>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	238,028
Payment in Lieu of Taxes	0	0	0	360
Unavailable Revenue	0	0	0	797,412
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,035,800</u>
<u>Fund Balance</u>				
Nonspendable	0	0	0	254,806
Restricted	173,567	211,951	718,694	4,881,753
Unassigned (Deficit)	0	0	0	(157,449)
Total Fund Balance (Deficit)	<u>173,567</u>	<u>211,951</u>	<u>718,694</u>	<u>4,979,110</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$177,437</u>	<u>\$211,951</u>	<u>\$719,808</u>	<u>\$6,366,496</u>

City of Sandusky
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2013

	General Bond Retirement	Urban Renewal Debt Retirement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$15,936	\$136,156	\$152,092
Due from Other Governments	25,188	0	25,188
Municipal Income Taxes Receivable	166,991	0	166,991
Property Taxes Receivable	482,172	0	482,172
Payment in Lieu of Taxes Receivable	574	530,375	530,949
	<u>574</u>	<u>530,375</u>	<u>530,949</u>
Total Assets	<u>\$690,861</u>	<u>\$666,531</u>	<u>\$1,357,392</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes	\$412,011	\$0	\$412,011
Payment in Lieu of Taxes	574	530,375	530,949
Unavailable Revenue	221,146	0	221,146
	<u>221,146</u>	<u>0</u>	<u>221,146</u>
Total Deferred Inflows of Resources	633,731	530,375	1,164,106
<u>Fund Balance</u>			
Restricted	57,130	136,156	193,286
	<u>57,130</u>	<u>136,156</u>	<u>193,286</u>
Total Deferred Inflows of Resources and Fund Balance	<u>\$690,861</u>	<u>\$666,531</u>	<u>\$1,357,392</u>

City of Sandusky
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$22,828	\$45,014	\$198,019	\$265,861
Accounts Receivable	0	0	599,725	599,725
Municipal Income Taxes Receivable	133,593	0	0	133,593
Payment in Lieu of Taxes Receivable	0	27,126	0	27,126
Total Assets	<u>\$156,421</u>	<u>\$72,140</u>	<u>\$797,744</u>	<u>\$1,026,305</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$1,541	\$1,541
Accounts Payable	0	0	1,813	1,813
Interfund Payable	0	0	10,800	10,800
Due to Other Governments	0	0	2,023	2,023
Total Liabilities	<u>0</u>	<u>0</u>	<u>16,177</u>	<u>16,177</u>
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	0	27,126	0	27,126
Unavailable Revenue	100,638	0	599,725	700,363
Total Deferred Inflows of Resources	<u>100,638</u>	<u>27,126</u>	<u>599,725</u>	<u>727,489</u>
<u>Fund Balance</u>				
Restricted	0	45,014	181,842	226,856
Committed	55,783	0	0	55,783
Total Fund Balance	<u>55,783</u>	<u>45,014</u>	<u>181,842</u>	<u>282,639</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$156,421</u>	<u>\$72,140</u>	<u>\$797,744</u>	<u>\$1,026,305</u>

City of Sandusky
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$246,434	\$410,721	\$0	\$657,155
Payment in Lieu of Taxes	388	559,520	29,347	589,255
Municipal Income Taxes	0	480,427	371,611	852,038
Other Local Taxes	431,881	0	0	431,881
Charges for Services	394,160	0	17,388	411,548
Fees, Licenses, and Permits	108,375	0	93,950	202,325
Fines and Forfeitures	62,464	0	0	62,464
Intergovernmental	3,000,658	115,548	0	3,116,206
Interest	(399)	0	2,070	1,671
Other	329,746	0	1,834	331,580
Total Revenues	4,573,707	1,566,216	516,200	6,656,123
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	586,402	0	0	586,402
Fire	1,095,921	0	0	1,095,921
Public Health	74,298	0	0	74,298
Leisure Time Activities	6,711	0	0	6,711
Community Environment	532,720	0	143,468	676,188
Transportation	3,164,452	0	0	3,164,452
General Government			0	
Municipal Court	64,688	0	0	64,688
Other	88,357	0	0	88,357
Capital Outlay	0	0	17,564	17,564
Debt Service:				
Principal Retirement	70,297	1,539,867	0	1,610,164
Interest and Fiscal Charges	43,097	671,809	0	714,906
Total Expenditures	5,726,943	2,211,676	161,032	8,099,651
Excess of Revenues Over (Under) Expenditures	(1,153,236)	(645,460)	355,168	(1,443,528)
<u>Other Financing Sources (Uses)</u>				
Revenue Bonds Issued	0	2,180,000	0	2,180,000
Sale of Capital Assets	7,714	0	0	7,714
Transfers In	1,905,608	793,725	2,700	2,702,033
Transfers Out	(172,954)	0	(377,068)	(550,022)
Total Other Financing Sources (Uses)	1,740,368	2,973,725	(374,368)	4,339,725
Changes in Fund Balance	587,132	2,328,265	(19,200)	2,896,197
Fund Balance (Deficit) Beginning of Year	4,391,978	(2,134,979)	301,839	2,558,838
Fund Balance End of Year	\$4,979,110	\$193,286	\$282,639	\$5,455,035

City of Sandusky
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$123,217	\$123,217
Payment in Lieu of Taxes	0	0	0	194	194
Other Local Taxes	431,881	0	0	0	0
Charges for Services	0	0	364,451	0	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	916,503	69,162	281,072	20,544	20,544
Interest	77	6	0	0	0
Other	38,781	593	213,890	0	0
Total Revenues	1,387,242	69,761	859,413	143,955	143,955
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	0	0	547,269
Fire	0	0	0	722,470	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	1,111,693	50,639	973,788	0	0
General Government					
Municipal Court	0	0	0	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	20,297	0	0	28,684	21,316
Interest and Fiscal Charges	4,485	0	0	22,150	16,462
Total Expenditures	1,136,475	50,639	973,788	773,304	585,047
Excess of Revenues Over (Under) Expenditures	250,767	19,122	(114,375)	(629,349)	(441,092)
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	1,264	0	0	0	0
Transfers In	0	0	317,812	770,789	517,007
Transfers Out	(51,989)	0	0	0	0
Total Other Financing Sources (Uses)	(50,725)	0	317,812	770,789	517,007
Changes in Fund Balance	200,042	19,122	203,437	141,440	75,915
Fund Balance (Deficit) Beginning of Year	266,092	17,894	(265,365)	(196,425)	(116,451)
Fund Balance (Deficit) End of Year	\$466,134	\$37,016	(\$61,928)	(\$54,985)	(\$40,536)

State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
20	0	0	0	0	0	0
0	0	33,116	0	0	0	75,259
0	0	0	7,741	32,219	0	0
68,619	1,616,484	4,395	0	0	0	0
11,380	(9,525)	0	0	0	0	0
42,031	5,957	0	0	0	0	646
<u>122,050</u>	<u>1,612,916</u>	<u>37,511</u>	<u>7,741</u>	<u>32,219</u>	<u>0</u>	<u>75,905</u>
0	14,800	0	0	0	0	0
0	372,370	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
177,328	355,392	0	0	0	0	0
0	1,028,332	0	0	0	0	0
64,688	0	0	0	0	0	0
0	0	22,646	0	15,306	0	50,405
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>242,016</u>	<u>1,770,894</u>	<u>22,646</u>	<u>0</u>	<u>15,306</u>	<u>0</u>	<u>50,405</u>
<u>(119,966)</u>	<u>(157,978)</u>	<u>14,865</u>	<u>7,741</u>	<u>16,913</u>	<u>0</u>	<u>25,500</u>
0	0	0	0	0	0	0
300,000	0	0	0	0	0	0
0	(120,965)	0	0	0	0	0
<u>300,000</u>	<u>(120,965)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
180,034	(278,943)	14,865	7,741	16,913	0	25,500
<u>2,384,168</u>	<u>346,583</u>	<u>282,418</u>	<u>51,674</u>	<u>180,588</u>	<u>17,450</u>	<u>300,206</u>
<u>\$2,564,202</u>	<u>\$67,640</u>	<u>\$297,283</u>	<u>\$59,415</u>	<u>\$197,501</u>	<u>\$17,450</u>	<u>\$325,706</u>

(continued)

City of Sandusky
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013
(continued)

	General Trust	Park Donations	Cemetery Donations	Total
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$246,434
Payment in Lieu of Taxes	0	0	0	388
Other Local Taxes	0	0	0	431,881
Charges for Services	446	8,939	20,304	394,160
Fees, Licenses, and Permits	0	0	0	108,375
Fines and Forfeitures	22,504	0	0	62,464
Intergovernmental	3,335	0	0	3,000,658
Interest	0	60	(2,397)	(399)
Other	18,340	578	8,930	329,746
Total Revenues	44,625	9,577	26,837	4,573,707
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	24,333	0	0	586,402
Fire	1,081	0	0	1,095,921
Public Health	0	0	74,298	74,298
Leisure Time Activities	6,527	184	0	6,711
Community Environment	0	0	0	532,720
Transportation	0	0	0	3,164,452
General Government				
Municipal Court	0	0	0	64,688
Other	0	0	0	88,357
Debt Service:				
Principal Retirement	0	0	0	70,297
Interest and Fiscal Charges	0	0	0	43,097
Total Expenditures	31,941	184	74,298	5,726,943
Excess of Revenues Over (Under) Expenditures	12,684	9,393	(47,461)	(1,153,236)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	6,450	0	0	7,714
Transfers In	0	0	0	1,905,608
Transfers Out	0	0	0	(172,954)
Total Other Financing Sources (Uses)	6,450	0	0	1,740,368
Changes in Fund Balance	19,134	9,393	(47,461)	587,132
Fund Balance (Deficit) Beginning of Year	154,433	202,558	766,155	4,391,978
Fund Balance (Deficit) End of Year	\$173,567	\$211,951	\$718,694	\$4,979,110

City of Sandusky
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	General Bond Retirement	Urban Renewal Debt Retirement	Total
<u>Revenues</u>			
Property Taxes	\$410,721	\$0	\$410,721
Payment in Lieu of Taxes	614	558,906	559,520
Municipal Income Taxes	480,427	0	480,427
Intergovernmental	50,582	64,966	115,548
Total Revenues	942,344	623,872	1,566,216
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,169,867	370,000	1,539,867
Interest and Fiscal Charges	538,206	133,603	671,809
Total Expenditures	1,708,073	503,603	2,211,676
Excess of Revenues Over (Under) Expenditures	(765,729)	120,269	(645,460)
<u>Other Financing Sources</u>			
Revenue Bonds Issued	0	2,180,000	2,180,000
Transfers In	793,725	0	793,725
Total Other Financing Sources	793,725	2,180,000	2,973,725
Changes in Fund Balance	27,996	2,300,269	2,328,265
Fund Balance (Deficit) Beginning of Year	29,134	(2,164,113)	(2,134,979)
Fund Balance End of Year	\$57,130	\$136,156	\$193,286

City of Sandusky
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$29,347	\$0	\$29,347
Municipal Income Taxes	371,611	0	0	371,611
Charges for Services	0	0	17,388	17,388
Fees, Licenses, and Permits	0	0	93,950	93,950
Interest	0	0	2,070	2,070
Other	0	0	1,834	1,834
Total Revenues	371,611	29,347	115,242	516,200
<u>Expenditures</u>				
Current:				
Community Environment	0	20,464	123,004	143,468
Capital Outlay	0	17,564	0	17,564
Total Expenditures	0	38,028	123,004	161,032
Excess of Revenues Over (Under) Expenditures	371,611	(8,681)	(7,762)	355,168
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	2,700	2,700
Transfers Out	(377,068)	0	0	(377,068)
Total Other Financing Sources (Uses)	(377,068)	0	2,700	(374,368)
Changes in Fund Balance	(5,457)	(8,681)	(5,062)	(19,200)
Fund Balance Beginning of Year	61,240	53,695	186,904	301,839
Fund Balance End of Year	\$55,783	\$45,014	\$181,842	\$282,639

City of Sandusky
Combining Statements - Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

State Patrol Transfer

To account for resources deposited with the municipal court pending disposition to the Erie County Law Library and other municipalities.

Guaranteed Deposits

To account for resources deposited by contractors to guarantee the satisfactory completion of a job or project. Resources are returned to the depositor or used to pay any charges after the job or project has been accepted by the engineering department.

Sandusky Municipal Court

To account for bonds and other resources deposited with 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.

Fire Escrow

To account for insurance proceeds in which a fire occurred under Ohio Revised Code Section 3929.86, divisions (C) and (D). These proceeds are released to the insured after removal or repair of the structure and an inspection by the Fire Chief.

Payroll

To account for charges to funds from which employees are paid for payment of the bi-weekly payroll, along with employee contributions to the pension system.

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 on deposit until the court requests the funds.

Section 125 Plan

To account for payroll deductions for medical bills and childcare for individuals.

City of Sandusky
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
<u>State Patrol Transfer</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,897	\$0	\$0	\$5,897
<u>Liabilities</u>				
Undistributed Assets	\$5,897	\$0	\$0	\$5,897
<u>Guaranteed Deposits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$50,053	\$10,031	\$0	\$60,084
<u>Liabilities</u>				
Undistributed Assets	\$50,053	\$10,031	\$0	\$60,084
<u>Sandusky Municipal Court</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$82,935	\$2,300,751	\$2,262,544	\$121,142
<u>Liabilities</u>				
Undistributed Assets	\$82,935	\$2,300,751	\$2,262,544	\$121,142
<u>BSF Assessment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,721	\$6,536	\$6,336	\$1,921
<u>Liabilities</u>				
Undistributed Assets	\$1,721	\$6,536	\$6,336	\$1,921
<u>Fire Escrow</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$18,814	\$65,557	\$34,133	\$50,238
<u>Liabilities</u>				
Undistributed Assets	\$18,814	\$65,557	\$34,133	\$50,238
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$93,909	\$101,163	\$93,909	\$101,163
<u>Liabilities</u>				
Due to Other Governments	\$93,909	\$101,163	\$93,909	\$101,163
<u>Police Temporary Deposit</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,982	\$6,396	\$5,810	\$2,568
<u>Liabilities</u>				
Undistributed Assets	\$1,982	\$6,396	\$5,810	\$2,568

(continued)

City of Sandusky
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013
(continued)

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
<u>Section 125 Plan</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$8,633	\$23,082	\$21,399	\$10,316
<u>Liabilities</u>				
Undistributed Assets	\$8,633	\$23,082	\$21,399	\$10,316
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$263,944	\$2,513,516	\$2,424,131	\$353,329
<u>Liabilities</u>				
Due to Other Governments	\$93,909	\$101,163	\$93,909	\$101,163
Undistributed Assets	170,035	2,412,353	2,330,222	252,166
Total Liabilities	\$263,944	\$2,513,516	\$2,424,131	\$353,329



**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, 2013

	Original	Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,495,952	\$1,495,952	\$1,499,170	\$3,218
Payment in Lieu of Taxes	2,228	2,228	2,228	0
Municipal Income Taxes	6,734,000	6,974,780	7,034,693	59,913
Other Local Taxes	3,826,000	4,121,707	4,119,785	(1,922)
Charges for Services	640,450	701,141	773,089	71,948
Fees, Licenses, and Permits	636,500	718,790	712,183	(6,607)
Fines and Forfeitures	1,095,000	1,084,232	1,008,837	(75,395)
Intergovernmental	1,104,359	1,325,730	1,326,606	876
Interest	140,000	140,000	141,709	1,709
Other	271,450	264,904	250,356	(14,548)
Total Revenues	15,945,939	16,829,464	16,868,656	39,192
<u>Expenditures</u>				
Current:				
Security of Persons and Property-Police				
Police Patrol				
Personal Services	3,436,145	3,206,145	3,193,890	12,255
Other	326,060	351,060	340,218	10,842
Total Police Patrol	3,762,205	3,557,205	3,534,108	23,097
Police Records				
Personal Services	59,822	62,822	62,261	561
Other	329,280	284,280	279,953	4,327
Total Police Records	389,102	347,102	342,214	4,888
Police Reserves				
Personal Services	138,478	123,478	123,293	185
Other	3,500	2,500	878	1,622
Total Police Reserves	141,978	125,978	124,171	1,807
Police Detectives				
Personal Services	425,133	405,133	394,319	10,814
Other	8,700	8,700	7,398	1,302
Total Police Detectives	433,833	413,833	401,717	12,116
Total Security of Persons and Property-Police	4,727,118	4,444,118	4,402,210	41,908
Security of Persons and Property-Fire				
Fire Suppression				
Personal Services	3,881,630	3,781,630	3,770,615	11,015
Other	412,966	362,966	338,864	24,102
Total Security of Persons and Property-Fire	4,294,596	4,144,596	4,109,479	35,117
Security of Persons and Property-Other				
Street Lighting				
Other	235,000	235,000	233,378	1,622

(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, 2013
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Public Health				
Oakland Cemetery				
Personal Services	\$164,800	\$169,800	\$169,605	\$195
Other	31,300	51,300	45,903	5,397
Total Public Health	196,100	221,100	215,508	5,592
Leisure Time Activities				
Aquatic Center				
Personal Services	10,000	10,256	10,256	0
Other	2,000	12,864	12,864	0
Total Aquatic Center	12,000	23,120	23,120	0
Mills Creek Golf Course				
Personal Services	105,822	87,062	87,062	0
Other	100,000	101,022	101,022	0
Total Mills Creek Golf Course	205,822	188,084	188,084	0
Recreation				
Personal Services	67,256	73,213	73,213	0
Other	45,500	82,005	82,005	0
Total Recreation	112,756	155,218	155,218	0
Paper District Marina				
Personal Services	25,000	23,950	23,950	0
Other	32,500	45,143	45,143	0
Total Paper District Marina	57,500	69,093	69,093	0
Boat Launch Ramp				
Personal Services	0	20,208	20,208	0
Other	20,000	25,224	25,224	0
Total Boat Launch Ramp	20,000	45,432	45,432	0
Total Leisure Time Activities	408,078	480,947	480,947	0
Community Environment				
Community Development Planning				
Personal Services	180,000	200,000	196,756	3,244
Other	33,500	43,500	41,140	2,360
Total Community Development Planning	213,500	243,500	237,896	5,604
City Wide Economic Development				
Other	70,000	60,000	59,246	754
Community Development Building Division				
Personal Services	163,313	163,313	156,629	6,684
Other	15,623	20,623	14,923	5,700
Total Community Development Building Division	178,936	183,936	171,552	12,384

(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, 2013
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Horticulture Services				
Personal Services	\$526,600	\$546,600	\$541,811	\$4,789
Other	196,235	267,235	265,049	2,186
Total Horticulture Services	722,835	813,835	806,860	6,975
Total Community Environment	1,185,271	1,301,271	1,275,554	25,717
Transportation				
Jackson Street Pier				
Other	1,000	3,500	3,410	90
General Government-Municipal Court				
Court-Criminal				
Personal Services	843,798	858,798	858,085	713
Other	54,714	69,714	68,040	1,674
Total General Government-Municipal Court	898,512	928,512	926,125	2,387
General Government-Other				
City Manager				
Personal Services	80,500	80,500	79,678	822
Other	8,500	8,500	8,038	462
Total City Manager	89,000	89,000	87,716	1,284
Personnel Labor Relations				
Personal Services	87,070	87,070	84,100	2,970
Other	14,300	14,300	12,832	1,468
Total Personnel Labor Relations	101,370	101,370	96,932	4,438
Finance				
Personal Services	100,227	102,227	101,755	472
Other	10,700	13,200	12,767	433
Total Finance	110,927	115,427	114,522	905
Income Tax				
Personal Services	55,500	55,500	54,485	1,015
Other	240,200	245,200	242,137	3,063
Total Income Tax	295,700	300,700	296,622	4,078
Data Processing				
Personal Services	43,500	50,000	49,648	352
Other	41,834	50,834	49,771	1,063
Total Data Processing	85,334	100,834	99,419	1,415
Law Director				
Personal Services	214,925	214,925	211,105	3,820
Other	29,344	29,344	15,912	13,432
Total Law Director	244,269	244,269	227,017	17,252

(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, 2013
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
City Commission				
Personal Services	\$26,609	\$26,609	\$26,507	\$102
Other	12,350	12,350	7,194	5,156
Total City Commission	38,959	38,959	33,701	5,258
City Commission Clerk				
Personal Services	39,000	39,200	39,186	14
Other	3,000	2,800	1,387	1,413
Total City Commission Clerk	42,000	42,000	40,573	1,427
Municipal Buildings and Lands				
Personal Services	165,700	168,700	168,047	653
Other	191,088	166,088	164,409	1,679
Total Municipal Buildings and Lands	356,788	334,788	332,456	2,332
Engineering				
Personal Services	191,750	191,750	188,848	2,902
Other	81,385	31,385	28,736	2,649
Total Engineering	273,135	223,135	217,584	5,551
Mechanic				
Personal Services	199,600	124,600	121,384	3,216
Other	79,010	90,010	85,963	4,047
Total Mechanic	278,610	214,610	207,347	7,263
Unclaimed Funds				
Other	600	900	874	26
Administrative Support				
Personal Services	60,000	60,000	0	60,000
Other	625,000	625,000	569,867	55,133
Total Administrative Support	685,000	685,000	569,867	115,133
Total General Government-Other	2,601,692	2,490,992	2,324,630	166,362
Debt Service:				
Principal Retirement	73,183	73,183	73,183	0
Interest and Fiscal Charges	16,172	16,172	16,172	0
Total Debt Service	89,355	89,355	89,355	0
Total Expenditures	14,636,722	14,339,391	14,060,596	278,795
Excess of Revenues Over Expenditures	1,309,217	2,490,073	2,808,060	317,987

(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, 2013
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	\$326,800	\$315,699	\$364,466	\$48,767
Sale of Capital Assets	0	0	18,185	18,185
Advances In	2,700	2,700	2,700	0
Transfers Out	(1,679,110)	(2,626,536)	(2,625,569)	967
Total Other Financing Sources (Uses)	(1,349,610)	(2,308,137)	(2,240,218)	67,919
Changes in Fund Balance	(40,393)	181,936	567,842	385,906
Fund Balance Beginning of Year	3,867,464	3,867,464	3,867,464	0
Prior Year Encumbrances Appropriated	18,790	18,790	18,790	0
Fund Balance End of Year	<u>\$3,845,861</u>	<u>\$4,068,190</u>	<u>\$4,454,096</u>	<u>\$385,906</u>

City of Sandusky
Special Assessment Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$225,647	\$225,647	\$0
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	226,470	226,470	0
Interest and Fiscal Charges	156,438	156,438	0
Total Expenditures	382,908	382,908	0
Excess of Revenues Under Expenditures	(157,261)	(157,261)	0
<u>Other Financing Sources (Uses)</u>			
Advances Out	(2,700)	(2,700)	0
Transfers In	159,961	159,961	0
Total Other Financing Sources (Uses)	157,261	157,261	0
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$652,018	\$693,238	\$41,220
Fees, Licenses, and Permits	133,097	135,577	2,480
Intergovernmental	572,646	633,912	61,266
Other	31,891	35,191	3,300
Total Revenues	1,389,652	1,497,918	108,266
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	7,728	5,857	1,871
Security of Persons and Property-Fire			
EMS			
Personal Services	36,000	35,872	128
Other	249,063	218,953	30,110
Total Security of Persons and Property-Fire	285,063	254,825	30,238
Leisure Time Activities			
Schade/Mylander Plaza			
Other	450	440	10
Shoreline Park Improvements			
Other	15,000	6,507	8,493
Lions Park Phase II			
Other	500	310	190
Total Leisure Time Activities	15,950	7,257	8,693
Community Environment			
Keller Building			
Other	28,000	27,642	358
Sandusky Cabinets			
Other	100,000	67,216	32,784
Brownfields			
Other	100,000	99,781	219
Total Community Environment	228,000	194,639	33,361
Transportation			
First Street Resurfacing			
Personal Services	4,500	4,481	19
Other	10,500	10,217	283
Total First Street Resurfacing	15,000	14,698	302

(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, 2013
(continued)

	Budget	Actual	Variance Over (Under)
Hayes Avenue Underpass			
Personal Services	\$5,000	\$1,099	\$3,901
Other	3,021	1,760	1,261
Total Hayes Avenue Underpass	8,021	2,859	5,162
Camp Street Underpass			
Personal Services	5,000	805	4,195
Other	30,087	11,410	18,677
Total Camp Street Underpass	35,087	12,215	22,872
Cedar Point Drive Improvement Project			
Other	5,000	534	4,466
Perkins Avenue Signals			
Other	1,760	360	1,400
Paper District Waterfront Improvement Design			
Other	40,557	15,557	25,000
Paper District Waterfront Improvement Phase I			
Personal Services	2	2	0
Other	74,998	2,828	72,170
Total Paper District Waterfront Improvement Phase I	75,000	2,830	72,170
Westend Grade Separation			
Other	7,000	7,000	0
Warren Street Resurfacing			
Other	3,097	3,022	75
Warren Street Rehabilitation			
Other	43,500	43,500	0
Ferndale Drive Resurfacing			
Other	13,000	13,000	0
Total Transportation	247,022	115,575	131,447
General Government-Municipal Court			
Municipal Court			
Personal Services	1,000	0	1,000
Other	66,238	11,235	55,003
Total General Government-Municipal Court	67,238	11,235	56,003
General Government-Other			
City Hall			
Other	1,441	1,289	152
Paper District			
Other	8,018	7,877	141

(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, 2013
(continued)

	Budget	Actual	Variance Over (Under)
Clean Ohio Assistance Fund - DC Filter Other	\$300,000	\$249,500	\$50,500
Total General Government-Other	309,459	258,666	50,793
Capital Outlay	621,279	350,707	270,572
Debt Service:			
Principal Retirement	3,438,000	3,340,000	98,000
Interest and Fiscal Charges	52,423	33,400	19,023
Total Debt Service	3,490,423	3,373,400	117,023
Total Expenditures	5,272,162	4,572,161	700,001
Excess of Revenues Under Expenditures	(3,882,510)	(3,074,243)	808,267
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	500	477	(23)
Bond Anticipation Notes Issued	3,035,000	3,035,000	0
Revenue Bonds Issued	500,000	500,000	0
Sale of Capital Assets	0	9,594	9,594
Transfers In	494,848	494,843	(5)
Transfers Out	(112,760)	(112,760)	0
Total Other Financing Sources (Uses)	3,917,588	3,927,154	9,566
Changes in Fund Balance	35,078	852,911	817,833
Fund Balance Beginning of Year	2,762,929	2,762,929	0
Prior Year Encumbrances Appropriated	88,422	88,422	0
Fund Balance End of Year	<u>\$2,886,429</u>	<u>\$3,704,262</u>	<u>\$817,833</u>

City of Sandusky
Water Enterprise Fund

Schedule of Revenues, Expenses,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$4,952,660	\$4,967,541	\$14,881
OWDA Loan Proceeds	440,727	440,727	0
Sale of Capital Assets	0	6,692	6,692
Grants	77,905	216,145	138,240
Interest	200	200	0
Other	50,906	71,635	20,729
Total Revenues	5,522,398	5,702,940	180,542
<u>Expenses</u>			
Personal Services			
Water Office	93,906	92,283	1,623
Waterworks Filtration	944,256	931,542	12,714
Waterworks Distribution	734,284	710,360	23,924
Administrative Support	415,000	387,976	27,024
Total Personal Services	2,187,446	2,122,161	65,285
Travel and Transportation			
Water Office	175	0	175
Waterworks Filtration	10,345	5,124	5,221
Waterworks Distribution	5,305	3,351	1,954
Administrative Support	5,000	4,284	716
Total Travel and Transportation	20,825	12,759	8,066
Contractual Services			
Water Office	30,000	29,969	31
Waterworks Filtration	383,505	354,204	29,301
Waterworks Distribution	42,112	41,598	514
Administrative Support	200,167	159,910	40,257
Total Contractual Services	655,784	585,681	70,103
Materials and Supplies			
Water Office	3,500	2,513	987
Waterworks Filtration	771,282	732,280	39,002
Waterworks Distribution	211,126	190,580	20,546
Administrative Support	10,372	7,160	3,212
Total Materials and Supplies	996,280	932,533	63,747
Other			
Water Office	100	9	91
Administrative Support	2,000	1,948	52
Total Other	2,100	1,957	143
Capital Outlay			
Waterworks Filtration	187,058	356,306	(169,248)
Waterworks Distribution	692,375	639,719	52,656
Administrative Support	6,832	1,832	5,000
Total Capital Outlay	886,265	997,857	(111,592)

(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, 2013
(continued)

	Budget	Actual	Variance Over (Under)
Debt Service:			
Principal Retirement	\$939,024	\$939,024	\$0
Interest Expense	892,605	892,605	0
Total Debt Service	1,831,629	1,831,629	0
Total Expenses	6,580,329	6,484,577	95,752
Excess of Revenues Under Expenses	(1,057,931)	(781,637)	276,294
Transfers Out	(40,000)	(30,915)	9,085
Changes in Fund Balance	(1,097,931)	(812,552)	285,379
Fund Balance Beginning of Year	8,154,603	8,154,603	0
Prior Year Encumbrances Appropriated	69,858	69,858	0
Fund Balance End of Year	<u>\$7,126,530</u>	<u>\$7,411,909</u>	<u>\$285,379</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$5,677,498	\$5,720,076	\$42,578
OWDA Loan Proceeds	194,948	194,948	0
Sale of Capital Assets	0	973	973
Interest	0	407	407
Other	316,553	393,934	77,381
Total Revenues	6,188,999	6,310,338	121,339
<u>Expenses</u>			
Personal Services			
Sewer Office	93,906	92,282	1,624
Water Pollution Control	1,344,253	1,303,770	40,483
Sewer Maintenance	704,792	672,248	32,544
Administrative Support	415,000	393,545	21,455
Total Personal Services	2,557,951	2,461,845	96,106
Travel and Transportation			
Sewer Office	175	0	175
Water Pollution Control	12,000	8,524	3,476
Sewer Maintenance	10,137	1,368	8,769
Administrative Support	5,000	4,484	516
Total Travel and Transportation	27,312	14,376	12,936
Contractual Services			
Sewer Office	30,000	29,969	31
Water Pollution Control	712,033	708,469	3,564
Sewer Maintenance	143,293	139,106	4,187
Administrative Support	253,852	214,989	38,863
Total Contractual Services	1,139,178	1,092,533	46,645
Materials and Supplies			
Sewer Office	3,500	2,499	1,001
Water Pollution Control	292,179	199,975	92,204
Sewer Maintenance	231,625	231,585	40
Administrative Support	10,372	7,136	3,236
Total Materials and Supplies	537,676	441,195	96,481
Other			
Sewer Office	100	9	91
Administrative Support	2,000	1,072	928
Total Other	2,100	1,081	1,019
Capital Outlay			
Water Pollution Control	33,177	9,685	23,492
Sewer Maintenance	286,130	266,134	19,996
Administrative Support	9,832	4,832	5,000
Total Capital Outlay	329,139	280,651	48,488

(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, 2013
(continued)

	Budget	Actual	Variance Over (Under)
Debt Service:			
Principal Retirement	\$1,491,612	\$1,491,612	\$0
Interest Expense	1,449,472	1,449,472	0
Total Debt Service	<u>2,941,084</u>	<u>2,941,084</u>	<u>0</u>
Total Expenses	<u>7,534,440</u>	<u>7,232,765</u>	<u>301,675</u>
Excess of Revenues Under Expenses	(1,345,441)	(922,427)	423,014
Transfers Out	<u>(40,000)</u>	<u>(34,871)</u>	<u>5,129</u>
Changes in Fund Balance	(1,385,441)	(957,298)	428,143
Fund Balance Beginning of Year	7,051,612	7,051,612	0
Prior Year Encumbrances Appropriated	<u>59,793</u>	<u>59,793</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,725,964</u></u>	<u><u>\$6,154,107</u></u>	<u><u>\$428,143</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$431,231	\$431,231	\$0
Intergovernmental	883,000	916,300	33,300
Interest	600	94	(506)
Total Revenues	1,314,831	1,347,625	32,794
<u>Expenditures</u>			
Current:			
Transportation			
Public Works			
Personal Services	770,600	765,842	4,758
Other	288,642	283,632	5,010
Total Public Works	1,059,242	1,049,474	9,768
Traffic and Electrical Maintenance			
Personal Services	123,600	122,161	1,439
Other	103,058	95,033	8,025
Total Traffic and Electrical Maintenance	226,658	217,194	9,464
Street Cleaning, Snow, and Ice Removal			
Other	63,000	50,460	12,540
Total Transportation	1,348,900	1,317,128	31,772
Debt Service:			
Principal Retirement	20,297	20,297	0
Interest and Fiscal Charges	4,485	4,485	0
Total Debt Service	24,782	24,782	0
Total Expenditures	1,373,682	1,341,910	31,772
Excess of Revenues Over (Under) Expenditures	(58,851)	5,715	64,566
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	10,269	38,781	28,512
Sale of Capital Assets	0	1,264	1,264
Transfers Out	(52,000)	(51,989)	11
Total Other Financing Sources (Uses)	(41,731)	(11,944)	29,787
Changes in Fund Balance	(100,582)	(6,229)	94,353
Fund Balance Beginning of Year	173,608	173,608	0
Prior Year Encumbrances Appropriated	6,756	6,756	0
Fund Balance End of Year	\$79,782	\$174,135	\$94,353

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$70,000	\$74,295	\$4,295
Interest	20	6	(14)
Total Revenues	<u>70,020</u>	<u>74,301</u>	<u>4,281</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway Maintenance and Repair			
Personal Services	35,000	33,723	1,277
Other	45,000	32,524	12,476
Total Expenditures	<u>80,000</u>	<u>66,247</u>	<u>13,753</u>
Excess of Revenues Over (Under) Expenditures	(9,980)	8,054	18,034
<u>Other Financing Sources</u>			
Other Financing Sources	0	593	593
Changes in Fund Balance	(9,980)	8,647	18,627
Fund Balance Beginning of Year	<u>23,256</u>	<u>23,256</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$13,276</u></u>	<u><u>\$31,903</u></u>	<u><u>\$18,627</u></u>

City of Sandusky
Public Transit Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$363,276	\$363,276	\$0
Intergovernmental	232,631	232,631	0
Other	190,839	190,839	0
Total Revenues	786,746	786,746	0
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System			
Personal Services	26,425	26,425	0
Other	1,156,036	1,156,036	0
Total Expenditures	1,182,461	1,182,461	0
Excess of Revenues Under Expenditures	(395,715)	(395,715)	0
<u>Other Financing Sources</u>			
Other Financing Sources	22,939	23,051	112
Transfers In	317,812	317,812	0
Total Other Financing Sources	340,751	340,863	112
Changes in Fund Balance	(54,964)	(54,852)	112
Fund Balance Beginning of Year	55,678	55,678	0
Fund Balance End of Year	<u>\$714</u>	<u>\$826</u>	<u>\$112</u>

City of Sandusky
Fire Pension Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$129,837	\$123,217	(\$6,620)
Payment in Lieu of Taxes	194	194	0
Intergovernmental	20,465	20,544	79
Total Revenues	150,496	143,955	(6,541)
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Fire			
Fire Pension			
Personal Services	861,375	861,375	0
Other	2,535	2,535	0
Total Security of Persons and Property-Fire	863,910	863,910	0
Debt Service:			
Principal Retirement	28,684	28,684	0
Interest and Fiscal Charges	22,150	22,150	0
Total Debt Service	50,834	50,834	0
Total Expenditures	914,744	914,744	0
Excess of Revenues Under Expenditures	(764,248)	(770,789)	(6,541)
<u>Other Financing Sources</u>			
Transfers In	764,248	770,789	6,541
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$129,836	\$123,217	(\$6,619)
Payment in Lieu of Taxes	194	194	0
Intergovernmental	20,465	20,544	79
Total Revenues	150,495	143,955	(6,540)
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Pension			
Personal Services	620,649	620,649	0
Other	2,535	2,535	0
Total Security of Persons and Property-Police	623,184	623,184	0
Debt Service:			
Principal Retirement	21,316	21,316	0
Interest and Fiscal Charges	16,462	16,462	0
Total Debt Service	37,778	37,778	0
Total Expenditures	660,962	660,962	0
Excess of Revenues Under Expenditures	(510,467)	(517,007)	(6,540)
<u>Other Financing Sources</u>			
Transfers In	510,467	517,007	6,540
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$0	\$20	\$20
Intergovernmental	68,619	68,619	0
Interest	11,380	11,380	0
Other	59,600	59,600	0
Total Revenues	139,599	139,619	20
<u>Expenditures</u>			
Current:			
Community Environment			
Landbank			
Other	50,000	41,789	8,211
Revolving Loan Home			
Other	4,000	3,924	76
Revolving Loan Economic Development			
Other	395,000	394,021	979
Total Community Environment	449,000	439,734	9,266
General Government-Municipal Court			
Court Security			
Other	5,000	140	4,860
General Government-Other			
DRC Probation			
Personal Services	70,000	64,548	5,452
Other	3,000	0	3,000
Total General Government-Other	73,000	64,548	8,452
Total Expenditures	527,000	504,422	22,578
Excess of Revenues Under Expenditures	(387,401)	(364,803)	22,598
<u>Other Financing Sources</u>			
Other Financing Sources	10,402	42,031	31,629
Transfers In	300,000	300,000	0
Total Other Financing Sources	310,402	342,031	31,629
Changes in Fund Balance	(76,999)	(22,772)	54,227
Fund Balance Beginning of Year	352,933	352,933	0
Fund Balance End of Year	\$275,934	\$330,161	\$54,227

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$1,631,721	\$1,631,412	(\$309)
Interest	5,547	2,009	(3,538)
Total Revenues	1,637,268	1,633,421	(3,847)
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Justice Assistance Grant			
Other	24,736	24,194	542
Bulletproof Vest Grant			
Other	6,500	6,489	11
Total Security of Persons and Property-Police	31,236	30,683	553
Security of Persons and Property-Fire			
EMS			
Personal Services	374,000	373,445	555
Other	12,500	910	11,590
Total Security of Persons and Property-Fire	386,500	374,355	12,145
Community Environment			
HUD CDBG 09MC390034			
Personal Services	60,000	52,612	7,388
Other	318,000	312,538	5,462
Total HUD CDBG 09MC390034	378,000	365,150	12,850
Revolving Loan Economic Development			
Other	14,535	14,468	67
Total Community Environment	392,535	379,618	12,917
Transportation			
Public Transit System			
Personal Services	60,000	38,897	21,103
Other	975,000	974,898	102
Total Transportation	1,035,000	1,013,795	21,205
Total Expenditures	1,845,271	1,798,451	46,820
Excess of Revenues			
Under Expenditures	(208,003)	(165,030)	42,973

(continued)

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, 2013
(continued)

	Budget	Actual	Variance Over (Under)
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	\$7,732	\$5,957	(\$1,775)
Transfers Out	(120,965)	(120,965)	0
Total Other Financing Sources (Uses)	(113,233)	(115,008)	(1,775)
Changes in Fund Balance	(321,236)	(280,038)	41,198
Fund Balance Beginning of Year	349,084	349,084	0
Prior Year Encumbrances Appropriated	16,336	16,336	0
Fund Balance End of Year	<u>\$44,184</u>	<u>\$85,382</u>	<u>\$41,198</u>

City of Sandusky
Indigent Drivers Alcohol Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$31,105	\$33,341	\$2,236
Intergovernmental	4,395	4,395	0
Total Revenues	35,500	37,736	2,236
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol Treatment			
Personal Services	40,000	21,121	18,879
Changes in Fund Balance	(4,500)	16,615	21,115
Fund Balance Beginning of Year	281,939	281,939	0
Fund Balance End of Year	<u>\$277,439</u>	<u>\$298,554</u>	<u>\$21,115</u>

City of Sandusky
Enforcement and Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$9,000	\$7,665	(\$1,335)
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	9,000	7,665	(1,335)
Fund Balance Beginning of Year	<u>51,144</u>	<u>51,144</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$60,144</u></u>	<u><u>\$58,809</u></u>	<u><u>(\$1,335)</u></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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fines and Forfeitures	\$30,000	\$32,088	\$2,088
<u>Expenditures</u>			
Current:			
Other			
Court Computerization			
Other	20,000	15,993	4,007
Changes in Fund Balance	10,000	16,095	6,095
Fund Balance Beginning of Year	180,401	180,401	0
Fund Balance End of Year	<u>\$190,401</u>	<u>\$196,496</u>	<u>\$6,095</u>

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$1,500	\$0	(\$1,500)
<u>Expenditures</u>			
Current:			
Other			
Indigent Telephone			
Other	10,000	0	10,000
Changes in Fund Balance	(8,500)	0	8,500
Fund Balance Beginning of Year	17,450	17,450	0
Fund Balance End of Year	\$8,950	\$17,450	\$8,500

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$74,500	\$75,259	\$759
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation			
Personal Services	47,000	46,822	178
Other	13,000	3,234	9,766
Total Expenditures	60,000	50,056	9,944
Excess of Revenues Over Expenditures	14,500	25,203	10,703
<u>Other Financing Sources</u>			
Other Financing Sources	0	646	646
Changes in Fund Balance	14,500	25,849	11,349
Fund Balance Beginning of Year	301,281	301,281	0
Fund Balance End of Year	\$315,781	\$327,130	\$11,349

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$446	\$446	\$0
Fines and Forfeitures	22,504	22,504	0
Intergovernmental	3,335	3,335	0
Other	13,814	13,814	0
Total Revenues	40,099	40,099	0
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Patrol			
Other	15,000	9,811	5,189
Police D.A.R.E.			
Other	2,000	0	2,000
Contraband Trust			
Personal Services	1,000	0	1,000
Other	40,000	20,113	19,887
Total Contraband Trust	41,000	20,113	20,887
Total Security of Persons and Property-Police	58,000	29,924	28,076
Security of Persons and Property-Fire			
Fire Suppression			
Other	20,000	1,081	18,919
Leisure Time Activities			
Green Trust			
Other	3,500	2,752	748
Friends of the Greenhouse			
Other	5,000	0	5,000
Sailing Scholarship			
Other	3,000	0	3,000
Total Leisure Time Activities	11,500	2,752	8,748
Community Environment			
Park Trust			
Other	4,700	0	4,700
Total Expenditures	94,200	33,757	60,443
Excess of Revenues Over (Under) Expenditures	(54,101)	6,342	60,443

(continued)

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, 2013
(continued)

	Budget	Actual	Variance Over (Under)
<u>Other Financing Sources</u>			
Other Financing Sources	\$4,526	\$4,526	\$0
Sale of Capital Assets	6,450	6,450	0
Total Other Financing Sources	10,976	10,976	0
Changes in Fund Balance	(43,125)	17,318	60,443
Fund Balance Beginning of Year	154,596	154,596	0
Prior Year Encumbrances Appropriated	5,000	5,000	0
Fund Balance End of Year	<u>\$116,471</u>	<u>\$176,914</u>	<u>\$60,443</u>

City of Sandusky
Park Donations Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended December 31, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$11,000	\$8,939	(\$2,061)
Interest	400	60	(340)
Other	6,131	578	(5,553)
Total Revenues	17,531	9,577	(7,954)
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Shoreline Park Improvement			
Other	500	0	500
Washington Park and Greenhouse			
Other	28,602	28,602	0
Total Leisure Time Activities	29,102	28,602	500
General Government-Other			
Fred Epple Trust			
Other	2,500	0	2,500
Total Expenditures	31,602	28,602	3,000
Changes in Fund Balance	(14,071)	(19,025)	(4,954)
Fund Balance Beginning of Year	202,558	202,558	0
Fund Balance End of Year	\$188,487	\$183,533	(\$4,954)

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$14,983	\$20,304	\$5,321
Interest	3,410	2,522	(888)
Other	0	7	7
	<u>18,393</u>	<u>22,833</u>	<u>4,440</u>
Total Revenues			
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery			
Personal Services	41,000	39,039	1,961
Other	34,500	9,048	25,452
	<u>75,500</u>	<u>48,087</u>	<u>27,413</u>
Total Oakland Cemetery			
Chapel Restoration			
Other	5,000	2,625	2,375
Garden Mausoleum			
Other	6,000	5,070	930
Perpetual Care			
Other	14,000	13,823	177
Special Care			
Other	4,500	3,538	962
Memorial Paintings			
Other	1,000	988	12
Ridgeview Columbarium			
Other	1,000	0	1,000
	<u>107,000</u>	<u>74,131</u>	<u>32,869</u>
Total Expenditures			
Excess of Revenues Under Expenditures	(88,607)	(51,298)	37,309
<u>Other Financing Sources</u>			
Other Financing Sources	4,075	8,923	4,848
Changes in Fund Balance	(84,532)	(42,375)	42,157
Fund Balance Beginning of Year	765,636	765,636	0
Fund Balance End of Year	<u>\$681,104</u>	<u>\$723,261</u>	<u>\$42,157</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$427,983	\$410,721	(\$17,262)
Payment in Lieu of Taxes	614	614	0
Municipal Income Taxes	449,677	467,519	17,842
Intergovernmental	56,317	50,582	(5,735)
Total Revenues	934,591	929,436	(5,155)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,169,867	1,169,867	0
Interest and Fiscal Charges	538,206	538,206	0
Total Expenditures	1,708,073	1,708,073	0
Excess of Revenues Under Expenditures	(773,482)	(778,637)	(5,155)
<u>Other Financing Sources</u>			
Transfers In	787,758	793,725	5,967
Changes in Fund Balance	14,276	15,088	812
Fund Balance Beginning of Year	848	848	0
Fund Balance End of Year	\$15,124	\$15,936	\$812

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$559,034	\$558,906	(\$128)
Intergovernmental	64,966	64,966	0
Total Revenues	624,000	623,872	(128)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	2,870,000	2,870,000	0
Interest and Fiscal Charges	145,881	145,881	0
Total Expenditures	3,015,881	3,015,881	0
Excess of Revenues Under Expenditures	(2,391,881)	(2,392,009)	(128)
<u>Other Financing Sources</u>			
Revenue Bonds Issued	2,180,000	2,180,000	0
Changes in Fund Balance	(211,881)	(212,009)	(128)
Fund Balance Beginning of Year	348,165	348,165	0
Fund Balance End of Year	<u>\$136,284</u>	<u>\$136,156</u>	<u>(\$128)</u>

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Municipal Income Taxes	\$373,000	\$374,013	\$1,013
<u>Expenditures</u>	0	0	0
Excess of Revenues Over Expenditures	373,000	374,013	1,013
<u>Other Financing Uses</u>			
Transfers Out	(377,068)	(377,068)	0
Changes in Fund Balance	(4,068)	(3,055)	1,013
Fund Balance Beginning of Year	25,883	25,883	0
Fund Balance End of Year	<u>\$21,815</u>	<u>\$22,828</u>	<u>\$1,013</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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Payment in Lieu of Taxes	\$29,340	\$29,347	\$7
<u>Expenditures</u>			
Current:			
Community Environment			
City Wide Economic Development			
Other	20,464	20,464	0
Capital Outlay	24,536	24,515	21
Total Expenditures	45,000	44,979	21
Changes in Fund Balance	(15,660)	(15,632)	28
Fund Balance Beginning of Year	53,695	53,695	0
Fund Balance End of Year	\$38,035	\$38,063	\$28

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, 2013

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$17,368	\$17,388	\$20
Fees, Licenses, and Permits	76,726	93,950	17,224
Interest	2,070	2,070	0
Other	30	30	0
Total Revenues	96,194	113,438	17,244
<u>Expenditures</u>			
Current:			
Community Environment			
Remove Unsafe Buildings			
Personal Services	500	0	500
Other	25,000	528	24,472
Total Remove Unsafe Buildings	25,500	528	24,972
Nuisance Removal			
Personal Services	5,000	41	4,959
Other	45,000	41,987	3,013
Total Nuisance Removal	50,000	42,028	7,972
Rental Registration Fee			
Personal Services	90,000	76,230	13,770
Other	15,000	4,693	10,307
Total Rental Registration Fee	105,000	80,923	24,077
Inspection Fee			
Personal Services	5,000	13	4,987
Other	10,000	8,846	1,154
Total Inspection Fee	15,000	8,859	6,141
Administration Fee			
Personal Services	500	0	500
Other	2,000	846	1,154
Total Administration Fee	2,500	846	1,654
Total Expenditures	198,000	133,184	64,816
Excess of Revenues Under Expenditures	(101,806)	(19,746)	82,060
<u>Other Financing Sources</u>			
Other Financing Sources	1,804	1,804	0
Changes in Fund Balance	(100,002)	(17,942)	82,060
Fund Balance Beginning of Year	215,961	215,961	0
Fund Balance End of Year	\$115,959	\$198,019	\$82,060

Statistical

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City of Sandusky
Statistical Section

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
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Financial Trends.....	S-2
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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
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These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity.....	S-44
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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-54
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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-58
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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)

	2013	2012	2011	2010	2009
Governmental Activities					
Net Investment in Capital Assets	\$34,031,522	\$35,252,903	\$35,126,166	\$38,122,520	\$34,869,732
Restricted for					
Capital Projects	4,280,873	3,806,228	3,492,887	2,920,974	3,218,958
Debt Service	2,162,193	1,949,698	1,918,564	1,902,993	2,439,729
Other Purposes	5,920,558	5,556,594	6,061,253	6,005,182	6,367,187
Unrestricted (Deficit)	(139,214)	(712,642)	(1,573,210)	(2,681,773)	(2,812,918)
Total Governmental Activities Net Position	46,255,932	45,852,781	45,025,660	46,269,896	44,082,688
Business-Type Activities					
Net Investment in Capital Assets	40,066,785	39,713,895	39,918,374	39,941,052	35,050,194
Unrestricted	13,462,237	14,630,323	15,278,595	16,854,414	18,611,306
Total Business-Type Activities Net Position	53,529,022	54,344,218	55,196,969	56,795,466	53,661,500
Primary Government					
Net Investment in Capital Assets	74,098,307	74,966,798	75,044,540	78,063,572	69,919,926
Restricted	12,363,624	11,312,520	11,472,704	10,829,149	12,025,874
Unrestricted	13,323,023	13,917,681	13,705,385	14,172,641	15,798,388
Total Primary Government Net Position	\$99,784,954	\$100,196,999	\$100,222,629	\$103,065,362	\$97,744,188

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$33,005,235	\$32,191,349	\$30,075,530	\$31,671,586	\$31,969,703
6,197,701	4,249,788	3,531,814	2,204,456	2,824,223
2,528,165	1,242,965	155,282	323,278	778,513
8,143,328	8,553,276	8,345,260	7,924,998	7,103,344
<u>(2,978,838)</u>	<u>(2,362,700)</u>	<u>(359,373)</u>	<u>(28,759)</u>	<u>(1,306,979)</u>
<u>46,895,591</u>	<u>43,874,678</u>	<u>41,748,513</u>	<u>42,095,559</u>	<u>41,368,804</u>
17,057,860	18,003,813	16,501,983	13,366,444	11,829,893
<u>23,825,346</u>	<u>22,646,163</u>	<u>15,618,806</u>	<u>14,558,225</u>	<u>12,487,336</u>
<u>40,883,206</u>	<u>40,649,976</u>	<u>32,120,789</u>	<u>27,924,669</u>	<u>24,317,229</u>
50,063,095	50,195,162	46,577,513	45,038,030	43,799,596
16,869,194	14,046,029	12,032,356	10,452,732	10,706,080
<u>20,846,508</u>	<u>20,283,463</u>	<u>15,259,433</u>	<u>14,529,466</u>	<u>11,180,357</u>
<u><u>\$87,778,797</u></u>	<u><u>\$84,524,654</u></u>	<u><u>\$73,869,302</u></u>	<u><u>\$70,020,228</u></u>	<u><u>\$65,686,033</u></u>

City of Sandusky
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
<u>Expenses</u>					
Governmental Activities					
Security of Persons and Property					
Police	\$5,032,468	\$5,032,700	\$5,402,963	\$5,516,364	\$5,669,764
Fire	5,953,841	5,905,825	5,527,949	5,515,869	5,862,556
Other	252,367	244,688	252,562	249,581	258,171
Public Health	318,872	306,388	283,560	329,948	315,947
Leisure Time Activities	614,010	216,767	508,712	460,013	816,417
Community Environment	2,538,486	2,476,125	2,893,502	3,331,774	4,228,845
Transportation	4,848,791	4,470,255	4,445,226	4,239,588	4,205,229
General Government					
Municipal Court	1,013,065	1,033,017	1,023,043	970,915	933,795
Other	3,372,415	3,617,806	3,497,520	3,456,520	3,870,955
Interest and Fiscal Charges	965,397	1,295,714	1,005,849	1,252,643	1,495,442
Total Governmental Activities Expenses	24,909,712	24,599,285	24,840,886	25,323,215	27,657,121
Business-Type Activities					
Water	5,561,209	5,368,961	5,359,486	4,511,328	5,101,130
Sewer	6,726,105	6,334,406	8,341,844	6,895,098	6,337,377
Total Business-Type Activities Expenses	12,287,314	11,703,367	13,701,330	11,406,426	11,438,507
Total Primary Government Expenses	37,197,026	36,302,652	38,542,216	36,729,641	39,095,628
<u>Program Revenues</u>					
Governmental Activities					
Charges for Services					
Security of Persons and Property					
Police	354,756	399,331	353,733	321,561	342,426
Fire	756,733	754,046	988,659	827,407	721,402
Public Health	0	84,027	108,618	107,057	122,323
Leisure Time Activities	116,853	269,160	217,068	234,894	233,214
Community Environment	257,010	86,007	215,830	236,362	417,210
Transportation	19,156	913,441	1,019,259	844,608	882,613
General Government	982,640				
Municipal Court	1,134,702	1,215,434	1,070,168	1,160,818	1,184,632
Other	328,020	186,445	247,215	267,011	178,236
Total Charges for Services	3,949,870	3,907,891	4,220,550	3,999,718	4,082,056
Operating Grants, Contributions, and Interest	3,144,597	3,711,215	3,742,313	4,514,002	3,531,046
Capital Grants and Contributions	722,483	500,093	1,074,582	1,509,594	2,010,876
Total Governmental Activities Program Revenues	7,816,950	8,119,199	9,037,445	10,023,314	9,623,978
Business-Type Activities					
Charges for Services					
Water	5,259,240	5,267,773	5,224,179	5,055,459	5,361,036
Sewer	5,587,673	5,485,453	6,730,491	6,176,303	5,881,665
Total Charges for Services	10,846,913	10,753,226	11,954,670	11,231,762	11,242,701
Capital Grants and Contributions	275,377	271,057	148,225	4,108,459	12,273,563
Total Business-Type Activities Program Revenues	11,122,290	11,024,283	12,102,895	15,340,221	23,516,264
Total Primary Government Program Revenues	18,939,240	19,143,482	21,140,340	25,363,535	33,140,242
<u>Net (Expense) Revenue</u>					
Governmental Activities	(17,092,762)	(16,480,086)	(15,803,441)	(15,299,901)	(18,033,143)
Business-Type Activities	(1,165,024)	(679,084)	(1,598,435)	3,933,795	12,077,757
Total Primary Governmental Net Expense	(18,257,786)	(17,159,170)	(17,401,876)	(11,366,106)	(5,955,386)

2008	2007	2006	2005	2004
\$5,874,509	\$5,574,825	\$5,487,963	\$5,266,496	\$5,136,481
5,937,365	6,007,917	5,307,276	5,144,980	5,255,572
314,316	337,986	141,866	98,338	107,843
403,533	390,069	387,849	371,995	374,751
601,231	724,443	755,381	532,317	509,107
3,310,344	3,076,512	3,414,429	3,089,728	2,470,765
4,303,144	4,537,224	5,335,488	4,107,524	4,100,037
870,524	915,040	828,045	829,951	888,857
4,408,458	3,859,012	3,499,303	3,633,634	4,160,795
1,447,618	1,347,061	1,280,938	1,171,585	1,222,879
27,471,042	26,770,089	26,438,538	24,246,548	24,227,087
5,585,538	4,515,116	3,896,902	4,257,055	3,495,790
6,433,075	6,017,246	4,957,114	5,458,838	5,396,945
12,018,613	10,532,362	8,854,016	9,715,893	8,892,735
39,489,655	37,302,451	35,292,554	33,962,441	33,119,822
383,757	260,758	205,984	309,073	152,098
625,434	743,841	617,742	629,573	628,488
118,531	132,369	128,255	125,552	146,215
327,660	328,280	297,903	275,319	235,152
358,027	326,365	234,689	277,330	153,748
5,149,554	1,892,081	1,150,337	989,425	871,796
1,196,877	1,035,917	1,036,688	982,508	1,220,842
175,414	200,752	286,948	411,300	250,519
8,335,254	4,920,363	3,958,546	4,000,080	3,658,858
3,008,317	3,541,296	4,392,095	3,912,640	1,938,688
258,793	1,874,767	1,441,100	755,345	2,181,599
11,602,364	10,336,426	9,791,741	8,668,065	7,779,145
5,480,958	4,741,359	5,401,818	6,551,510	6,563,548
6,460,336	6,480,173	6,559,309	6,589,124	6,440,877
11,941,294	11,221,532	11,961,127	13,140,634	13,004,425
178,083	8,069,676	194,076	162,675	184,117
12,119,377	19,291,208	12,155,203	13,303,309	13,188,542
23,721,741	29,627,634	21,946,944	21,971,374	20,967,687
(15,868,678)	(16,433,663)	(16,646,797)	(15,578,483)	(16,447,942)
100,764	8,758,846	3,301,187	3,587,416	4,295,807
(15,767,914)	(7,674,817)	(13,345,610)	(11,991,067)	(12,152,135)

(continued)

City of Sandusky
Changes in Net Position
Last Ten Years
(continued)
(Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
<u>General Revenues and Other Changes in Net Position</u>					
Governmental Activities					
Property Taxes Levied for General Purposes	\$1,444,024	\$1,570,731	\$1,582,982	\$1,670,722	\$1,568,338
Property Taxes Levied for Police and Fire Pension	237,368	258,206	260,218	274,602	257,807
Property Taxes Levied for Debt Service	395,613	430,340	433,693	452,224	423,572
Payment in Lieu of Taxes	591,483	541,236	554,005	546,140	1,030
Municipal Income Taxes Levied for General Purposes	7,413,615	7,121,861	6,473,159	6,092,961	5,609,577
Municipal Income Taxes Levied for Debt Service	494,203	472,199	422,949	404,895	355,717
Municipal Income Taxes Levied for Capital Projects	395,361	377,758	338,360	313,797	283,887
Other Local Taxes	4,122,098	3,735,461	3,835,778	3,823,682	3,530,345
Franchise Taxes	379,067	373,856	350,146	321,254	304,588
Grants and Entitlements not Restricted to Specific Programs	1,120,835	1,425,985	1,343,834	1,774,328	1,808,763
Interest	(3,698)	161,743	303,999	241,382	559,857
Other	782,475	556,285	1,112,606	987,687	967,843
Transfers	123,469	281,546	161,158	1,097,027	(451,084)
Special Item - Asset Donated to Developer	0	0	(2,613,682)	0	0
Total Governmental Activities	17,495,913	17,307,207	14,559,205	18,000,701	15,220,240
Business-Type Activities					
Interest	607	1,532	1,380	1,328	1,086
Other	472,690	106,347	159,716	295,870	248,367
Transfers	(123,469)	(281,546)	(161,158)	(1,097,027)	451,084
Total Business-Type Activities	349,828	(173,667)	(62)	(799,829)	700,537
Total Primary Government	17,845,741	17,133,540	14,559,143	17,200,872	15,920,777
<u>Changes in Net Position</u>					
Governmental Activities	403,151	827,121	(1,244,236)	2,700,800	(2,812,903)
Business-Type Activities	(815,196)	(852,751)	(1,598,497)	3,133,966	12,778,294
Total Primary Government	(\$412,045)	(\$25,630)	(\$2,842,733)	\$5,834,766	\$9,965,391

2008	2007	2006	2005	2004
\$1,808,771	\$1,757,611	\$1,653,693	\$1,672,894	\$1,694,006
296,040	290,214	271,237	274,996	278,468
488,892	476,474	328,893	316,768	320,817
2,939	589,383	23,815	21,793	21,177
7,308,067	6,174,450	6,424,092	6,298,260	6,512,919
478,361	398,287	419,919	419,110	440,575
393,536	318,588	335,939	438,682	67,796
3,759,788	3,720,784	3,486,825	3,573,094	3,546,079
290,451	272,184	254,087	238,015	232,129
1,884,362	1,958,323	2,041,444	2,002,142	1,724,926
1,329,987	1,541,216	1,011,952	572,828	376,479
540,308	556,074	638,096	420,467	644,316
308,089	506,240	(590,241)	56,189	(1,527,286)
0	0	0	0	0
18,889,591	18,559,828	16,299,751	16,305,238	14,332,401
1,955	1,923	691	1,191	1,530
438,600	274,658	304,001	75,022	60,935
(308,089)	(506,240)	590,241	(56,189)	1,527,286
132,466	(229,659)	894,933	20,024	1,589,751
19,022,057	18,330,169	17,194,684	16,325,262	15,922,152
3,020,913	2,126,165	(347,046)	726,755	(2,115,541)
233,230	8,529,187	4,196,120	3,607,440	5,885,558
\$3,254,143	\$10,655,352	\$3,849,074	\$4,334,195	\$3,770,017

City of Sandusky
Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
General Fund					
Reserved	\$0	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0	0
Nonspendable	221,127	237,393	227,348	146,670	19,590
Restricted	0	0	0	93,120	86,561
Assigned	365,022	100,273	281,308	133,224	26,956
Unassigned	3,943,022	3,953,717	3,598,766	3,272,103	2,897,549
Total General Fund	4,529,171	4,291,383	4,107,422	3,645,117	3,030,656
All Other Governmental Funds					
Reserved	0	0	0	0	0
Unreserved, Reported in					
Special Revenue Funds	0	0	0	0	0
Debt Service Funds	0	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	0	0
Nonspendable	254,806	122,143	91,871	85,551	2,259,561
Restricted	5,634,163	5,117,809	5,308,988	5,639,796	1,798,115
Committed	55,783	61,240	42,338	43,585	38,443
Unassigned (Deficit)	(157,449)	(3,310,167)	(4,310,201)	(4,345,598)	(333,517)
Total All Other Governmental Funds	5,787,303	1,991,025	1,132,996	1,423,334	3,762,602
Total Governmental Funds	<u>\$10,316,474</u>	<u>\$6,282,408</u>	<u>\$5,240,418</u>	<u>\$5,068,451</u>	<u>\$6,793,258</u>

Note: The City implemented GASB Statement No. 54 in 2010.

2008	2007	2006	2005	2004
\$134,443	\$108,449	\$111,838	\$123,608	\$182,408
3,689,976	4,115,612	3,461,642	3,174,012	2,298,844
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
3,824,419	4,224,061	3,573,480	3,297,620	2,481,252
3,280,330	3,958,843	3,633,344	3,733,926	2,943,033
4,233,164	4,376,446	4,650,635	4,839,344	4,741,505
267,924	340,938	231,142	425,019	671,817
(1,746,995)	(5,528,968)	(5,560,337)	(5,173,626)	(6,187,308)
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
6,034,423	3,147,259	2,954,784	3,824,663	2,169,047
\$9,858,842	\$7,371,320	\$6,528,264	\$7,122,283	\$4,650,299

City of Sandusky
Changes in Fund Balance
Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2013	2012	2011	2010	2009
<u>Revenues</u>					
Property Taxes	\$2,156,325	\$2,266,548	\$2,290,106	\$2,265,450	\$2,296,321
Payment in Lieu of Taxes	591,483	541,236	554,005	546,140	509,041
Municipal Income Taxes	7,961,439	7,679,283	7,240,793	6,716,022	7,035,145
Other Local Taxes	4,542,872	4,176,906	4,287,830	4,289,953	3,954,181
Special Assessments	225,647	263,281	329,360	312,486	363,594
Charges for Services	1,873,124	1,751,080	1,408,172	1,566,291	1,625,516
Fees, Licenses, and Permits	1,050,523	977,026	940,663	951,838	860,515
Fines and Forfeitures	1,072,425	1,129,197	1,027,377	1,089,255	1,175,414
Intergovernmental	4,853,612	5,802,086	5,717,042	7,606,331	6,725,011
Interest	(1,431)	184,401	341,790	322,815	626,662
Other	973,777	944,060	1,225,758	1,253,526	1,011,487
Total Revenues	25,299,796	25,715,104	25,362,896	26,920,107	26,182,887
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	4,918,939	5,066,185	5,498,666	5,440,140	5,524,466
Fire	5,478,660	5,512,695	5,522,370	5,263,815	5,369,175
Other	252,367	244,688	252,562	249,581	258,171
Public Health	291,026	310,763	271,130	353,288	289,282
Leisure Time Activities	490,240	455,973	385,373	340,606	375,479
Community Environment	2,288,489	3,060,559	2,704,414	3,464,442	4,711,509
Transportation	3,277,176	3,178,728	3,110,557	3,864,900	2,810,287
General Government					
Municipal Court	1,016,432	981,662	1,038,040	957,168	924,136
Other	2,566,204	2,829,493	2,863,831	2,795,838	3,179,119
Other	88,357	128,727	92,756	68,108	112,205
Capital Outlay	547,247	803,610	1,635,471	4,507,569	3,404,107
Debt Service:					
Principal Retirement	1,959,320	1,500,472	5,455,694	1,213,401	1,118,512
Interest and Fiscal Charges	930,235	896,912	1,001,860	1,241,563	1,472,318
Issuance Costs	0	0	115,335	0	0
Total Expenditures	24,104,692	24,970,467	29,948,059	29,760,419	29,548,766
Excess of Revenues Over (Under) Expenditures	1,195,104	744,637	(4,585,163)	(2,840,312)	(3,365,879)
<u>Other Financing Sources (Uses)</u>					
General Obligation Bonds Issued	0	0	4,090,000	0	0
Special Assessment Bonds Issued	0	0	0	0	84,400
Revenue Bonds Issued	2,680,000	0	0	0	0
Loan Proceeds	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	120,335	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Sale of Capital Assets	35,493	1,161	385,637	18,478	30,806
Inception of Capital Lease	0	0	0	0	0
Transfers In	3,414,520	3,257,469	4,961,338	4,664,279	2,769,241
Transfers Out	(3,291,051)	(2,961,277)	(4,800,180)	(3,567,252)	(2,584,152)
Total Other Financing Sources (Uses)	2,838,962	297,353	4,757,130	1,115,505	300,295
Changes in Fund Balance	\$4,034,066	\$1,041,990	\$171,967	(\$1,724,807)	(\$3,065,584)
Debt Service as a Percentage of Noncapital Expenditures	12.33%	10.61%	23.43%	10.35%	9.82%

2008	2007	2006	2005	2004
\$2,408,140	\$2,537,843	\$2,225,347	\$2,258,521	\$2,272,754
61,710	22,601	23,815	21,793	21,177
7,633,758	7,387,718	7,313,992	7,443,699	7,308,576
4,192,054	4,155,563	3,933,675	4,027,163	4,011,666
716,482	514,373	387,246	456,434	384,141
1,734,744	1,562,798	1,415,863	1,426,503	1,751,391
818,094	777,905	828,294	972,001	811,379
1,216,730	1,000,848	973,563	978,369	1,000,227
5,484,268	6,007,797	7,040,114	5,798,366	5,192,973
1,419,311	1,653,255	1,075,368	695,896	416,103
948,160	1,081,031	1,585,259	1,021,847	1,033,919
26,633,451	26,701,732	26,802,536	25,100,592	24,204,306
5,814,874	5,501,299	5,398,901	5,005,613	4,955,514
5,537,118	5,566,180	4,946,518	4,923,135	4,493,492
314,316	337,986	141,866	98,338	107,843
385,481	365,784	354,785	371,835	338,665
472,955	752,163	590,560	419,758	387,892
3,351,746	3,449,840	3,575,935	2,849,352	2,257,296
2,648,551	2,884,363	2,555,374	2,488,592	2,216,810
856,718	890,382	789,382	849,310	875,791
3,723,204	3,483,636	3,002,062	3,158,999	3,773,576
106,467	79,540	185,530	60,324	31,706
1,487,593	2,216,476	3,990,621	1,928,029	6,373,458
1,033,726	991,682	944,627	895,901	1,154,167
1,436,324	1,263,946	1,279,621	1,164,110	1,225,852
97,668	103,441	0	86,721	0
27,266,741	27,886,718	27,755,782	24,300,017	28,192,062
(633,290)	(1,184,986)	(953,246)	800,575	(3,987,756)
0	5,478,271	0	7,705,000	240,000
2,625,000	356,729	104,000	185,000	137,000
0	0	0	0	0
0	918,855	0	0	0
111,537	43,403	0	46,591	0
0	(5,470,416)	0	(6,369,870)	0
900	11,255	46,656	0	0
0	0	0	48,499	184,954
5,259,992	3,569,940	2,690,340	3,398,033	2,950,732
(4,876,617)	(2,879,995)	(2,481,769)	(3,341,844)	(2,895,926)
3,120,812	2,028,042	359,227	1,671,409	616,760
\$2,487,522	\$843,056	(\$594,019)	\$2,471,984	(\$3,370,996)
9.85%	9.22%	8.49%	9.49%	10.37%

City of Sandusky
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property			Public Utility Personal Property		Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility					
2013	\$307,005,000	\$138,009,000	\$1,271,468,571	\$15,219,000	\$17,294,318	\$0	\$0
2012	325,473,000	145,320,000	1,345,122,857	14,018,000	15,929,545	0	0
2011	327,604,000	146,862,000	1,355,617,142	13,386,000	15,211,364	0	0
2010	268,557,000	118,719,000	1,106,502,856	12,639,000	14,362,500	567,525	567,525
2009	332,312,000	144,827,000	1,363,254,285	11,862,000	13,479,545	1,135,050	1,135,050
2008	329,995,000	150,360,000	1,372,442,857	11,439,000	12,998,864	16,392,420	262,278,720
2007	329,451,000	145,120,000	1,355,917,142	15,307,000	17,394,318	32,423,470	259,387,760
2006	293,183,000	130,749,000	1,211,234,285	16,151,000	18,353,409	47,462,890	253,135,413
2005	290,738,000	133,434,000	1,211,920,000	16,655,000	18,926,136	61,717,130	280,532,409
2004	288,207,000	133,366,000	1,204,494,286	17,021,000	19,342,045	68,206,114	296,548,322

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. Personal property tax was assessed on all tangible personal property used in business in Ohio. 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 was phased out beginning in 2006. The assessment percentage was 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out on the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes have been levied or collected since 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax was 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. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Tax Rate
Assessed Value	Estimated Actual Value		
\$460,233,000	\$1,288,762,889	35.71%	\$5.25
484,811,000	1,361,052,402	35.62	5.25
487,852,000	1,370,828,506	35.59	5.25
400,482,525	1,121,432,881	35.71	5.25
490,136,050	1,377,868,880	35.57	5.25
508,186,420	1,647,720,441	30.84	5.25
522,301,470	1,632,699,220	31.99	4.95
487,545,890	1,482,723,107	32.88	4.95
502,544,130	1,511,378,545	33.25	4.95
506,800,114	1,520,384,653	33.33	5.51

City of Sandusky
Property Tax Rates
Direct and All Overlapping Governments
Per \$1,000 of Assessed Value
Last Ten Years

Year	2013	2012	2011	2010	2009
City of Sandusky					
Voted Millage					
1998 Library Bond - 23 Years	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Unvoted Millage					
General	3.6500	3.6500	3.6500	3.6500	3.6500
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	4.2500	4.2500	4.2500	4.2500	4.2500
Total Millage	5.2500	5.2500	5.2500	5.2500	5.2500
Erie County	8.8000	8.8000	8.8000	8.8000	8.8000
Sandusky City School District	80.5250	75.4100	75.4000	75.4000	75.3500

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.

2008	2007	2006	2005	2004
\$1.0000	\$1.0000	\$0.7000	\$0.7000	\$0.7000
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
4.2500	4.2500	4.2500	4.2500	4.2500
5.2500	5.2500	4.9500	4.9500	4.9500
8.8000	8.8000	8.8000	8.8000	8.8000
75.9500	70.5500	70.5500	70.5500	70.5500

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

<u>Year</u>	<u>Current Tax Levy (1)</u>	<u>Current Collections</u>	<u>Percentage of Current Collections to Current Tax Levy</u>	<u>Delinquent Charges</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections to Current Tax Levy</u>
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
2009	3,125,545	2,943,945	94.19	414,025	136,816	3,080,761	98.57
2008	2,635,189	2,451,407	93.03	343,152	134,420	2,585,827	98.13
2007	2,490,471	2,335,332	93.77	318,936	132,057	2,467,389	99.07
2006	2,327,395	2,067,591	88.84	265,099	144,077	2,211,668	95.03
2005	2,252,773	2,064,530	91.64	242,210	100,158	2,164,688	96.09
2004	2,494,817	2,376,827	95.27	270,627	101,548	2,478,375	99.34

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
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	2013			2004		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Cedar Fair	Theme Park	\$37,342,510	1	8.11%	\$56,904,050	1	11.23%
Ohio Edison Company	Utility	11,549,030	2	2.51	7,371,860	2	1.45
Norfolk & Western Railway	Railroad	4,903,060	3	1.07	3,303,500	10	0.65
Firelands Regional Health System	Hospital	3,828,320	4	0.83	4,687,550	7	0.92
Key Real Estate LTD	Realty	3,502,480	5	0.76			
S & S Realty	Realty	3,327,310	6	0.72	3,905,460	9	0.77
Columbia Gas	Utility	2,524,930	7	0.55			
Myers Industries, Inc.	Manufacturing/Assembly	2,294,440	8	0.50			
Providence Care Center	Nursing Home	2,045,980	9	0.45			
CNL Income Sandusky Marina	Port Facilities	2,045,980	10	0.44			
Sandusky International, Inc.	Manufacturing				7,039,060	3	1.39
Fort James Operating Company	Thermaformed Container				6,141,470	4	1.21
FMC Corporation	Food Equipment				5,401,560	5	1.07
Sandusky Limited	Port Facilities				5,066,790	6	1.00
SBC Communications	Telephone				3,995,310	8	0.79
	Total	73,364,040		15.94	103,816,610		20.48
	All Other Taxpayers	386,868,960		84.06	402,983,504		79.52
	Total Assessed Valuation	<u>\$460,233,000</u>		<u>100.00%</u>	<u>\$506,800,114</u>		<u>100.00%</u>

Source: Erie County Auditor

City of Sandusky
Personal Income Tax Filers by Income Level
Last Ten Years

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
Total	6,405	100.00%	\$278,773,648	100.00%

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
Total	6,242	100.00%	\$252,817,284	100.00%

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
Total	6,916	100.00%	\$259,970,061	100.00%

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
Total	6,885	100.00%	\$250,563,790	100.00%

(continued)

City of Sandusky
Personal Income Tax Filers by Income Level
Last Ten Years
(continued)

2009				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	371	4.92%	\$73,713,541	27.59%
\$75,001 - \$100,000	399	5.29	32,874,409	12.30
\$50,001 - \$75,000	956	12.67	56,243,007	21.04
\$25,001 - \$50,000	1,934	25.64	67,313,134	25.20
\$25,000 and lower	3,883	51.48	37,056,122	13.87
Total	7,543	100.00%	\$267,200,213	100.00%

2008				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	387	4.58%	\$58,791,611	21.42%
\$75,001 - \$100,000	446	5.28	36,592,392	13.33
\$50,001 - \$75,000	983	11.65	57,700,842	21.03
\$25,001 - \$50,000	2,245	26.60	77,978,900	28.42
\$25,000 and lower	4,380	51.89	43,369,409	15.80
Total	8,441	100.00%	\$274,433,154	100.00%

2007				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	379	4.88%	\$56,164,615	22.04%
\$75,001 - \$100,000	449	5.78	35,914,482	14.09
\$50,001 - \$75,000	997	12.83	59,095,338	23.20
\$25,001 - \$50,000	1,918	24.68	66,483,384	26.10
\$25,000 and lower	4,027	51.83	37,115,051	14.57
Total	7,770	100.00%	\$254,772,870	100.00%

2006				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	353	4.33%	\$54,550,340	20.65%
\$75,001 - \$100,000	458	5.61	36,993,290	14.01
\$50,001 - \$75,000	1,017	12.46	60,104,118	22.76
\$25,001 - \$50,000	2,120	25.98	73,121,439	27.68
\$25,000 and lower	4,213	51.62	39,361,212	14.90
Total	8,161	100.00%	\$264,130,399	100.00%

(continued)

City of Sandusky
Personal Income Tax Filers by Income Level
Last Ten Years
(continued)

2005				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	355	4.18%	\$53,041,156	19.53%
\$75,001 - \$100,000	482	5.68	39,219,772	14.45
\$50,001 - \$75,000	1,049	12.37	62,065,320	22.87
\$25,001 - \$50,000	2,178	25.68	75,171,199	27.70
\$25,000 and lower	4,416	52.08	41,895,579	15.45
Total	8,480	100.00%	\$271,393,026	100.00%

2004				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	366	3.91%	\$52,166,021	17.70%
\$75,001 - \$100,000	509	5.45	42,125,418	14.30
\$50,001 - \$75,000	1,164	12.45	68,609,792	23.29
\$25,001 - \$50,000	2,457	26.29	84,973,665	28.84
\$25,000 and lower	4,851	51.90	46,746,546	15.87
Total	9,347	100.00%	\$294,621,442	100.00%

Source: Regional Income Tax Agency (RITA)

City of Sandusky
Water Service by Type of Customer
Last Ten Years

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
Total	<u>1,165,236</u>	<u>\$2,536,963</u>	<u>\$2,539,688</u>	<u>1,142,485</u>	<u>\$2,772,277</u>	<u>\$2,607,538</u>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

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	2011			2010		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	615,721	\$1,439,777	\$1,400,365	602,857	\$1,417,520	\$1,408,563
Commercial	521,961	1,190,109	1,179,737	488,715	1,173,261	1,143,321
Industrial	31,093	59,055	57,115	25,519	50,625	46,932
Municipal	52,242	0	0	56,694	0	0
Total	<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>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

2009			2008		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
607,578	\$1,415,158	\$1,442,767	652,538	\$1,502,904	\$1,460,921
501,882	1,067,549	1,069,470	531,077	1,162,919	1,141,576
23,337	51,264	52,651	26,814	57,649	54,522
37,754	0	0	27,297	0	0
1,170,551	\$2,533,971	\$2,564,888	1,237,726	\$2,723,472	\$2,657,019
	\$4.10			\$4.10	
	\$1.90			\$1.90	

(continued)

City of Sandusky
Water Service by Type of Customer
Last Ten Years
(continued)

Type of Customer	2007			2006		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	679,939	\$1,547,390	\$1,506,012	660,179	\$1,510,317	\$1,510,051
Commercial	544,937	1,190,056	1,193,784	556,330	1,226,408	1,225,604
Industrial	32,138	72,598	77,686	38,040	84,593	76,639
Municipal	18,663	0	0	21,734	0	0
Total	<u>1,275,677</u>	<u>\$2,810,044</u>	<u>\$2,777,482</u>	<u>1,276,283</u>	<u>\$2,821,318</u>	<u>\$2,812,294</u>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

2005			2004		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
656,463	\$1,457,843	\$1,448,097	659,329	\$1,506,510	\$1,496,017
595,875	1,283,016	1,296,703	563,771	1,336,619	1,277,123
45,565	97,333	95,961	41,449	92,967	85,129
26,066	0	0	13,832	20	46
<u>1,323,969</u>	<u>\$2,838,192</u>	<u>\$2,840,761</u>	<u>1,278,381</u>	<u>\$2,936,116</u>	<u>\$2,858,315</u>
	\$4.10			\$4.10	
	\$1.90			\$1.90	

City of Sandusky
Sewer Service by Type of Customer
Last Ten Years

Type of Customer	2013			2012		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	551,320	\$2,531,256	\$2,532,349	548,757	\$2,601,336	\$2,645,519
Commercial	510,084	2,110,759	2,073,429	507,931	2,106,498	2,095,062
Industrial	31,712	133,237	130,017	28,074	122,333	126,372
Municipal	72,120	0	0	57,723	0	0
Total	<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>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

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.

2011			2010		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
615,721	\$2,785,808	\$2,657,644	602,857	\$2,734,948	\$2,689,269
521,961	2,144,778	2,105,590	488,715	2,014,088	2,125,726
31,093	130,625	126,327	25,519	108,864	101,797
52,242	0	0	56,694	0	0
1,221,017	\$5,061,211	\$4,889,561	1,173,785	\$4,857,900	\$4,916,792
	\$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	2009			2008		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	607,578	\$2,754,445	\$2,773,222	652,538	\$2,943,970	\$2,816,847
Commercial	501,882	2,066,859	2,052,461	531,077	2,195,755	2,145,365
Industrial	23,337	100,270	99,459	26,814	114,945	111,770
Municipal	37,754	0	0	27,297	0	0
Total	<u>1,170,551</u>	<u>\$4,921,574</u>	<u>\$4,925,142</u>	<u>1,237,726</u>	<u>\$5,254,670</u>	<u>\$5,073,982</u>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

2007			2006		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
679,939	\$3,030,649	\$2,927,168	660,179	\$2,965,144	\$2,931,352
544,937	2,237,127	2,202,101	556,330	2,308,180	2,288,275
32,138	139,349	143,690	38,040	157,073	137,502
18,663	0	0	21,734	0	0
1,275,677	\$5,407,125	\$5,272,959	1,276,283	\$5,430,397	\$5,357,129
	\$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	2005			2004		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	656,463	\$2,858,345	\$2,815,696	659,329	\$2,963,308	\$2,926,004
Commercial	595,875	2,268,957	2,355,544	563,771	2,329,882	2,308,088
Industrial	45,565	171,556	174,324	41,449	169,416	146,309
Municipal	26,066	0	0	13,832	38	95
Total	<u>1,323,969</u>	<u>\$5,298,858</u>	<u>\$5,345,564</u>	<u>1,278,381</u>	<u>\$5,462,644</u>	<u>\$5,380,496</u>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

City of Sandusky
Principal Water Customers
Last Nine Years

2013		
Customer	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>

2012		
Customer	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 Nine Years
(continued)

2011		
Customer	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>

2010		
Customer	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	0.30
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>

(continued)

City of Sandusky
Principal Water Customers
Last Nine Years
(continued)

2009		
Customer	Water Revenue	
	Amount	Percentage
Cedar Fair	\$452,902	17.66%
Firelands Regional Health System	46,981	1.84
Sandusky Associates, LLC	33,657	1.31
U. S. Tsubaki, Inc.	16,937	0.66
Sandusky Board of Education	16,367	0.64
Providence Care Center	11,901	0.46
MHD Corporation	9,811	0.38
Lutheran Memorial Home	9,203	0.36
Greentree Inn	8,576	0.33
Sandusky Foundry	8,284	0.32
Total	614,619	23.96
Balance from Other Customers	1,950,269	76.04
Total Water Revenue	<u>\$2,564,888</u>	<u>100.00%</u>

2008		
Customer	Water Revenue	
	Amount	Percentage
Cedar Fair	\$465,123	17.52%
Firelands Regional Health System	52,087	1.96
Sandusky Associates, LLC	27,196	1.02
Sandusky Board of Education	21,306	0.80
U. S. Tsubaki, Inc.	20,546	0.77
Providence Care Center	13,250	0.50
Westwood Management	9,963	0.37
Lutheran Memorial Home	8,785	0.33
MHD Corporation	8,044	0.30
Erie Metro Housing	7,436	0.28
Total	633,736	23.85
Balance from Other Customers	2,023,283	76.15
Total Water Revenue	<u>\$2,657,019</u>	<u>100.00%</u>

(continued)

City of Sandusky
Principal Water Customers
Last Nine Years
(continued)

<u>2007</u>		
<u>Water Revenue</u>		
<u>Customer</u>	<u>Amount</u>	<u>Percentage</u>
Cedar Fair	\$466,048	16.79%
Firelands Regional Health System	62,660	2.26
Sandusky Associates, LLC	30,806	1.11
Radisson Harbour Inn	23,415	0.84
Sandusky Board of Education	21,496	0.77
U. S. Tsubaki, Inc.	18,646	0.67
G & C Foundry	17,316	0.62
Providence Care Center	13,155	0.47
Sandusky Bay Kiwanis	13,136	0.47
Westwood Management	9,203	0.33
Total	675,881	24.33
Balance from Other Customers	<u>2,101,601</u>	<u>75.67</u>
Total Water Revenue	<u><u>\$2,777,482</u></u>	<u><u>100.00%</u></u>

<u>2006</u>		
<u>Water Revenue</u>		
<u>Customer</u>	<u>Amount</u>	<u>Percentage</u>
Cedar Fair	\$422,024	15.00%
Sandusky Associates, LLC	40,876	1.45
Radisson Harbour Inn	37,069	1.32
Firelands Regional Health System	32,714	1.16
Sandusky Board of Education	21,116	0.75
U.S. Tsubaki, Inc.	18,646	0.67
Westwood Management	15,264	0.54
G & C Foundry	13,896	0.49
Sandusky Limited	13,250	0.47
Providence Care Center	11,730	0.43
Total	626,585	22.28
Balance from Other Customers	<u>2,185,709</u>	<u>77.72</u>
Total Water Revenue	<u><u>\$2,812,294</u></u>	<u><u>100.00%</u></u>

(continued)

City of Sandusky
Principal Water Customers
Last Nine Years
(continued)

Customer	2005	
	Water Revenue	
	Amount	Percentage
Cedar Fair	\$497,392	17.51%
Firelands Regional Health System	63,534	2.24
Radisson Harbour Inn	37,031	1.30
Sandusky Associates, LLC	35,556	1.25
U.S. Tsubaki, Inc.	17,316	0.61
G & C Foundry	16,556	0.58
Muirwood Village	12,756	0.45
Sandusky Limited	11,957	0.42
TGI Fridays	10,431	0.37
MHD Corporation	7,558	0.27
Total	710,087	25.00
Balance from Other Customers	2,130,674	75.00
Total Water Revenue	\$2,840,761	100.00%

Source: City Utility Department

Note: Information prior to 2005 not available.

City of Sandusky
Principal Sewer Customers
Last Nine Years

2013		
Customer	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>

2012		
Customer	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 Nine Years
(continued)

2011		
Customer	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>

2010		
Customer	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>

(continued)

City of Sandusky
Principal Sewer Customers
Last Nine Years
(continued)

2009		
Customer	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$904,654	18.37%
Firelands Regional Health System	82,404	1.67
Sandusky Associates, LLC	70,835	1.44
Sandusky Board of Education	34,708	0.70
Providence Care Center	25,000	0.51
MHD Corporation	20,633	0.42
Lutheran Memorial Home	19,362	0.39
Sandusky Foundry	17,371	0.35
Greentree Inn	14,682	0.30
Thakar Aluminum Corporation	1,892	0.04
Total	1,191,541	24.19
Balance from Other Customers	3,733,601	75.81
Total Sewer Revenue	<u>\$4,925,142</u>	<u>100.00%</u>

2008		
Customer	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$874,548	17.24%
Firelands Regional Health System	106,922	2.11
Sandusky Associates, LLC	57,335	1.13
Sandusky Board of Education	45,030	0.89
Providence Care Center	27,819	0.55
Westwood Management	20,843	0.41
Lutheran Memorial Home	18,489	0.36
MHD Corporation	16,941	0.33
Erie Metro Housing	15,779	0.31
Monticello Arms Apartments	15,404	0.30
Total	1,199,110	23.63
Balance from Other Customers	3,874,872	76.37
Total Sewer Revenue	<u>\$5,073,982</u>	<u>100.00%</u>

(continued)

City of Sandusky
Principal Sewer Customers
Last Nine Years
(continued)

<u>2007</u>		
<u>Sewer Revenue</u>		
<u>Customer</u>	<u>Amount</u>	<u>Percentage</u>
Cedar Fair	\$865,657	16.41%
Firelands Regional Health System	121,803	2.31
Sandusky Associates, LLC	64,880	1.23
Radisson Harbour Inn	49,406	0.94
Sandusky Board of Education	45,427	0.86
Sandusky Bay Kiwanis	27,688	0.53
Providence Care Center	27,620	0.52
G & C Foundry	26,660	0.51
Westwood Management	19,255	0.37
Erie Metro Housing	<u>18,558</u>	<u>0.35</u>
Total	1,266,954	24.03
Balance from Other Customers	<u>4,006,005</u>	<u>75.97</u>
Total Sewer Revenue	<u><u>\$5,272,959</u></u>	<u><u>100.00%</u></u>

<u>2006</u>		
<u>Sewer Revenue</u>		
<u>Customer</u>	<u>Amount</u>	<u>Percentage</u>
Cedar Fair	\$749,187	13.97%
Sandusky Associates, LLC	85,921	1.60
Radisson Harbour Inn	77,935	1.45
Firelands Regional Health System	68,865	1.29
Sandusky Board of Education	44,633	0.83
Westwood Management	31,919	0.61
Sandusky Limited	28,952	0.54
Providence Care Center	24,643	0.46
Sandusky Bay Kiwanis	22,528	0.42
G & C Foundry	<u>17,652</u>	<u>0.34</u>
Total	1,152,235	21.51
Balance from Other Customers	<u>4,204,894</u>	<u>78.49</u>
Total Sewer Revenue	<u><u>\$5,357,129</u></u>	<u><u>100.00%</u></u>

(continued)

City of Sandusky
Principal Sewer Customers
Last Nine Years
(continued)

Customer	2005	
	Sewer Revenue	
	Amount	Percentage
Cedar Fair	\$846,043	15.83%
Firelands Regional Health System	121,642	2.27
Radisson Harbour Inn	77,855	1.45
Sandusky Associates, LLC	74,805	1.40
Muirwood Village	27,165	0.51
Sandusky Limited	26,248	0.49
TGI Fridays	21,927	0.41
MHD Corporation	15,826	0.30
G & C Foundry	12,412	0.23
Lee Group	11,693	0.22
Total	1,235,616	23.11
Balance from Other Customers	4,109,948	76.89
Total Sewer Revenue	<u>\$5,345,564</u>	<u>100.00%</u>

Source: City Utility Department

Note: Information prior to 2005 not available.

City of Sandusky
Number of Water and Sewer Customers by Type
Last Nine Years

Year	Water		Sewer		Total	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
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
2009	8,379	1,014	8,351	997	16,730	2,011
2008	8,393	1,038	8,368	1,020	16,761	2,058
2007	8,462	1,027	8,437	1,009	16,899	2,036
2006	8,516	1,046	8,489	1,025	17,005	2,071
2005	8,625	1,034	8,578	1,014	17,203	2,048

Source: City Utility Department

Note: Information prior to 2005 not available.



City of Sandusky
Water Produced and Consumed and Wastewater Treated
Last Nine 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
2013	3,323,608,000	2,336,032,624	324,043,324	724,070,810	23.66%	4,696,100,000
2012	3,420,350,900	2,509,011,164	43,260,580	806,177,308	24.32	4,400,500,000
2011	3,477,491,000	2,478,440,404	38,144,266	860,098,299	25.76	5,865,100,000
2010	3,311,345,000	2,732,551,064	64,910,000	462,193,250	14.47	3,764,140,000
2009	3,055,757,000	2,439,575,070	38,973,750	532,694,360	17.92	3,790,900,000
2008	3,056,657,000	2,545,413,752	35,622,000	302,599,669	10.62	4,300,500,000
2007	3,056,130,750	2,522,043,000	174,588,655	340,653,095	11.90	4,174,000,000
2006	2,861,333,000	1,971,015,750	15,606,750	874,710,500	30.74	4,120,000,000
2005	2,755,114,000	2,334,836,250	15,984,000	404,293,750	14.76	3,943,000,000

Source: City Utility Department

Note: Information prior to 2005 not available.

City of Sandusky
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities				
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Loans Payable	Capital Leases
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
2009	16,624,377	0	4,170,986	767,275	38,073
2008	17,289,834	0	4,438,434	829,545	75,916
2007	17,900,290	0	1,996,032	918,855	111,932
2006	18,413,397	0	1,974,032	0	146,214
2005	19,064,812	0	2,127,766	0	178,840
2004	18,287,600	0	2,194,499	0	160,242

Source: City Records

(1) See schedule on S-54 for population and personal income. These ratios are calculated using personal income and population for the prior calendar year.

Business-Type Activities					
General Obligation Revenue Bonds	OWDA Loans	Loans Payable	Total Debt	Per Capita (1)	Percentage of Personal Income (1)
\$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
2,117,825	40,693,071	476,753	64,888,360	2,330.43	12.87
2,294,659	36,781,982	515,446	62,225,816	2,234.80	12.34
2,471,493	34,578,434	570,938	58,547,974	2,102.71	11.61
2,648,327	36,142,140	0	59,324,110	2,130.59	11.76
2,950,161	36,097,777	0	60,419,356	2,169.92	11.98
1,181,710	32,388,142	0	54,212,193	1,947.00	10.75

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
2013	25,793	\$1,288,762,889	\$17,934,810	\$695.34	1.39%
2012	25,793	1,361,052,402	19,510,220	756.42	1.43
2011	25,793	1,370,828,506	21,044,147	815.89	1.54
2010	25,793	1,121,432,882	21,649,772	839.37	1.93
2009	27,844	1,377,868,880	22,913,188	822.91	1.66
2008	27,844	1,647,720,441	24,022,927	862.77	1.46
2007	27,844	1,632,699,220	22,367,815	803.33	1.37
2006	27,844	1,482,723,107	23,035,756	827.31	1.55
2005	27,844	1,511,378,545	24,142,739	867.07	1.60
2004	27,844	1,520,384,653	21,663,809	778.04	1.42

Source: City Records

Erie County Auditor

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, 2013

	Debt Outstanding	Percent Applicable to City of Sandusky (1)	Amount Applicable to City of Sandusky
City of Sandusky			
2001 Various Purpose	\$110,000	100.00%	\$110,000
2005 Various Purpose	355,000	100.00	355,000
2005 City Complex Refunding	4,824,816	100.00	4,824,816
2007 Police Pension Refunding	385,588	100.00	385,588
2007 Fire Pension Refunding	518,848	100.00	518,848
2007 Various Purpose Refunding	3,651,269	100.00	3,651,269
2011 Library Refunding	3,597,829	100.00	3,597,829
2013 Urban Renewal	2,310,000	100.00	2,310,000
Special Assessment Bonds	2,903,175	100.00	2,903,175
Loans Payable	415,821	100.00	415,821
	<u>19,072,346</u>		<u>19,072,346</u>
Erie County	<u>13,228,845</u>	23.42	<u>3,098,195</u>
Total	<u><u>\$32,301,191</u></u>		<u><u>\$22,170,541</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 2013 collection year.

City of Sandusky
Computation of Legal Debt Margin
Last Ten Years

	2013	2012	2011	2010
Total Assessed Valuation	<u>\$460,233,000</u>	<u>\$484,811,000</u>	<u>\$487,852,000</u>	<u>\$400,482,525</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	48,324,465	50,905,155	51,224,460	42,050,665
Gross Indebtedness	69,424,886	73,103,099	73,755,127	71,437,371
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
Revenue Bonds	2,310,000	0	0	0
Special Assessment Bonds	2,810,036	3,086,009	3,384,549	3,706,088
General Obligation Revenue Bonds	1,565,000	1,625,000	1,729,000	1,906,000
OWDA Loans	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>	<u>43,537,012</u>
Net Indebtedness	16,303,803	20,328,670	21,915,971	22,288,271
Less Fund Balance in Debt Service Fund	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>	<u>82,687</u>
Net Debt Within 10.5 Percent Limitation	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>	<u>22,205,584</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$32,077,792</u>	<u>\$30,605,619</u>	<u>\$29,341,242</u>	<u>\$19,845,081</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	66.38%	60.12%	57.28%	47.19%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$25,312,815	\$26,664,605	\$26,831,860	\$22,026,539
Gross Indebtedness	69,424,886	73,103,099	73,755,127	71,437,371
Less Debt Outside Limitation				
Bond Anticipation Notes	0	0	0	0
Revenue Bonds	2,310,000	0	0	0
Special Assessment Bonds	2,810,036	3,086,009	3,384,549	3,706,088
General Obligation Revenue Bonds	1,565,000	1,625,000	1,729,000	1,906,000
OWDA Loans	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>	<u>43,537,012</u>
Net Indebtedness	16,303,803	20,328,670	21,915,971	22,288,271
Less Fund Balance in Debt Service Fund	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>	<u>82,687</u>
Net Debt Within 5.5 Percent Limitation	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>	<u>22,205,584</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$9,066,142</u>	<u>\$6,365,069</u>	<u>\$4,948,642</u>	<u>(\$179,045)</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	35.82%	23.87%	18.44%	(0.81%)

Source: City Records

2009	2008	2007	2006	2005	2004
<u>\$490,136,050</u>	<u>\$508,186,420</u>	<u>\$522,301,470</u>	<u>\$487,545,890</u>	<u>\$502,544,130</u>	<u>\$506,800,114</u>
51,464,285	53,359,574	54,841,654	51,192,318	52,767,134	53,214,012
69,034,270	68,244,180	65,841,032	67,414,138	66,854,776	63,458,254
0	0	0	0	0	1,850,000
0	0	0	0	0	0
4,060,063	4,324,197	1,992,732	1,970,132	2,123,266	2,304,512
2,083,000	2,255,000	2,427,000	2,599,000	2,896,000	1,153,000
<u>40,693,071</u>	<u>36,781,982</u>	<u>34,578,434</u>	<u>36,142,140</u>	<u>36,097,777</u>	<u>32,388,142</u>
22,198,136	24,883,001	26,842,866	26,702,866	25,737,733	25,762,600
<u>173,295</u>	<u>162,155</u>	<u>205,867</u>	<u>266,065</u>	<u>256,409</u>	<u>494,598</u>
<u>22,024,841</u>	<u>24,720,846</u>	<u>26,636,999</u>	<u>26,436,801</u>	<u>25,481,324</u>	<u>25,268,002</u>
<u>\$29,439,444</u>	<u>\$28,638,728</u>	<u>\$28,204,655</u>	<u>\$24,755,517</u>	<u>\$27,285,810</u>	<u>\$27,946,010</u>
57.20%	53.67%	51.43%	48.36%	51.71%	52.52%
\$26,957,483	\$27,950,253	\$28,726,581	\$26,815,024	\$27,639,927	\$27,874,006
69,034,270	68,244,180	65,841,032	67,414,138	66,854,776	63,458,254
0	0	0	0	0	1,850,000
0	0	0	0	0	0
4,060,063	4,324,197	1,992,732	1,970,132	2,123,266	2,304,512
2,083,000	2,255,000	2,427,000	2,599,000	2,896,000	1,153,000
<u>40,693,071</u>	<u>36,781,982</u>	<u>34,578,434</u>	<u>36,142,140</u>	<u>36,097,777</u>	<u>32,388,142</u>
22,198,136	24,883,001	26,842,866	26,702,866	25,737,733	25,762,600
<u>173,295</u>	<u>162,155</u>	<u>205,867</u>	<u>266,065</u>	<u>256,409</u>	<u>494,598</u>
<u>22,024,841</u>	<u>24,720,846</u>	<u>26,636,999</u>	<u>26,436,801</u>	<u>25,481,324</u>	<u>25,268,002</u>
<u>\$4,932,642</u>	<u>\$3,229,407</u>	<u>\$2,089,582</u>	<u>\$378,223</u>	<u>\$2,158,603</u>	<u>\$2,606,004</u>
18.30%	11.55%	7.27%	1.41%	7.81%	9.35%



City of Sandusky
Revenue Supported - Bond Coverage
Governmental Activities
Current Year

Year	Payment in Lieu of Taxes Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
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 - Bond 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	
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
2009	5,377,081	4,182,466	1,194,615	85,000	18,524	103,524	11.54
2008	5,499,096	4,626,578	872,518	85,000	22,525	107,525	8.11
2007	4,746,271	3,841,614	904,657	85,000	26,328	111,328	8.13
2006	5,648,139	3,341,908	2,306,231	205,000	39,080	244,080	9.45
2005	6,574,685	3,407,134	3,167,551	200,000	43,655	243,655	13.00
2004	6,571,450	3,062,778	3,508,672	200,000	56,342	256,342	13.69

Source: City Records

(1) Includes depreciation expense, excludes interest expense.

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

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2009	6,113,987	5,143,723	970,264	87,000	76,995	163,995	5.92
2008	6,879,298	5,276,170	1,603,128	87,000	81,045	168,045	9.54
2007	6,749,919	4,921,594	1,828,325	87,000	85,094	172,094	10.62
2006	6,616,989	4,246,275	2,370,714	92,000	100,920	192,920	12.29
2005	6,640,971	4,186,875	2,454,096	47,000	25,910	72,910	33.66
2004	6,493,910	4,542,126	1,951,784	400,000	22,444	422,444	4.62

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)	Persons Per Household (1)
2013	25,793	\$515,679,449	\$19,993	13,536	11,138	2.27
2012	25,793	525,222,859	20,363	13,386	11,082	2.28
2011	25,793	494,116,501	19,157	13,386	11,082	2.28
2010	25,793	488,106,732	18,924	13,377	11,153	2.26
2009	27,844	504,282,684	18,111	13,323	11,851	2.31
2008	27,844	504,282,684	18,111	13,323	11,851	2.31
2007	27,844	504,282,684	18,111	13,323	11,851	2.31
2006	27,844	504,282,684	18,111	13,323	11,851	2.31
2005	27,844	504,282,684	18,111	13,323	11,851	2.31
2004	27,844	504,282,684	18,111	13,323	11,851	2.31

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.

Owner Occupied Units (1)	Median Family Income (1)	Unemployment Rate (2)
5,906	\$43,723	7.9%
5,916	44,615	7.6
5,916	44,270	9.2
6,490	43,302	9.8
6,692	37,749	12.4
6,692	37,749	9.8
6,692	37,749	7.3
6,692	37,749	6.6
6,692	37,749	6.7
6,692	37,749	6.4



City of Sandusky
Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2013			2004		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Magnum Management Corp.	Entertainment	5,627	1	45.38%	6,583	1	51.43%
Firelands Regional Health System	Hospital	2,014	2	16.24	1,979	2	15.46
Sandusky Board of Education	Education	772	3	6.23	914	3	7.14
Erie County	Government	460	4	3.71	683	4	5.34
Providence Care Center	Nursing Home	355	5	2.86			
Stein Hospice Service	Hospice	334	6	2.69			
Kyklos Bearings International	Automotive	236	7	1.90	286	6	2.23
City of Sandusky	Government	233	8	1.88	399	5	3.12
Sandusky International, Inc.	Manufacturing	173	9	1.40			
U.S. Tsubaki, Inc.	Manufacturing	158	10	1.27			
FMC Corporation	Food Equipment				228	7	1.78
Sandusky Limited	Port Facilities				185	8	1.45
G & C Foundry	Manufacturing				150	9	1.17
Sandusky Internists, Inc.	Medical				26	10	0.20
	Total	<u>10,362</u>		<u>83.56%</u>	<u>11,433</u>		<u>89.32%</u>
	Total City Employment	<u>12,400</u>			<u>12,800</u>		

Source: Regional Income Tax Agency (RITA)

City of Sandusky
Full Time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2013	2012	2011	2010
Security of Persons and Property-Police				
Police Patrol	45.0	45.0	47.0	45.0
Police Records	1.0	1.0	4.5	6.0
Police Reserve	4.0	4.0	2.0	0.0
Security of Persons and Property-Fire				
Fire Suppression	53.0	53.0	54.0	48.0
Public Health				
Oakland Cemetery	2.5	2.5	2.5	2.5
Leisure Time Activities				
Golf Course	0.0	0.5	0.0	0.0
Recreation	1.0	1.0	2.0	1.0
Pavillion	0.0	0.0	0.0	0.0
Community Environment				
Community Development	7.0	6.0	6.0	6.0
Horticultural Services	7.5	8.0	8.5	8.5
Transportation				
Streets	10.5	10.5	9.5	9.5
Traffic and Electrical Maintenance	2.0	2.0	2.0	3.0
General Government-Municipal Court				
Court-Criminal	17.0	17.5	17.0	18.0
General Government-Other				
City Manager	1.0	1.0	1.5	0.0
Personnel Labor Relations	3.0	3.0	4.0	4.0
Finance	3.0	3.0	2.0	3.0
Law Director	4.5	4.5	4.5	4.5
City Commission	8.0	8.0	8.0	8.0
Municipal Buildings and Lands	2.5	3.5	3.5	4.5
Engineering	8.0	7.0	7.0	7.0
Fleet	4.0	4.0	4.0	4.0
Basic Utility Services				
Water/Sewer Office	3.0	3.0	3.0	3.0
Waterworks Filtration	12.0	13.0	13.0	13.0
Waterworks Distribution	9.0	8.0	8.0	8.5
Water Pollution Control	15.0	17.0	18.0	18.0
Sewer Maintenance	9.0	9.0	8.0	9.0
Total	<u>232.5</u>	<u>235.0</u>	<u>239.5</u>	<u>234.0</u>

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.

2009	2008	2007	2006	2005	2004
52.0	52.0	49.0	50.0	51.0	52.0
10.0	12.0	11.0	10.5	11.0	11.0
0.0	3.5	7.0	8.5	7.5	9.5
54.0	52.0	53.0	53.0	52.0	54.0
3.5	3.0	4.5	4.0	4.0	4.0
0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	2.0	1.0
0.5	0.5	0.0	0.0	0.0	0.0
5.0	8.5	10.5	11.5	11.5	12.0
8.0	9.0	11.5	11.0	13.0	13.5
10.0	10.0	10.0	9.0	9.0	9.0
3.0	3.0	5.0	4.0	5.0	4.0
18.0	19.5	19.5	17.5	17.5	19.0
0.0	2.0	2.0	3.0	4.0	4.0
4.5	5.5	5.5	3.5	5.0	7.0
4.0	4.0	4.0	4.0	4.0	6.0
4.0	6.0	6.0	6.0	6.0	6.0
8.0	9.0	9.0	9.0	9.5	10.0
4.0	5.5	4.5	4.5	5.0	5.0
10.0	11.0	11.0	12.0	11.0	12.0
4.0	4.0	4.0	4.0	4.0	4.0
3.0	3.0	2.0	3.0	3.0	3.0
12.0	12.0	13.0	13.0	14.0	15.0
9.0	9.0	10.0	10.0	11.0	11.0
18.0	18.0	18.0	18.0	18.0	19.0
9.0	9.0	9.0	10.0	10.0	11.0
254.5	272.0	280.0	280.0	288.0	302.0

City of Sandusky
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2013	2012	2011
Security of Persons and Property-Police			
Number of Calls for Service	43,330	36,934	37,071
Number of Traffic Citations and Arrests	4,281	3,922	3,452
Number of Parking Tickets Issued	396	445	557
Accident Severity Breakdown			
Fatalities	0	2	0
Injury	100	127	138
Property Damage	514	577	574
Number of Criminal Arrests	6,391	6,094	5,881
Number of DUI Arrests	237	184	185
Square Miles Served	14.9	14.9	14.9
Original Department Operating Budget (General Fund)	\$4,727,118	\$4,951,507	\$4,686,741
Security of Persons and Property-Fire			
Number of EMS Calls	4,542	4,495	4,312
Number of Fire Calls	897	855	791
Net Ambulance Billing Collections	\$780,893	\$864,791	\$622,476
EMS Response Time (in seconds)	175	178	191
Fire Reponse Time (in seconds)	226	251	288
Number of Times Mutual Aid Given	32	23	26
Number of Times Mutual Aid Received	23	17	29
Square Miles Served	14.9	14.9	14.9
Number of Stations	3	3	3
Original Department Operating Budget (General Fund)	\$4,294,596	\$4,176,776	\$4,105,936
Public Health			
Cemetery Burials	138	108	128
Cemetery Cremations	48	34	34
Cemetery Sale of Lots	75	74	66
Cemetery Charges for Services Receipts	\$96,550	\$74,340	\$90,515
Leisure Time Activities			
Recreation			
Boat Ramp Receipts	\$28,763	\$21,369	\$938
Golf Course Receipts	\$162,553	\$204,010	\$211,717
Recreation Receipts	\$40,456	\$30,954	\$30,958
Sandusky Bay Pavilion Receipts	\$10,540	\$0	\$5,000
Paper District Marina Receipts	\$36,975	\$21,369	\$6,033
Reimbursements/Donations	\$3,483	\$3,262	\$760
Golf Course-Daily Pay Rounds	7,150	9,801	6,935
Golf Course-Daily Pass Rounds	5,983	6,952	6,880
Golf Course-Annual Pass Sales	113	120	119
Boat Ramp-Number of Daily Passes Sold	2,932	2,501	0
Boat Ramp-Number of Season Passes Sold	80	65	0
Boat Ramp-Number of Tournament Days	19	12	14
Paper District Marina-3-Hour Docks	1,722	722	186
Paper District Marina-Overnight Boat	334	109	89
Paper District Marina-Weekly Boat	0	0	11
Paper District Marina-Jetski Day	38	17	39
Paper District Marina-Jetski Overnight	6	0	2
Paper District Marina-Jetski 10-Day	0	0	2
Paper District Marina-Seasonal Dock (Boat)	1	0	0
Paper District Marina-Seasonal Dock (Jetski)	5	0	0

2010	2009	2008	2007	2006	2005	2004
19,471	28,288	21,441	17,529	15,951	16,010	16,869
3,072	4,319	4,892	3,807	2,598	2,537	2,344
611	1,069	1,819	1,815	2,672	2,513	2,921
0	0	2	0	0	0	1
101	120	123	132	159	177	196
603	511	575	651	582	641	738
6,505	5,771	7,953	8,094	7,829	7,341	7,169
241	241	209	235	174	145	168
14.9	14.9	14.9	14.9	14.9	14.9	14.9
\$4,673,083	\$5,404,496	\$5,384,630	\$5,017,372	\$4,835,645	\$4,416,114	\$4,628,849
3,914	3,858	3,673	3,641	3,332	3,223	3,279
838	1,177	1,168	1,115	950	928	887
\$767,177	\$626,958	\$660,239	\$599,323	\$637,234	\$595,298	\$596,512
184	178	186	214	199	198	165
285	247	207	226	191	201	171
21	18	27	18	23	16	19
23	16	19	30	45	37	19
14.9	14.9	14.9	14.9	14.9	14.9	14.9
3	3	3	3	3	3	3
\$4,392,888	\$4,900,965	\$4,745,641	\$4,515,255	\$4,314,322	\$3,996,555	\$3,849,625
110	95	93	103	131	106	107
33	42	42	35	26	33	32
65	69	74	103	64	70	89
\$86,562	\$100,113	\$95,190	\$107,389	\$103,154	\$107,066	\$111,878
\$201	\$845	\$38,128	\$55,519	\$53,306	\$32,280	\$29,504
\$214,839	\$207,048	\$244,384	\$209,793	\$188,407	\$224,461	\$198,801
\$23,786	\$27,820	\$36,325	\$34,509	\$22,999	\$21,127	\$12,394
\$500	\$17,515	\$34,261	\$35,741	\$54,355	\$8,295	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$650	\$669	\$529	\$124	\$877	\$1,058	\$9,245
9,610	9,517	11,275	10,357	8,140	9,817	9,658
6,588	9,484	9,973	10,074	8,695	8,185	8,578
124	132	145	164	197	195	160
n/a	n/a	3,915	4,513	4,616	4,915	4,523
n/a	n/a	78	113	124	155	142
12	14	4	22	19	21	12
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

(continued)

City of Sandusky
Operating Indicators by Function/Program
Last Ten Years
(continued)

Function/Program	2013	2012	2011
Horticulture Services			
Trees Planted	56	65	52
Trees Removed	113	153	143
Trees Trimmed	250	232	223
Stumps Removed	98	177	132
Loads of Wood and Chips to Residents	132	135	128
Number of Regularly Scheduled Work Hours Related to			
Trees Planted	143	244	18
Trees Removed	827	688	939
Trees Trimmed	476	375	430
Stumps Removed	149	144	119
Storm Cleanup	297	491	220
Plant Propagation	1,112	1,350	1,055
Plant Installation	499	731	465
Landscape Maintenance	1,521	1,945	1,260
Fountain and Irrigation Maintenance	164	174	92
Playground Equipment Maintenance	102	120	87
Nursery Maintenance	371	16	593
Baseball Field Maintenance	106	125	120
Public Restroom Maintenance	289	286	309
Holiday Decorations	732	715	931
Christmas Tree Pickup	81	122	57
Transportation			
Cost of Salt Purchased	\$50,460	\$25,307	\$60,650
Number of Regularly Scheduled Work Hours Related to Snow Removal	1,110	694	1,185
Sign Department Hours	1,600	1,503	1,581
Guardrail Repair Hours	8	0	0
Street Improvements-Asphalt Overlay (linear feet)	1,241	1,331	115
Pavement Marking Hours	654	520	492
Cold Patch Hours	1,245	839	1,185
Street Sweeping Hours	1,484	1,425	1,598
General Government-Court			
Municipal Court			
Number of Civil Cases	2,622	2,749	2,502
Number of Criminal Cases	12,843	11,597	9,879
General Government-Other			
Finance			
Agency Ratings-Moody's Financial Services	Aa3	Aa3	Aa3
Income Tax			
Number of Individual Returns	13,682	15,306	15,050
Number of Business Returns	2,927	2,748	2,460
Number of Business Withholding Accounts	14,168	13,387	12,168
Amount of Interest and Penalties Collected	\$97,234	\$100,984	\$122,404
Tax Revenue	\$8,303,179	\$7,971,818	\$7,234,468
City Commission			
Number of Ordinances Passed	146	141	143
Number of Resolutions Passed	50	39	52
Municipal Buildings and Lands			
Number of Construction Permits Issued (building, electric, plumbing)	842	927	1,060
Estimated Value of Construction	\$55,106,730	\$16,070,557	\$11,484,665
Amount of Revenue Generated from Building Department	\$290,930	\$188,287	\$146,647

2010	2009	2008	2007	2006	2005	2004
25	20	32	103	134	39	75
118	108	133	159	208	180	161
478	265	408	659	486	842	762
114	75	245	202	177	137	219
132	176	133	246	254	278	119
166	222	188	250	212	135	356
854	1,036	1,210	1,550	2,242	1,712	1,532
622	216	680	866	1,113	1,312	1,476
185	230	382	364	306	225	449
179	288	489	357	299	411	315
931	1,857	1,276	1,949	2,412	2,271	2,125
300	573	961	700	1,461	1,575	1,220
1,357	2,060	875	1,893	2,090	1,933	1,430
226	130	100	121	170	217	270
99	117	80	170	221	418	126
503	75	95	87	96	106	173
73	342	371	326	871	573	380
271	258	242	266	489	229	129
551	856	1,251	1,208	533	476	1,002
64	16	24	56	59	65	163
\$63,648	\$7,095	\$71,372	\$83,436	\$25,872	\$67,835	\$40,109
1,452	1,398	1,595	1,301	336	532	371
1,716	2,251	1,904	2,538	2,312	2,082	2,601
24	16	0	18,718	0	7	11
2,278	2,740	3,444	547	7,580	3,419	3,134
950	841	850	1,160	516	503	217
1,711	1,330	1,922	1,281	410	2,499	2,701
1,429	1,453	1,358	1,477	1,156	1,012	771
2,727	3,166	3,277	3,097	2,893	2,554	2,977
10,295	13,156	12,888	12,052	10,915	11,955	11,311
Aa3	A2	A2	A2	A2	A2	A2
10,091	6,982	12,838	9,704	11,503	9,450	11,601
1,846	2,070	1,423	1,292	1,226	1,429	1,625
9,767	8,550	1,337	1,352	8,885	1,375	N/A
\$98,699	\$148,491	\$165,724	\$207,015	\$78,435	\$101,724	\$127,529
\$6,811,653	\$6,249,181	\$8,179,964	\$6,891,325	\$7,179,950	\$7,156,052	\$7,021,290
162	131	150	105	130	72	165
44	33	37	38	55	30	48
2,259	931	1,146	892	1,018	1,113	1,155
\$26,426,795	\$30,794,209	\$14,812,745	\$12,990,490	\$71,960,299	\$49,638,024	\$41,545,823
\$232,932	\$162,116	\$162,072	\$136,065	\$329,152	\$381,708	\$229,887

(continued)

City of Sandusky
Operating Indicators by Function/Program
Last Ten Years
(continued)

Function/Program	2013	2012	2011
Civil Service			
Number of Police Entry Tests Administered	0	0	1
Number of Fire Entry Tests Administered	1	0	1
Number of Police Promotional Tests Administered	1	0	2
Number of Fire Promotional Tests Administered	2	1	2
Number of Hires of Police Officers from Certified Lists	0	7	5
Number of Hires of Fire/Medics from Certified Lists	0	4	6
Number of Promotions from Police Certified Lists	0	5	4
Number of Promotions from Fire Certified Lists	0	6	2
Water Department			
Water Rates per 100 Cubic Feet of Water Used Monthly (1)	\$4.10	\$4.10	\$4.10
Sewer Department			
Sewer Rates per 100 Cubic Feet of Water Used Monthly (1)	\$7.00	\$7.00	\$7.00
Total Flow of Wastewater Treatment Plant	4,696	4,401	5,865
Average Daily Flow (millions of gallons per day)	12.90	12.01	16.10
Tons of Dry Sludge Removed	1,210	1,272	1,017

Source: City Records

(1) Based on 5/8" meter

2010	2009	2008	2007	2006	2005	2004
0	0	0	1	0	0	0
0	0	1	0	0	0	0
0	0	1	3	0	0	0
0	1	1	0	0	0	0
0	0	7	4	0	0	0
0	2	2	0	0	0	0
0	0	2	8	0	0	0
0	1	1	0	0	0	0
\$4.10	\$4.10	\$4.10	\$4.10	\$4.10	\$4.10	\$4.10
\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
3,764	3,791	4,300	4,174	4,120	3,943	3,868
10.30	10.42	11.79	11.42	11.30	10.82	10.57
1,246	1,441	1,491	1,650	1,357	1,466	1,468

City of Sandusky
Capital Assets by Function/Program
Last Ten Years

Function/Program	2013	2012	2011
Security of Persons and Property-Police			
Stations	1	1	1
Vehicles	22	27	26
Security of Persons and Property-Fire			
Stations	3	3	3
Vehicles	15	16	15
Public Health			
Vehicles	2	3	3
Leisure Time Activities			
Number of Parks	20	20	20
Number of Piers/Pavilions/Plazas	4	4	4
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	46	46	46
Transportation			
Bridges	1	1	1
Streets (miles)	113.7	113.7	113.7
Vehicles	17	29	29
General Government-Other			
City Manager Vehicles	0	5	6
Mechanic Vehicles	4	4	4
Engineering Vehicles	3	10	10
Water			
Water Lines (miles)	134.88	134.88	134.88
Vehicles	11	18	18
Sewer			
Sewer Lines (miles)	163.69	163.69	163.69
Vehicles	14	20	20

Source: City Records

2010	2009	2008	2007	2006	2005	2004
1 26	1 27	1 27	1 25	1 27	1 22	1 22
3 15	3 15	3 16	3 15	3 14	3 14	3 13
3	3	3	3	3	3	3
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	21 4 1 1 17 1	21 4 1 1 17 1
46	34	34	34	34	34	34
1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 29	1 113.7 30	1 112.3 30
6 4 10	6 4 10	6 4 10	6 4 10	6 5 10	6 5 10	6 5 10
134.88 18	134.82 16	134.69 16	134.66 16	134.37 16	134.37 17	134.37 17
163.69 20	163.69 19	163.49 19	162.52 19	162.50 19	161.73 20	161.73 20





Dave Yost • Auditor of State

CITY OF SANDUSKY

ERIE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 22, 2014**