

City of Sandusky  
Erie County, Ohio

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

For the Year Ended  
December 31, 2014





# 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, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

August 14, 2015

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**City of Sandusky**  
**Erie County, Ohio**  
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*December 31, 2014*

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June 15, 2015

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, 2014, 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 15, 2015.

**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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2014-001.

### **Entity's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response, and accordingly, we express no opinion on it.

### **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.

*Rea & Associates, Inc.*

Medina, Ohio



June 15, 2015

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, 2014. 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, 2014.

**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, 2014, and have issued our report thereon dated June 15, 2015, which contained an unmodified opinion on those financial statements. 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.

*Rea & Associates, Inc.*

Medina, Ohio

CITY OF SANDUSKY  
ERIE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Direct</i>			
Community Development Block Grant - Entitlement Grants	N/A	14.218	\$ 668,678
Total United States Department of Housing and Urban Development			<u>668,678</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
<i>Direct</i>			
Federal Transit Grant	N/A	20.507	119,315
Total Federal Transit Grant			<u>119,315</u>
<i>Passed Through Ohio Department of Transportation</i>			
Job Access - Reverse Commute Program	14-JARC-0022-071	20.516	76,077
	14-JARC-4022-071	20.516	46,269
	15-JARC-0022-071	20.516	96,500
	15-JARC-4022-071	20.516	52,204
Total Job Access - Reverse Commute Program			<u>271,050</u>
Formula Grants for Rural Areas	14-RPT-0022	20.509	100,096
	14-RPT-4022	20.509	29,545
	RPTF-4081	20.509	75,177
	14-RPTF-4081	20.509	100,000
	15-RPTF-0081	20.509	83,742
	15-RPTF-4081	20.509	43,743
	15-TRANSIT	20.509	180,972
	TRANSIT-10194	20.509	118,120
	TRANSIT-10195	20.509	99,905
	15-RPT-0022	20.509	183,481
Total Formula Grants for Rural Areas			<u>1,014,781</u>
Highway Planning and Construction	PID #79275	20.205	161,561
	PID #82672	20.205	170,718
	PID #85934	20.205	335,012
	PID #90456	20.205	16,853
Total Highway Planning and Construction	PID #96268	20.205	8,431
			<u>692,575</u>
Total United States Department of Transportation			<u>2,097,721</u>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
<i>Direct</i>			
Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738	12,398
<i>Pass Through Ohio Department of Public Safety</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2009-JG-A0V-V6944	16.738	25,000
<i>Pass Through Ohio Supreme Court</i>			
Edward Byrne Memorial Justice Assistance Grant Program	N/A	16.738	19,482
Total United States Department of Justice			<u>56,880</u>
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Direct</i>			
Assistance to Firefighters Grant	EMW-2010-FH-00803	97.044	176,157
Total United States Department of Homeland Security			<u>176,157</u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<u>\$ 2,999,436</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, 2014**

**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:

<b>Program Title</b>	<b>CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
Community Development Block Grant – Entitlement	14.218	\$ 142,858

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, 2014, the gross amount of loans outstanding under this program was \$743,110.

Activity in the CDBG revolving loan fund during 2014 is as follows:

Beginning loans receivable balance as of January 1, 2014:	\$ 788,108
Loans made:	13,695
Loan principal repaid on loans issued prior to 2014:	(58,693)
Loans written off:	<u>0</u>
Ending loan receivable balance as of December 31, 2014:	<u>\$ 743,110</u>

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

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

Ending loan receivable balance as of December 31, 2014 (from previous page)	\$ 743,110
Cash balance on hand in the revolving loan fund as of December 31, 2014:	457,452
Interest subsidies and administrative costs expended during 2014:	<u>82,328</u>
<b>Total value of RLF portion of the CDBG 14.218 program</b>	<b>1,282,890</b>
Other grants administered through the 14.218 program	<u>668,678</u>
<b>Total CDBG 14.218 program</b>	<b><u>\$ 1,951,568</u></b>

The table above reports gross loans receivable. Of the loans receivable as of December 31, 2014, the City estimates \$195,007 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, 2014, the gross amount of loans outstanding under this program was \$1,679,443. Loans written off are \$55,983.

**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, 2014**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any 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)?	Yes
(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): Highway Planning and Construction Job Access – Reverse Commute Program	CFDA #20.205 CFDA #20.516
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Material Noncompliance**

**Finding Number: 2014-001**

**Criteria:** Ohio Rev. Code Section 5705. 41 (B) and (D) - \* prohibit a subdivision or taxing unit from expending money unless it has been appropriated.

**Condition:** As of December 31, 2014, the following funds had expenditures plus encumbrances exceeding appropriations at the legal level of control:

**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
OMB CIRCULAR A-133, Section .505  
DECEMBER 31, 2014**

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

**Finding Number: 2014-001(continued)**

Fund/Account	Appropriations	Expenditures Plus Encumbrances	Excess
Capital Projects Fund			
Brownsfields			
Other	\$ 550,000	\$ 551,509	\$ (1,509)
Water Street Rehabilitation			
Other	50,006	127,846	(77,840)
Ferndale Drive Resurfacing			
Other	2,000	16,070	(14,070)
Capital Outlay	1,225,579	1,358,990	(133,411)
Fire Pension Fund			
Fire Pension			
Other	2,768	3,030	(262)
Police Pension Fund			
Police Pension			
Other	2,770	3,031	(261)
State Grants Fund			
Revolving Loan Economic Development			
Other	27,001	33,344	(6,343)

**Cause:** The City reduced their beginning appropriations by an amount larger than necessary after reviewing current year encumbrances.

**Effect:** Failure to monitor fluctuations in actual expenditures plus encumbrances could result in these exceeding appropriations plus prior year encumbrances and ultimately operating funds into negative fund balances.



**CITY OF SANDUSKY  
ERIE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
OMB CIRCULAR A-133, Section .505  
DECEMBER 31, 2014**

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

**Finding Number: 2014-001(continued)**

**Recommendation:** We recommend the City compare expenditures and encumbrances to appropriations in all funds which are legally required to be budgeted, at the legal level of control, prior to making expenditure commitments, and make all necessary adjustments to the amounts appropriated to ensure compliance with the above requirements. This comparison, and amendment if necessary, should be completed on a monthly basis at a minimum.

**Management's Response:** The Finance Department will attempt to remedy this matter using an Excel spreadsheet in the future. The computer system is causing discrepancies at year-end related to prior year encumbrances which is causing the variances to occur.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**NONE**

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# City of Sandusky



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the year ended December 31, 2014**

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# Introductory

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# CITY OF SANDUSKY, OHIO

## COMPREHENSIVE

### ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2014

Prepared By:

Department of Finance

Hank S. Solowiej, CPA  
Finance Director

Sally A. Poggiali  
Senior Accountant/Auditor

Jacki M. Jesberger  
Senior Accounting Clerk II

Heather L. Turner  
Senior Accounting Clerk II

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Senior Accounting Clerk II

Kaye L. Conway  
Senior Accounting Clerk II





**CITY OF SANDUSKY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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

222 Meigs Street  
Sandusky, Ohio 44870  
Phone (419) 627-5888  
Fax (419) 627-5892

June 15, 2015

To the City Commission and Citizens of Sandusky:

The Comprehensive Annual Financial Report of the City of Sandusky for the year ended December 31, 2014, is herewith submitted. This report is prepared according to generally accepted accounting principles (GAAP). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by its financial activity, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The City has a framework of internal controls established to ensure the accuracy of the presented data and the completeness and fairness of the presentation. Because the cost of internal controls should not exceed anticipated benefits, the controls provide reasonable assurance that the financial statements are free of any material misstatements.

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

The independent public accountant has issued an unmodified opinion on the City of Sandusky's basic financial statements for the year ended December 31, 2014. 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 by Cleveland Hopkins International Airport and the Toledo Express Airport, which are each within a one hour drive of the City. Lake freighters load or unload coal, salt, and other products from shipping docks in the City.

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

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

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

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

The City Commission is required to adopt the original budget by no later than March 31 of each year and final budget amendments must be made prior to the close of the year. The annual budget serves as the foundation for the City's financial planning and control. All funds, except 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 automotive and automotive components, a theme park, hospital, and local governments such as Erie County and the Sandusky Board of Education.

During the past ten years, the unemployment rate (not seasonally adjusted) has fluctuated from a high of 12.4 percent in December 2009 to an estimated 7 percent in December 2014. The 2014 median family income for the City is an estimated \$45,208, compared to the County, State, and national medians of \$51,756, \$50,037, and \$50,046, respectively. The 2014 median value of owner-occupied housing units for the City is an estimated \$110,400, compared to the County, State, and national medians of \$135,200, \$130,800, and \$176,700, 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.

The City will be updating its Comprehensive Master Plan along with the Strategic Plan in 2015. The City will also begin a review of the City Charter in 2015.

## **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 added Pipe Scream and Lake Erie Eagles, two new family rides 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 includes upgrading a portion of the exterior of Hotel Breakers. Phase two includes both interior and exterior renovations. In 2015, Cedar Point will introduce a dynamically new roller coaster riding experience when it unleashes “Rougarou”. Rougarou, named after a terrifying werewolf-like creature in French folklore, will feature floorless trains that reach speeds up to sixty miles per hour as riders feet dangle inches above the track and murky waters below.

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 includes 25,826 square feet of space located on the fifth floor of the hospital’s patient tower at the Main Campus facility.

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.

Construction of a new Holiday Inn Express began in late 2014. The project, which includes demolition of the north wing of the Quality Inn, will feature a new five story, seventy-three room hotel. The total project investment is about \$6,000,000 and it is expected to be completed in 2015.

On November 4, 2014, voters approved an income tax increase of .25 percent to pay for designated City services and functions. The City Commission also approved an admissions tax increase of 1 percent, effective on January 1, 2015.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-third 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, 2013. 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 black ink, appearing to read "Hank S. Solowiej CPA". The signature is stylized and includes the letters "CPA" at the end.

Hank S. Solowiej, CPA  
Finance Director



Government Finance Officers Association

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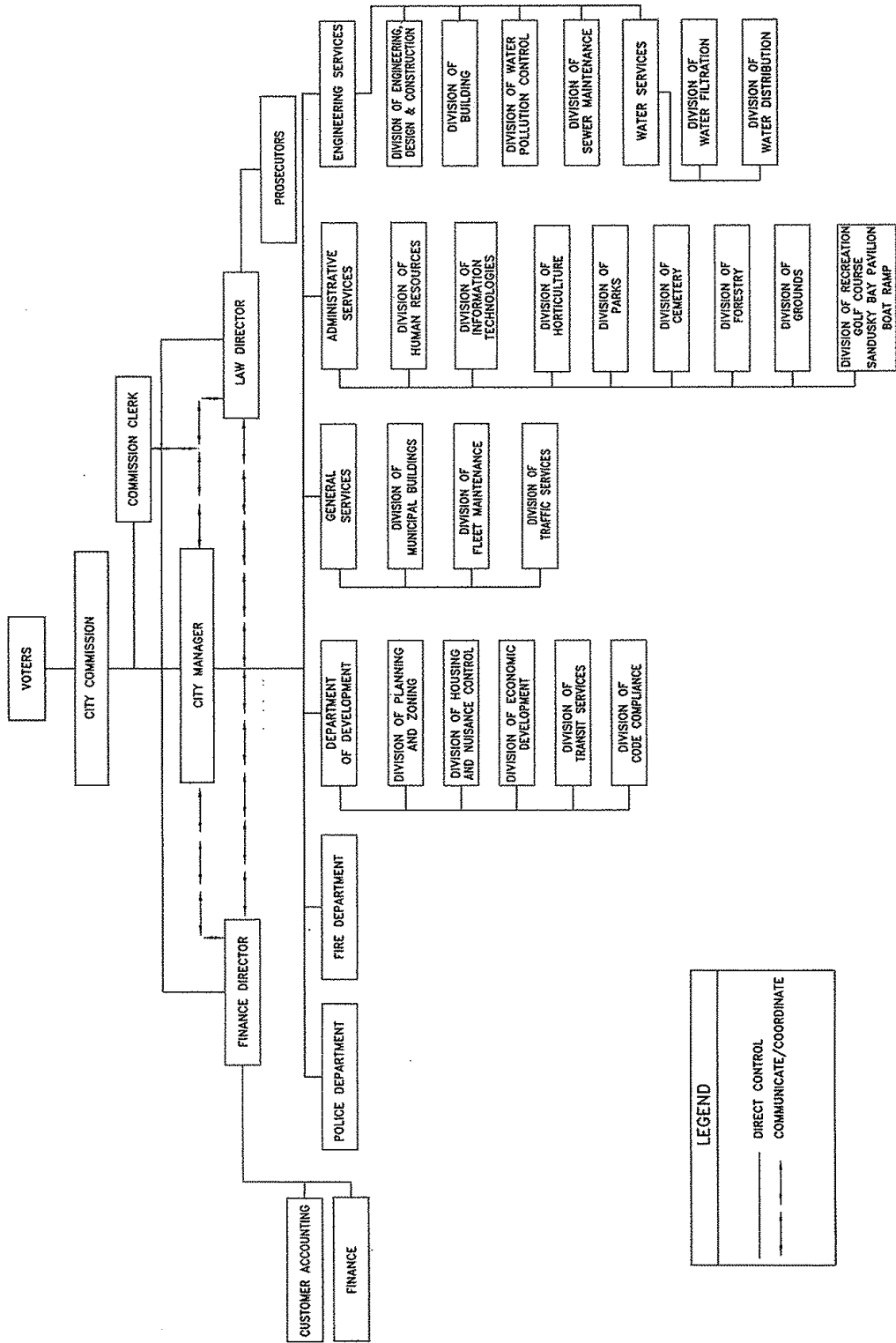
**City of Sandusky  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

# ORGANIZATIONAL CHART City of Sandusky



LEGEND	
—	DIRECT CONTROL
- - -	COMMUNICATE/COORDINATE

CITY OF SANDUSKY, OHIO

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ELECTED PUBLIC OFFICIALS

December 31, 2014

**CITY COMMISSION**

Dennis E. Murray, Jr.  
President/Ex-Officio Mayor  
Term Expires 12-31-17  
First took office 01-01-14

Richard R. Brady  
Vice-President  
Term Expires 12-31-17  
First took office 01-01-14

Naomi R. Twine  
Term Expires 12-31-17  
First took office 01-01-14

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

Scott J. Schell  
Term Expires 12-31-15  
First took office 03-10-14

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

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APPOINTED OFFICIALS

December 31, 2014

**CITY MANAGER**

Eric L. Wobser

**FINANCE DIRECTOR**

Hank S. Solowiej, CPA

**LAW DIRECTOR**

Donald C. Icsman

**CLERK OF COMMISSION**

Kelly Kresser





# Financial

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June 15, 2015

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, 2014, 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, 2014, 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.

***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 15, 2015 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.

*Hea & Associates, Inc.*

Medina, Ohio

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
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, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole.

**HIGHLIGHTS**

Highlights for 2014 are as follows:

In total, the City's net position decreased \$4,570,754, or almost 5 percent from the prior year. The decrease for governmental activities was 6 percent and the decrease for business-type activities was 3 percent.

The City's Water enterprise fund had an operating income in 2014, indicating operating revenues are currently sufficient to cover operating expenses. The Sewer enterprise fund had a very modest operating loss for 2014. As needed, rate increases in the Water and Sewer enterprise funds have generally 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 2014. 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.

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.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited

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.

**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.

**CITY OF SANDUSKY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 provides a summary of the City's net position for 2014 and 2013.

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Assets</u>						
Current and Other Assets	\$24,526,982	\$26,737,600	\$12,931,399	\$16,136,207	\$37,458,381	\$42,873,807
Capital Assets, Net	44,740,822	47,236,004	87,155,101	88,091,117	131,895,923	135,327,121
Total Assets	69,267,804	73,973,604	100,086,500	104,227,324	169,354,304	178,200,928
<u>Deferred Outflows of Resources</u>	550,455	609,767	0	0	550,455	609,767
<u>Liabilities</u>						
Current and Other Liabilities	4,937,948	4,643,727	1,648,593	1,808,725	6,586,541	6,452,452
Long-Term Liabilities	18,879,879	20,969,311	46,494,222	48,889,577	65,374,101	69,858,888
Total Liabilities	23,817,827	25,613,038	48,142,815	50,698,302	71,960,642	76,311,340
<u>Deferred Inflows of Resources</u>	2,729,917	2,714,401	0	0	2,729,917	2,714,401
<u>Net Position</u>						
Net Investment in Capital Assets	32,986,487	34,031,522	41,477,719	40,066,785	74,464,206	74,098,307
Restricted	10,778,812	12,363,624	0	0	10,778,812	12,363,624
Unrestricted (Deficit)	(494,784)	(139,214)	10,465,966	13,462,237	9,971,182	13,323,023
Total Net Position	\$43,270,515	\$46,255,932	\$51,943,685	\$53,529,022	\$95,214,200	\$99,784,954

Net position for governmental activities decreased 6 percent from the prior year. The largest contributors to the decrease in current and other assets is a decrease in the receivable for municipal income taxes based on estimates from the Regional Income Tax Agency, the City's agent for income tax collection, and a decrease in special assessments receivable due to the assessments being paid down and/or paid off. The decrease in net capital assets and the corresponding decrease in the net investment in capital assets is generally due to annual depreciation expense. The decrease in long-term liabilities represents the retirement of debt during the year.

Net position for business-type activities decreased 3 percent from the prior year. Note the \$3.2 million decrease in current and other assets and similar decrease in unrestricted net position. There was a decrease in cash and cash equivalents of \$3.4 million, a substantial portion related to debt service payments. No change in utility rates since 2003 has resulted in revenue remaining flat for a number of years; however, there have been increasing costs of operation and maintenance. The result has been cash carryover spending for both the water and sewer utilities. The decrease in net capital assets is due to annual depreciation expense; however, the net investment in capital assets increased due to the retirement of related debt.



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For the Year Ended December 31, 2014  
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Table 2 reflects the change in net position for 2014 and 2013.

Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Revenues</u>						
Program Revenues						
Charges for Services	\$4,095,173	\$3,949,870	\$10,980,217	\$10,846,913	\$15,075,390	\$14,796,783
Operating Grants, Contributions, and Interest	3,789,724	3,144,597	0	0	3,789,724	3,144,597
Capital Grants and Contributions	1,512,023	722,483	113,852	275,377	1,625,875	997,860
<b>Total Program Revenues</b>	<b>9,396,920</b>	<b>7,816,950</b>	<b>11,094,069</b>	<b>11,122,290</b>	<b>20,490,989</b>	<b>18,939,240</b>
General Revenues						
Property Taxes	2,014,649	2,077,005	0	0	2,014,649	2,077,005
Payment in Lieu of Taxes	569,888	591,483	0	0	569,888	591,483
Municipal Income Taxes	7,297,336	8,303,179	0	0	7,297,336	8,303,179
Other Local Taxes	3,878,441	4,122,098	0	0	3,878,441	4,122,098
Franchise Taxes	387,086	379,067	0	0	387,086	379,067
Grants and Entitlements not Restricted to Specific Programs	806,031	1,120,835	0	0	806,031	1,120,835
Interest	239,432	(3,698)	948	607	240,380	(3,091)
Other	900,535	782,475	204,243	472,690	1,104,778	1,255,165
<b>Total General Revenues</b>	<b>16,093,398</b>	<b>17,372,444</b>	<b>205,191</b>	<b>473,297</b>	<b>16,298,589</b>	<b>17,845,741</b>
<b>Total Revenues</b>	<b>25,490,318</b>	<b>25,189,394</b>	<b>11,299,260</b>	<b>11,595,587</b>	<b>36,789,578</b>	<b>36,784,981</b>
<u>Program Expenses</u>						
Security of Persons and Property						
Police	5,347,693	5,032,468	0	0	5,347,693	5,032,468
Fire	5,940,342	5,953,841	0	0	5,940,342	5,953,841
Other	271,810	252,367	0	0	271,810	252,367
Public Health	308,648	318,872	0	0	308,648	318,872
Leisure Time Activities	542,957	614,010	0	0	542,957	614,010
Community Environment	4,315,542	2,538,486	0	0	4,315,542	2,538,486
Transportation	6,107,625	4,848,791	0	0	6,107,625	4,848,791
General Government						
Municipal Court	1,057,957	1,013,065	0	0	1,057,957	1,013,065
Other	3,452,889	3,372,415	0	0	3,452,889	3,372,415
Interest and Fiscal Charges	844,566	965,397	0	0	844,566	965,397
Water	0	0	5,976,511	5,561,209	5,976,511	5,561,209
Sewer	0	0	7,193,792	6,726,105	7,193,792	6,726,105
<b>Total Expenses</b>	<b>28,190,029</b>	<b>24,909,712</b>	<b>13,170,303</b>	<b>12,287,314</b>	<b>41,360,332</b>	<b>37,197,026</b>
Increase (Decrease) in Net Position before Transfers	(2,699,711)	279,682	(1,871,043)	(691,727)	(4,570,754)	(412,045)
Transfers	(285,706)	123,469	285,706	(123,469)	0	0
Increase (Decrease) in Net Position	(2,985,417)	403,151	(1,585,337)	(815,196)	(4,570,754)	(412,045)
Net Position Beginning of Year	46,255,932	45,852,781	53,529,022	54,344,218	99,784,954	100,196,999
<b>Net Position End of Year</b>	<b>\$43,270,515</b>	<b>\$46,255,932</b>	<b>\$51,943,685</b>	<b>\$53,529,022</b>	<b>\$95,214,200</b>	<b>\$99,784,954</b>

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For governmental activities, program revenues increased 20 percent from the prior year. Increases in grants from the Ohio Department of Transportation, Community Housing Improvement, and Housing and Urban Development led to an increase in both operating and capital grants. Modest decreases in property taxes and a decrease in income taxes as well as the reduction in local government funding (unrestricted grants and entitlements) resulted in a decrease in general revenues. However, the overall change in total revenues from the prior year was not significant. Governmental activities expenses increased approximately \$3.3 million (13 percent). The increases in the community environment and transportation programs correspond to the increases in grant funding.

The City's business-type activities are largely funded through charges for services. Revenues changed very little from the prior year. The increase in expenses in both the Water and Sewer funds was simply an increase in overall operational costs, including everything from salaries and benefits costs to materials and supplies. As revenues remain stagnant and expenses increase, a continued decrease in net position can be expected.

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	
	2014	2013	2014	2013
Security of Persons and Property				
Police	\$5,347,693	\$5,032,468	\$4,892,330	\$4,621,094
Fire	5,940,342	5,953,841	4,978,957	4,797,244
Other	271,810	252,367	271,810	252,367
Public Health	308,648	318,872	199,674	202,012
Leisure Time Activities	542,957	614,010	226,661	170,339
Community Environment	4,315,542	2,538,486	2,449,205	1,991,041
Transportation	6,107,625	4,848,791	1,841,111	1,478,459
General Government				
Municipal Court	1,057,957	1,013,065	(117,207)	(186,185)
Other	3,452,889	3,372,415	3,206,002	2,800,994
Interest and Fiscal Charges	844,566	965,397	844,566	965,397
Total Expenses	<u>\$28,190,029</u>	<u>\$24,909,712</u>	<u>\$18,793,109</u>	<u>\$17,092,762</u>

It should be noted that for all governmental activities, 67 percent of the costs for services in 2014 were provided for through general revenues (compared to 69 percent in 2013), that being primarily property taxes, municipal income taxes, tourism taxes, and State shared revenues.

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Although the dependence on general revenues is substantial, there are several programs which were supported through program revenues in 2014. Program revenues received for the leisure time activities program covered 58 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 43 percent of its support through program revenues in 2014. 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 \$117,207 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 5 percent decrease in fund balance in the General Fund. Overall revenues were very similar to the prior year. Expenditures increased 5 percent in total; however, there were only modest changes by program.

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 \$343,314 decrease in fund balance from the prior year resulting in a deficit fund balance at year end of approximately \$11,000. Expenditures increased substantially in the community environment program related to the additional Community Housing Improvement and Housing and Urban Development resources received as well as an increase in overall capital outlay related projects during the year.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

The City's enterprise funds consist of the Water and Sewer funds. The Water Fund had an operating income for the year and the Sewer Fund had a very modest operating loss; however, both funds had a decrease in net position. Currently, the Water Fund is generating adequate revenues to cover the cost of operations but not to cover debt service within current year revenues, whereas the Sewer Fund is not generating adequate revenues to cover the cost of operations. 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 required within both utilities. The City last increased water and sewer rates 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. With stagnant revenues and continued increases in the costs of operations and debt retirement, net position will continue to decrease.

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**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 little change from the original budget to the final budget as well as from the final budget to actual revenues. The same is true for expenditures.

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

**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, 2014, was \$32,986,487 and \$41,477,719, respectively. The primary additions for governmental activities included ongoing construction in progress (mainly street resurfacing projects). 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 11 to the basic financial statements.

Debt - At December 31, 2014, the City had \$2,692,500 in bond anticipation notes payable from governmental activities. The City also has a number of long-term obligations outstanding. These obligations included \$12,148,290 in general obligation bonds, \$1,950,000 in revenue bonds, \$2,627,833 in special assessment bonds, \$1,570,000 in general obligation revenue bonds, \$44,107,382 in Ohio Water Development Authority loans, and \$516,123 in other long-term loans. Of these total long-term obligations, \$45,875,178 will be repaid from business-type activities.

During 2014, the City did a current refunding of outstanding bonds, \$415,000 related to governmental activities and \$1,630,000 related to 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 18 and 19 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 2015 for public programs.

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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. The City plans to utilize the property as a mixed-use development site including commercial and residential usage.

In October 2014, the City Commission authorized the issuance of \$2,692,500 in bond anticipation notes. The 2014 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, fire boat, street improvements, sidewalk, curb, and gutter improvements, revitalize the Bayfront Urban Revitalization Area by acquiring and clearing various properties, and to pay the costs of the Venice Road grade separation.

During 2014, the City did a current refunding of outstanding bonds, \$415,000 related to governmental activities and \$1,630,000 related to business-type activities.

On November 4, 2014, voters approved a .25 percent income tax increase to pay for designated City services and functions. The City Commission also approved a 1 percent admissions tax increase effective on January 1, 2015.

The City will be updating the Comprehensive Master Plan and the City's Strategic Plan in 2015. The City will also begin a review of the City Charter in 2015.

**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, 2014

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$10,902,835	\$10,140,358	\$21,043,193
Cash and Cash Equivalents in Segregated Accounts	28,627	0	28,627
Accounts Receivable	698,304	1,183,001	1,881,305
Accrued Interest Receivable	37,488	0	37,488
Due from Other Governments	1,368,801	965,720	2,334,521
Municipal Income Taxes Receivable	2,158,242	0	2,158,242
Other Local Taxes Receivable	51,609	0	51,609
Materials and Supplies Inventory	240,579	642,320	882,899
Property Taxes Receivable	2,380,999	0	2,380,999
Payment in Lieu of Taxes Receivable	566,427	0	566,427
Notes Receivable	2,267,046	0	2,267,046
Special Assessments Receivable	3,826,025	0	3,826,025
Nondepreciable Capital Assets	11,193,734	8,910,702	20,104,436
Depreciable Capital Assets, Net	33,547,088	78,244,399	111,791,487
<b>Total Assets</b>	<b>69,267,804</b>	<b>100,086,500</b>	<b>169,354,304</b>
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding	550,455	0	550,455
<u>Liabilities</u>			
Accrued Wages Payable	372,735	127,152	499,887
Accounts Payable	717,418	208,489	925,907
Contracts Payable	429,378	34,336	463,714
Matured Compensated Absences Payable	25,695	0	25,695
Due to Other Governments	587,235	240,795	828,030
Accrued Interest Payable	58,333	1,037,821	1,096,154
Notes Payable	2,692,500	0	2,692,500
Retainage Payable	54,654	0	54,654
Long-Term Liabilities			
Due Within One Year	2,359,586	2,568,113	4,927,699
Due in More Than One Year	16,520,293	43,926,109	60,446,402
<b>Total Liabilities</b>	<b>23,817,827</b>	<b>48,142,815</b>	<b>71,960,642</b>
<u>Deferred Inflows of Resources</u>			
Property Taxes	2,163,490	0	2,163,490
Payment in Lieu of Taxes	566,427	0	566,427
<b>Total Deferred Inflows of Resources</b>	<b>2,729,917</b>	<b>0</b>	<b>2,729,917</b>
<u>Net Position</u>			
Net Investment in Capital Assets	32,986,487	41,477,719	74,464,206
Restricted for			
Capital Projects	3,332,213	0	3,332,213
Debt Service	1,745,871	0	1,745,871
Other Purposes			
Street Maintenance	593,560	0	593,560
State Grants	2,589,462	0	2,589,462
Federal Grants	343,913	0	343,913
Court Operations	814,449	0	814,449
Cemetery Operations	685,177	0	685,177
Other	674,167	0	674,167
Unrestricted (Deficit)	(494,784)	10,465,966	9,971,182
<b>Total Net Position</b>	<b>\$43,270,515</b>	<b>\$51,943,685</b>	<b>\$95,214,200</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Activities  
For the Year Ended December 31, 2014

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions, and Interest</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities</u>				
Security of Persons and Property				
Police	\$5,347,693	\$332,809	\$97,387	\$25,167
Fire	5,940,342	773,862	187,473	50
Other	271,810	0	0	0
Public Health	308,648	108,974	0	0
Leisure Time Activities	542,957	276,929	15,589	23,778
Community Environment	4,315,542	182,696	911,227	772,414
Transportation	6,107,625	1,081,882	2,494,018	690,614
General Government				
Municipal Court	1,057,957	1,091,134	84,030	0
Other	3,452,889	246,887	0	0
Interest and Fiscal Charges	844,566	0	0	0
<b>Total Governmental Activities</b>	<b>28,190,029</b>	<b>4,095,173</b>	<b>3,789,724</b>	<b>1,512,023</b>
<u>Business-Type Activities</u>				
Water	5,976,511	5,313,083	0	113,852
Sewer	7,193,792	5,667,134	0	0
<b>Total Business-Type Activities</b>	<b>13,170,303</b>	<b>10,980,217</b>	<b>0</b>	<b>113,852</b>
<b>Total</b>	<b>\$41,360,332</b>	<b>\$15,075,390</b>	<b>\$3,789,724</b>	<b>\$1,625,875</b>

General Revenues

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

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements



Net (Expense) Revenue  
and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$4,892,330)	\$0	(\$4,892,330)
(4,978,957)	0	(4,978,957)
(271,810)	0	(271,810)
(199,674)	0	(199,674)
(226,661)	0	(226,661)
(2,449,205)	0	(2,449,205)
(1,841,111)	0	(1,841,111)
117,207	0	117,207
(3,206,002)	0	(3,206,002)
(844,566)	0	(844,566)
(18,793,109)	0	(18,793,109)
0	(549,576)	(549,576)
0	(1,526,658)	(1,526,658)
0	(2,076,234)	(2,076,234)
(18,793,109)	(2,076,234)	(20,869,343)
1,400,699	0	1,400,699
230,208	0	230,208
383,742	0	383,742
569,888	0	569,888
6,521,944	0	6,521,944
430,773	0	430,773
344,619	0	344,619
3,878,441	0	3,878,441
387,086	0	387,086
806,031	0	806,031
239,432	948	240,380
900,535	204,243	1,104,778
16,093,398	205,191	16,298,589
(285,706)	285,706	0
15,807,692	490,897	16,298,589
(2,985,417)	(1,585,337)	(4,570,754)
46,255,932	53,529,022	99,784,954
\$43,270,515	\$51,943,685	\$95,214,200

City of Sandusky  
Balance Sheet  
Governmental Funds  
December 31, 2014

	General	Special Assessment Bond Retirement	Capital Projects	Other Governmental	Total Governmental Funds
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,256,703	\$0	\$3,177,477	\$3,362,630	\$10,796,810
Cash and Cash Equivalents in Segregated Accounts	28,627	0	0	0	28,627
Accounts Receivable	258,022	0	0	440,282	698,304
Accrued Interest Receivable	36,832	0	0	656	37,488
Interfund Receivable	8,100	0	0	0	8,100
Due from Other Governments	388,613	0	28,386	951,802	1,368,801
Municipal Income Taxes Receivable	1,915,440	0	0	242,802	2,158,242
Other Local Taxes Receivable	17,959	0	0	33,650	51,609
Materials and Supplies Inventory	108,421	0	0	132,158	240,579
<u>Restricted Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	106,025	0	0	0	106,025
Property Taxes Receivable	1,655,425	0	0	725,574	2,380,999
Payment in Lieu of Taxes Receivable	2,160	0	0	564,267	566,427
Notes Receivable	0	0	0	2,267,046	2,267,046
Special Assessments Receivable	0	3,826,025	0	0	3,826,025
<b>Total Assets</b>	<b><u>\$8,782,327</u></b>	<b><u>\$3,826,025</u></b>	<b><u>\$3,205,863</u></b>	<b><u>\$8,720,867</u></b>	<b><u>\$24,535,082</u></b>
<u>Liabilities</u>					
Accrued Wages Payable	\$351,362	\$0	\$0	\$21,373	\$372,735
Accounts Payable	166,395	0	13,693	537,330	717,418
Contracts Payable	0	0	417,543	11,835	429,378
Matured Compensated Absences Payable	25,695	0	0	0	25,695
Interfund Payable	0	0	0	8,100	8,100
Due to Other Governments	394,127	0	7,589	185,519	587,235
Accrued Interest Payable	0	0	2,544	0	2,544
Notes Payable	0	0	2,692,500	0	2,692,500
Retainage Payable	0	0	54,654	0	54,654
<b>Total Liabilities</b>	<b><u>937,579</u></b>	<b><u>0</u></b>	<b><u>3,188,523</u></b>	<b><u>764,157</u></b>	<b><u>4,890,259</u></b>
<u>Deferred Inflows of Resources</u>					
Property Taxes	1,504,204	0	0	659,286	2,163,490
Payment in Lieu of Taxes	2,160	0	0	564,267	566,427
Unavailable Revenue	2,037,679	3,826,025	28,386	1,504,536	7,396,626
<b>Total Deferred Inflows of Resources</b>	<b><u>3,544,043</u></b>	<b><u>3,826,025</u></b>	<b><u>28,386</u></b>	<b><u>2,728,089</u></b>	<b><u>10,126,543</u></b>
<u>Fund Balance</u>					
Nonspendable	217,967	0	0	132,158	350,125
Restricted	0	0	0	5,340,354	5,340,354
Committed	0	0	0	59,800	59,800
Assigned	129,626	0	0	0	129,626
Unassigned (Deficit)	3,953,112	0	(11,046)	(303,691)	3,638,375
<b>Total Fund Balance (Deficit)</b>	<b><u>4,300,705</u></b>	<b><u>0</u></b>	<b><u>(11,046)</u></b>	<b><u>5,228,621</u></b>	<b><u>9,518,280</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u>\$8,782,327</u></b>	<b><u>\$3,826,025</u></b>	<b><u>\$3,205,863</u></b>	<b><u>\$8,720,867</u></b>	<b><u>\$24,535,082</u></b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Reconciliation of Total Governmental Fund Balance  
to Net Position of Governmental Activities  
December 31, 2014

Total Governmental Fund Balance		\$9,518,280
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.		44,740,822
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	599,083	
Accrued Interest Receivable	26,178	
Due from Other Governments	1,223,814	
Municipal Income Taxes Receivable	1,502,757	
Other Local Taxes Receivable	1,260	
Delinquent Property Taxes Receivable	217,509	
Special Assessments Receivable	3,826,025	
		7,396,626
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.		(55,789)
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.		550,455
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
General Obligation Bonds Payable	(12,148,290)	
Revenue Bonds Payable	(1,950,000)	
Special Assessment Bonds Payable	(2,627,833)	
Loans Payable	(318,327)	
Compensated Absences Payable	(1,835,429)	
		(18,879,879)
Net Position of Governmental Activities		\$43,270,515

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, 2014

	General	Special Assessment Bond Retirement	Capital Projects	Other Governmental	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$1,505,564	\$0	\$0	\$659,919	\$2,165,483
Payment in Lieu of Taxes	2,239	0	0	567,649	569,888
Municipal Income Taxes	6,982,743	0	0	832,767	7,815,510
Other Local Taxes	3,888,288	0	0	430,871	4,319,159
Special Assessments	0	790,084	0	0	790,084
Charges for Services	1,006,220	0	483,185	690,589	2,179,994
Fees, Licenses, and Permits	644,747	0	127,839	222,058	994,644
Fines and Forfeitures	913,088	0	0	79,252	992,340
Intergovernmental	686,405	0	1,547,748	3,747,856	5,982,009
Interest	220,196	0	0	38,993	259,189
Other	762,161	43	24,261	358,785	1,145,250
<b>Total Revenues</b>	<b>16,611,651</b>	<b>790,127</b>	<b>2,183,033</b>	<b>7,628,739</b>	<b>27,213,550</b>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	4,493,033	0	18,487	713,544	5,225,064
Fire	4,374,308	0	297,526	932,045	5,603,879
Other	271,810	0	0	0	271,810
Public Health	220,213	0	0	62,427	282,640
Leisure Time Activities	406,415	0	3,904	35,124	445,443
Community Environment	1,368,715	0	1,118,571	1,183,790	3,671,076
Transportation	864	578,618	221,484	3,911,750	4,712,716
General Government					
Municipal Court	930,500	0	82,010	64,548	1,077,058
Other	2,601,506	0	17,206	0	2,618,712
Other	0	0	0	181,625	181,625
Capital Outlay	825	0	1,156,666	6,951	1,164,442
Debt Service:					
Principal Retirement	76,326	315,973	0	2,031,035	2,423,334
Interest and Fiscal Charges	13,030	151,004	31,735	616,479	812,248
<b>Total Expenditures</b>	<b>14,757,545</b>	<b>1,045,595</b>	<b>2,947,589</b>	<b>9,739,318</b>	<b>28,490,047</b>
Excess of Revenues Over (Under) Expenditures	1,854,106	(255,468)	(764,556)	(2,110,579)	(1,276,497)
<u>Other Financing Sources (Uses)</u>					
General Obligation Bonds Issued	0	0	0	370,000	370,000
Special Assessment Bonds Issued	0	45,000	0	0	45,000
Sale of Capital Assets	3,216	0	3,145	0	6,361
Transfers In	0	213,168	534,240	2,165,683	2,913,091
Transfers Out	(2,085,788)	(2,700)	(116,143)	(651,518)	(2,856,149)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,082,572)</b>	<b>255,468</b>	<b>421,242</b>	<b>1,884,165</b>	<b>478,303</b>
Changes in Fund Balance	(228,466)	0	(343,314)	(226,414)	(798,194)
Fund Balance Beginning of Year	4,529,171	0	332,268	5,455,035	10,316,474
Fund Balance (Deficit) End of Year	<u>\$4,300,705</u>	<u>\$0</u>	<u>(\$11,046)</u>	<u>\$5,228,621</u>	<u>\$9,518,280</u>

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, 2014

Changes in Fund Balance - Total Governmental Funds (\$798,194)

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	834,186	
Depreciation	(3,329,368)	
	(2,495,182)	(2,495,182)

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	(6,361)	
Gain on Disposal of Capital Assets	6,361	
	0	0

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

Delinquent Property Taxes	(150,834)	
Municipal Income Taxes	(518,174)	
Other Local Taxes	(9,847)	
Special Assessments	(790,084)	
Charges for Services	(305,572)	
Fees, Licenses, and Permits	(4,001)	
Fines and Forfeitures	29,108	
Intergovernmental	20,920	
Interest	8,129	
Other	(9,238)	
	(1,729,593)	(1,729,593)

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	1,649,867	
Revenue Bonds Payable	360,000	
Special Assessment Bonds Payable	315,973	
Loans Payable	97,494	
	2,423,334	2,423,334

Debt proceeds are other financing sources in governmental funds but the issuance increases long-term liabilities on the statement of net position. (415,000)

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	7,432	
Amortization of Premium	19,562	
Amortization of Deferred Charge on Refunding	(59,312)	
	(32,318)	(32,318)

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. 61,536

Change in Net Position of Governmental Activities (\$2,985,417)

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues</u>				
Property Taxes	\$1,496,178	\$1,496,178	\$1,505,564	\$9,386
Payment in Lieu of Taxes	2,239	2,239	2,239	0
Municipal Income Taxes	6,895,000	6,976,334	6,977,782	1,448
Other Local Taxes	3,940,000	3,861,217	3,883,302	22,085
Charges for Services	936,450	949,267	999,809	50,542
Fees, Licenses, and Permits	683,500	626,996	644,546	17,550
Fines and Forfeitures	1,100,000	909,618	977,945	68,327
Intergovernmental	671,729	708,488	720,111	11,623
Interest	120,000	120,000	133,260	13,260
Other	305,850	291,330	318,625	27,295
<b>Total Revenues</b>	<b>16,150,946</b>	<b>15,941,667</b>	<b>16,163,183</b>	<b>221,516</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	4,665,990	4,443,990	4,419,171	24,819
Fire	4,508,719	4,349,719	4,343,459	6,260
Other	234,000	292,000	291,111	889
Public Health	199,593	219,561	217,034	2,527
Leisure Time Activities	443,621	406,110	406,110	0
Community Environment	1,268,847	1,357,347	1,346,300	11,047
Transportation	1,000	1,000	864	136
General Government				
Municipal Court	927,745	924,895	924,074	821
Other	2,570,783	2,625,131	2,573,772	51,359
Debt Service:				
Principal Retirement	76,326	76,326	76,326	0
Interest and Fiscal Charges	13,030	13,030	13,030	0
<b>Total Expenditures</b>	<b>14,909,654</b>	<b>14,709,109</b>	<b>14,611,251</b>	<b>97,858</b>
Excess of Revenues Over Expenditures	1,241,292	1,232,558	1,551,932	319,374
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	327,271	492,117	443,827	(48,290)
Sale of Capital Assets	0	3,216	3,216	0
Advances In	2,700	2,700	2,700	0
Transfers Out	(1,840,691)	(2,085,788)	(2,085,788)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,510,720)</b>	<b>(1,587,755)</b>	<b>(1,636,045)</b>	<b>(48,290)</b>
Changes in Fund Balance	(269,428)	(355,197)	(84,113)	271,084
Fund Balance Beginning of Year	4,454,096	4,454,096	4,454,096	0
Prior Year Encumbrances Appropriated	29,195	29,195	29,195	0
<b>Fund Balance End of Year</b>	<b>\$4,213,863</b>	<b>\$4,128,094</b>	<b>\$4,399,178</b>	<b>\$271,084</b>

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Fund Net Position  
Enterprise Funds  
December 31, 2014

	Water	Sewer	Total
<u>Assets</u>			
<u>Current Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$5,955,780	\$4,184,578	\$10,140,358
Accounts Receivable	339,825	843,176	1,183,001
Due from Other Governments	845,068	120,652	965,720
Materials and Supplies Inventory	373,534	268,786	642,320
Total Current Assets	7,514,207	5,417,192	12,931,399
<u>Non-Current Assets</u>			
Nondepreciable Capital Assets	7,231,559	1,679,143	8,910,702
Depreciable Capital Assets, Net	22,470,560	55,773,839	78,244,399
Total Non-Current Assets	29,702,119	57,452,982	87,155,101
Total Assets	37,216,326	62,870,174	100,086,500
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accrued Wages Payable	61,625	65,527	127,152
Accounts Payable	130,408	78,081	208,489
Contracts Payable	1,673	32,663	34,336
Due to Other Governments	83,122	157,673	240,795
Accrued Interest Payable	408,728	629,093	1,037,821
General Obligation Revenue Bonds Payable	10,000	60,000	70,000
OWDA Loans Payable	859,784	1,493,214	2,352,998
Loans Payable	46,261	16,919	63,180
Compensated Absences Payable	37,467	44,468	81,935
Total Current Liabilities	1,639,068	2,577,638	4,216,706
<u>Non-Current Liabilities</u>			
General Obligation Revenue Bonds Payable	125,000	1,375,000	1,500,000
OWDA Loans Payable	16,198,667	25,555,717	41,754,384
Loans Payable	98,567	36,049	134,616
Compensated Absences Payable	243,364	293,745	537,109
Total Non-Current Liabilities	16,665,598	27,260,511	43,926,109
Total Liabilities	18,304,666	29,838,149	48,142,815
<u>Net Position</u>			
Net Investment in Capital Assets	12,508,668	28,969,051	41,477,719
Unrestricted	6,402,992	4,062,974	10,465,966
Total Net Position	\$18,911,660	\$33,032,025	\$51,943,685

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, 2014

	Water	Sewer	Total
<u>Operating Revenues</u>			
Charges for Services	\$5,313,083	\$5,667,134	\$10,980,217
Other	82,351	121,892	204,243
Total Operating Revenues	<u>5,395,434</u>	<u>5,789,026</u>	<u>11,184,460</u>
<u>Operating Expenses</u>			
Personal Services	2,346,197	2,580,695	4,926,892
Travel and Transportation	17,350	13,799	31,149
Contractual Services	776,508	1,057,083	1,833,591
Materials and Supplies	895,367	506,848	1,402,215
Depreciation	1,061,377	1,675,529	2,736,906
Other	3,527	2,264	5,791
Total Operating Expenses	<u>5,100,326</u>	<u>5,836,218</u>	<u>10,936,544</u>
Operating Income (Loss)	<u>295,108</u>	<u>(47,192)</u>	<u>247,916</u>
<u>Non-Operating Revenues (Expenses)</u>			
Interest Revenue	335	613	948
Interest Expense	(876,185)	(1,357,574)	(2,233,759)
Total Non-Operating Revenues (Expenses)	<u>(875,850)</u>	<u>(1,356,961)</u>	<u>(2,232,811)</u>
Loss before Contributions and Transfers	(580,742)	(1,404,153)	(1,984,895)
Capital Contributions	113,852	342,648	456,500
Transfers Out	0	(56,942)	(56,942)
Changes in Net Position	(466,890)	(1,118,447)	(1,585,337)
Net Position Beginning of Year	<u>19,378,550</u>	<u>34,150,472</u>	<u>53,529,022</u>
Net Position End of Year	<u>\$18,911,660</u>	<u>\$33,032,025</u>	<u>\$51,943,685</u>

See Accompanying Notes to the Basic Financial Statements



City of Sandusky  
Statement of Cash Flows  
Enterprise Funds  
For the Year Ended December 31, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Increases (Decreases) in Cash and Cash Equivalents			
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$4,949,104	\$5,668,800	\$10,617,904
Cash Payments for Personal Services	(2,283,142)	(2,602,507)	(4,885,649)
Cash Payments for Contractual Services	(757,776)	(1,201,541)	(1,959,317)
Cash Payments to Vendors	(911,677)	(517,392)	(1,429,069)
Cash Received from Other Revenues	82,351	119,705	202,056
Cash Payments for Other Expenses	(3,527)	(2,264)	(5,791)
Net Cash Provided by Operating Activities	<u>1,075,333</u>	<u>1,464,801</u>	<u>2,540,134</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers Out	<u>0</u>	<u>(56,942)</u>	<u>(56,942)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>			
Principal Paid on General Obligation Revenue Bonds	(140,000)	(1,485,000)	(1,625,000)
Principal Paid on OWDA Loans	(935,482)	(1,407,454)	(2,342,936)
Principal Paid on Loans	(44,356)	(16,222)	(60,578)
Interest Paid on General Obligation Revenue Bonds	(9,140)	(108,913)	(118,053)
Interest Paid on OWDA Loans	(882,769)	(1,307,492)	(2,190,261)
Interest Paid on Loans	(7,572)	(2,770)	(10,342)
General Obligation Revenue Bonds Issued	140,000	1,490,000	1,630,000
OWDA Loans Issued	14,271	0	14,271
Acquisition of Capital Assets	(881,601)	(545,651)	(1,427,252)
Capital Contributions	<u>154,585</u>	<u>0</u>	<u>154,585</u>
Net Cash Used for Capital and Related Financing Activities	<u>(2,592,064)</u>	<u>(3,383,502)</u>	<u>(5,975,566)</u>
<u>Cash Flows from Investing Activities</u>			
Interest	<u>335</u>	<u>613</u>	<u>948</u>
Net Decrease in Cash and Cash Equivalents	(1,516,396)	(1,975,030)	(3,491,426)
Cash and Cash Equivalents Beginning of Year	<u>7,472,176</u>	<u>6,159,608</u>	<u>13,631,784</u>
Cash and Cash Equivalents End of Year	<u>\$5,955,780</u>	<u>\$4,184,578</u>	<u>\$10,140,358</u>

(continued)

City of Sandusky  
Statement of Cash Flows  
Enterprise Funds  
For the Year Ended December 31, 2014  
(continued)

	Water	Sewer	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>			
Operating Income (Loss)	\$295,108	(\$47,192)	\$247,916
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</u>			
Depreciation	1,061,377	1,675,529	2,736,906
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(11,723)	(41,695)	(53,418)
(Increase) Decrease in Due from Other Governments	(352,256)	41,174	(311,082)
Decrease in Materials and Supplies Inventory	24,598	12,551	37,149
Increase in Accrued Wages Payable	4,589	2,842	7,431
Increase in Accounts Payable	47,299	23,972	71,271
Decrease in Contracts Payable	(39,060)	(3,977)	(43,037)
Increase (Decrease) in Due to Other Governments	9,332	(164,216)	(154,884)
Decrease in Retainage Payable	(10,291)	0	(10,291)
Increase (Decrease) in Compensated Absences Payable	46,360	(34,187)	12,173
Net Cash Provided by Operating Activities	<u>\$1,075,333</u>	<u>\$1,464,801</u>	<u>\$2,540,134</u>

Non-Cash Capital Transactions

In 2014, the Sewer enterprise fund received contributions of capital assets from other governmental funds, in the amount of \$342,648.

See Accompanying Notes to the Basic Financial Statements

City of Sandusky  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
December 31, 2014

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$345,479</u>
 <u>Liabilities</u>	
Due to Other Governments	\$105,681
Undistributed Assets	<u>239,798</u>
 Total Liabilities	 <u>\$345,479</u>

See Accompanying Notes to the Basic Financial Statements

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**

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

A. The City

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

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

B. Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. There were no component units of the City of Sandusky in 2014.

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 23 to the basic financial statements.

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

The financial statements of the City of Sandusky have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the City's accounting policies.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The 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, 2014**  
**(continued)**

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

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

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

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, 2014**  
**(continued)**

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension 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 2014. 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, 2014**  
**(continued)**

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**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 on 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 over 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, 2014**  
**(continued)**

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**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, 2014, but which were levied to finance 2015 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, 2014**  
**(continued)**

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**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 2014, the City’s investments included nonnegotiable and negotiable certificates of deposit, federal agency securities, and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. Negotiable certificates of deposit and federal agency securities are reported at fair value, which is based on quoted market price. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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, 2014.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements, or debt related restrictions. Interest revenue credited to the General Fund during 2014 was \$220,196, which includes \$176,096 assigned from other City funds.

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

**G. 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, 2014**  
**(continued)**

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**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, 2014**  
**(continued)**

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**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.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

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.

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

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

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

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

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 funds of the City.

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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

A. Accountability

At December 31, 2014, the Capital Projects capital projects fund, and the Public Transit, Fire Pension, and Police Pension special revenue funds had deficit fund balances, in the amount of \$11,046, \$158,889, \$80,395, and \$64,407, 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

The following accounts had expenditures in excess of appropriations for the year ended December 31, 2014.

Fund/Department/Object	Appropriations	Expenditures	Excess
Governmental Activities			
Capital Projects			
Brownsfields			
Other	\$550,000	\$551,509	\$1,509
Water Street Rehabilitation			
Other	50,006	127,846	77,840
Ferndale Drive Resurfacing			
Other	2,000	16,070	14,070
Capital Outlay	1,225,579	1,358,990	133,411
Fire Pension			
Fire Pension			
Other	2,768	3,030	262
Police Pension			
Police Pension			
Other	2,770	3,031	261
State Grants			
Revolving Loan Economic Development			
Other	27,001	33,344	6,343

The City will monitor future appropriations to ensure they are adequate for amounts needed for expenses.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
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	General
GAAP Basis	(\$228,466)
<u>Increases (Decreases) Due To</u>	
Revenue Accruals:	
Accrued 2013, Received in Cash 2014	791,456
Accrued 2014, Not Yet Received in Cash	(725,841)
Expenditure Accruals:	
Accrued 2013, Paid in Cash 2014	(769,356)
Accrued 2014, Not Yet Paid in Cash	933,012
	(continued)



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

Changes in Fund Balance  
(continued)

Cash Adjustments:	
Unrecorded Activity 2013	(\$125,863)
Unrecorded Activity 2014	55,630
Materials and Supplies Inventory	1,818
Advances In	2,700
Excess of Revenues Over Expenditures for Nonbudgeted Activity	(23)
Encumbrances Outstanding at Year End (Budget Basis)	<u>(19,180)</u>
Budget Basis	<u><u>(\$84,113)</u></u>

**NOTE 5 - 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;

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

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.

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, \$30,078 of the City's bank balance of \$8,767,981 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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

Investments

As of December 31, 2014, the City had the following investments:

	Total	Less Than Six Months	Six Months to One Year	More Than Two Years
Negotiable Certificates of Deposit	\$3,716,568	\$0	\$99,748	\$3,616,820
Federal National Mortgage Association Notes	5,720,256	0	0	5,720,256
Federal Home Loan Mortgage Corporation Notes	1,124,149	0	0	1,124,149
Federal Farm Credit Bank Notes	897,606	0	0	897,606
STAR Ohio	1,311,848	1,311,848	0	0
	<u>\$12,770,427</u>	<u>\$1,311,848</u>	<u>\$99,748</u>	<u>\$11,358,831</u>

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

The negotiable certificates of deposit are covered by FDIC insurance up to \$250,000 per financial institution and/or partially insured through the Securities Investor Protection Corporation (SIPC). All of the federal agency securities carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAAM by Standard and Poor's. The City has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. At December 31, 2014, the weighted average maturity of investments with Star Ohio was 50 days.

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

	Fair Value	Percentage of Portfolio
Federal National Mortgage Association	\$5,720,256	44.8%
Federal Home Loan Mortgage Corporation	1,124,149	8.8
Federal Farm Credit Bank	897,606	7.0

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2014, 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 \$2,182,973, will not be received within one year. Special assessments, in the amount of \$3,553,223, will not be received within one year. At December 31, 2014, the amount of delinquent special assessments was \$925,249.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Major Funds	
General Fund	
Homestead and Rollback	\$90,676
Local Government	233,624
Beer and Liquor Permits	32,910
Cigarette Tax	744
Charges for Services	1,551
Fines and Forfeitures	29,108
Total General Fund	388,613
Capital Projects Fund	
Clean Ohio Revitalization	20,317
Ohio Department of Transportation	8,069
Total Capital Projects Fund	28,386
Total Major Funds	416,999
Nonmajor Funds	
Street Maintenance Fund	
Gasoline Tax	378,610
Motor Vehicle License Tax	82,628
Total Street Maintenance Fund	461,238
State Highway Fund	
Gasoline Tax	30,699
Motor Vehicle License Tax	6,700
Total State Highway Fund	37,399

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 6 - RECEIVABLES** (continued)

	Amount
Governmental Activities (continued)	
Nonmajor Funds (continued)	
Public Transit Fund	
Job Access/Reverse Commute Grant	\$74,338
Charges for Services	1,500
Other	4,555
Total Public Transit Fund	80,393
Fire Pension Fund	
Homestead and Rollback	7,453
Personal Property Phase-Out	2,685
Total Fire Pension Fund	10,138
Police Pension Fund	
Homestead and Rollback	7,453
Personal Property Phase-Out	2,685
Total Police Pension Fund	10,138
State Grants Fund	
Community Corrections Grant	32,274
Federal Grants Fund	
U.S. Department of Transportation	203,051
Justice Assistance Grant	12,398
CDBG	76,016
Total Federal Grants Fund	291,465
Indigent Drivers Alcohol Fund	
Drug and Alcohol Addiction Grant	3,914
General Bond Retirement Fund	
Homestead and Rollback	24,843
Total Nonmajor Funds	951,802
Total Governmental Activities	\$1,368,801
Business-Type Activities	
Water Fund	
Erie County	\$845,068
Sewer Fund	
Erie County	120,652
Total Business-Type Activities	\$965,720

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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**NOTE 7 - 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.

For 2014, 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 8 - PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the City. Real property tax revenues received in 2014 represent the collection of 2013 taxes. Real property taxes received in 2014 were levied after October 1, 2013, on the assessed values as of January 1, 2013, 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 2014 represent the collection of 2013 taxes. Public utility real and tangible personal property taxes received in 2014 became a lien on December 31, 2012, were levied after October 1, 2013, 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, 2014, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2014 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, 2014, was \$5.25 per \$1,000 of assessed value. The assessed values of real property and public utility property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>Amount</u>
Real Property	\$443,206,000
Public Utility Personal Property	16,854,000
Total Assessed Value	<u>\$460,060,000</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 9 - 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 10 - NOTES RECEIVABLE**

A summary of the changes in notes receivable during 2014 follows:

	Balance January 1, 2014	New Loans	Repayments	Balance December 31, 2014
Special Revenue Funds				
State Grants				
Revolving Loans	\$788,108	\$13,695	\$58,693	\$743,110
Rehabilitation Revolving Loans	1,611,905	123,521	55,983	1,679,443
Micro-Enterprise Loans	7,500	0	0	7,500
Total State Grants	<u>2,407,513</u>	<u>137,216</u>	<u>114,676</u>	<u>2,430,053</u>
Federal Grants				
Rehabilitation Revolving Loans	0	36,000	4,000	32,000
Downtown Façade Loans	14,075	0	14,075	0
	<u>\$2,421,588</u>	<u>\$173,216</u>	<u>\$132,751</u>	<u>2,462,053</u>
Less Allowance for Uncollectible Accounts				195,007
				<u>\$2,267,046</u>

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

**NOTE 11 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$7,180,226	\$0	\$0	\$7,180,226
Construction in Progress	4,076,456	854,055	(917,003)	4,013,508
Total Nondepreciable Capital Assets	<u>11,256,682</u>	<u>854,055</u>	<u>(917,003)</u>	<u>11,193,734</u>

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

**NOTE 11 - CAPITAL ASSETS** (continued)

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
Governmental Activities (continued)				
Depreciable Capital Assets				
Buildings	\$18,520,838	\$0	\$0	\$18,520,838
Improvements Other Than Buildings	22,320,373	237,361	0	22,557,734
Streets	45,657,453	574,355	0	46,231,808
Bridges	229,802	0	0	229,802
Equipment	11,002,588	85,418	(76,092)	11,011,914
Total Depreciable Capital Assets	<u>97,731,054</u>	<u>897,134</u>	<u>(76,092)</u>	<u>98,552,096</u>
Less Accumulated Depreciation for				
Buildings	(11,113,203)	(603,816)	0	(11,717,019)
Improvements Other Than Buildings	(8,740,682)	(741,336)	0	(9,482,018)
Streets	(33,528,535)	(1,485,923)	0	(35,014,458)
Bridges	(96,516)	(4,596)	0	(101,112)
Equipment	(8,272,796)	(493,697)	76,092	(8,690,401)
Total Accumulated Depreciation	<u>(61,751,732)</u>	<u>(3,329,368)</u>	<u>76,092</u>	<u>(65,005,008)</u>
Total Depreciable Capital Assets, Net	<u>35,979,322</u>	<u>(2,432,234)</u>	<u>0</u>	<u>33,547,088</u>
Governmental Activities Capital Assets, Net	<u>\$47,236,004</u>	<u>(\$1,578,179)</u>	<u>(\$917,003)</u>	<u>\$44,740,822</u>
Business-Type Activities				
Nondepreciable Capital Assets				
Land	\$801,702	\$0	\$0	\$801,702
Construction in Progress	7,113,903	995,097	0	8,109,000
Total Nondepreciable Capital Assets	<u>7,915,605</u>	<u>995,097</u>	<u>0</u>	<u>8,910,702</u>
Depreciable Capital Assets				
Buildings	64,323,473	62,077	0	64,385,550
Improvements Other Than Buildings	26,017,956	39,700	0	26,057,656
Utility Plant	5,616,121	0	0	5,616,121
Water and Sewer Lines	22,189,912	653,364	0	22,843,276
Equipment	2,893,383	50,652	(16,324)	2,927,711
Total Depreciable Capital Assets	<u>121,040,845</u>	<u>805,793</u>	<u>(16,324)</u>	<u>121,830,314</u>

(continued)



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

**NOTE 11 - CAPITAL ASSETS** (continued)

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
Business-Type Activities (continued)				
Less Accumulated Depreciation for				
Buildings	(\$16,768,373)	(\$1,140,127)	\$0	(\$17,908,500)
Improvements Other Than Buildings	(7,937,340)	(916,442)	0	(8,853,782)
Utility Plant	(3,623,292)	(203,920)	0	(3,827,212)
Water and Sewer Lines	(10,432,252)	(362,961)	0	(10,795,213)
Equipment	(2,104,076)	(113,456)	16,324	(2,201,208)
Total Accumulated Depreciation	<u>(40,865,333)</u>	<u>(2,736,906)</u>	<u>16,324</u>	<u>(43,585,915)</u>
 Total Depreciable Capital Assets, Net	 <u>80,175,512</u>	 <u>(1,931,113)</u>	 <u>0</u>	 <u>78,244,399</u>
 Business-Type Activities Capital Assets, Net	 <u>\$88,091,117</u>	 <u>(\$936,016)</u>	 <u>\$0</u>	 <u>\$87,155,101</u>

The Sewer enterprise fund accepted a contribution of capital assets from the Capital Projects capital projects fund, with a fair value of \$342,648, during 2014.

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property - Police	\$124,202
Security of Persons and Property - Fire	429,528
Public Health	22,934
Leisure Time Activities	126,978
Community Environment	242,995
Transportation	1,724,230
General Government - Municipal Court	11,939
General Government - Other	646,562
Total Depreciation Expense - Governmental Activities	<u><u>\$3,329,368</u></u>

**NOTE 12 - INTERFUND RECEIVABLES/PAYABLES**

At December 31, 2014, the General Fund had an interfund receivable, in the amount of \$8,100, for a loan made to other governmental funds. Of this amount, \$5,400 is not scheduled to be collected within one year.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the City contracted with the Travelers Indemnity Company for the following coverage:

Type of Coverage	Coverage
Property (building and contents)	\$140,127,627
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 2013 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 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS**

The City has outstanding contracts for professional services. The following amounts remain on these contracts as of December 31, 2014:

Contract	Remaining Commitment
Community Action Commission	\$64,766
CT Consultants	78,451
Ed Burdue	538,452
Erie Blacktop	424,860
Jones & Henry	59,967
K.E McCartney	208,173
Kirk Brothers	293,502

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 14 - SIGNIFICANT CONTRACTUAL COMMITMENTS** (continued)

Contract	Remaining Commitment
Mannik & Smith	\$26,933
Miller Cable Company	758,940
N&N Construction	53,425
Norfolk Southern	124,832
O.R. Colan & Associates	31,526
Ohio Edison	4,048
Schirmer Construction	1,616,067
Speer Brothers	1,237,389
Thrasher Group	54,389
Total	\$5,575,720

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2014 are as follows:

General Fund	\$19,180
Capital Projects Fund	50,661
Total	\$69,841

**NOTE 15 - 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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

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, 2014, members in state and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 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 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$800,952, \$845,387, and \$649,642, respectively. For 2014, 84 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$2,433 made by the City and \$1,738 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](http://www.op-f.org).

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, 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 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$591,912 and \$782,710 for the year ended December 31, 2014, \$473,562 and \$660,218 for the year ended December 31, 2013, and \$382,390 and \$571,075, for the year ended December 31, 2012. For 2014, 86 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 2013 and 2012.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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**NOTE 16 - 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.

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 2014, 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 2 percent in 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$133,897, \$65,076, and \$261,630, respectively. For 2014, 84 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

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 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.

**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](http://www.op-f.org).

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required 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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

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 2014, the employer contribution allocated to the health care plan was .5 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.

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$15,577 and \$16,653 for the year ended December 31, 2014, \$107,831 and \$117,145 for the year ended December 31, 2013, and \$202,442 and \$223,464 for the year ended December 31, 2012. For 2014, 86 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 2013 and 2012.

**NOTE 17 - COMPENSATED ABSENCES**

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

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

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

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

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 17 - COMPENSATED ABSENCES** (continued)

	<u>AFCSME</u>	<u>IAF</u>	<u>FOP</u>	<u>Administration</u>
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.

**NOTE 18 - SHORT-TERM OBLIGATIONS**

The City's short-term obligations activity for the year ended December 31, 2014, was as follows:

	<u>Interest Rate</u>	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2014</u>
<u>Governmental Activities</u>					
<u>Bond Anticipation Notes</u>					
<u>Capital Projects Funds</u>					
2013 Various Improvement	1.25%	\$3,035,000	\$0	\$3,035,000	\$0
2014 Various Improvement	.41	0	2,692,500	0	2,692,500
Total Bond Anticipation Notes		<u>\$3,035,000</u>	<u>\$2,692,500</u>	<u>\$3,035,000</u>	<u>\$2,692,500</u>

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 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. The 2014 various improvement notes were issued to partially retire notes previously issued to acquire a pumper truck, fire boat, 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, 2014, the total amount of various improvement notes outstanding was \$2,692,500, of which \$2,692,500 has been expended for construction. Of the \$2,692,500, \$1,725,000 was not capitalized.



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

**NOTE 19 - LONG-TERM OBLIGATIONS**

The City's long-term obligations activity for the year ended December 31, 2014, was as follows:

	Interest Rate	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<b><u>Governmental Activities</u></b>						
<b>General Obligation Bonds</b>						
2001 Various Purpose	3.00-5.05%	\$110,000	\$0	\$10,000	\$100,000	\$10,000
2005 Various Purpose	3.50-5.13	355,000	0	355,000	0	0
2005 City Complex Refunding	4.28	4,790,000	0	530,000	4,260,000	595,000
Bond Premium		34,816	0	3,852	30,964	0
2007 Police Pension Refunding	4.00-4.25	381,566	0	23,448	358,118	34,420
Bond Premium		4,022	0	247	3,775	0
2007 Fire Pension Refunding	4.00-4.25	513,434	0	31,552	481,882	25,580
Bond Premium		5,414	0	333	5,081	0
2007 Various Purpose Refunding	4.00-4.25	3,623,803	0	264,867	3,358,936	274,867
Bond Premium		27,466	0	1,640	25,826	0
2011 Library Improvement Refunding	2.00-4.25	3,495,000	0	310,000	3,185,000	315,000
Bond Premium		102,829	0	9,121	93,708	0
2014 Various Purpose Refunding	3.05	0	370,000	125,000	245,000	125,000
<b>Total General Obligation Bonds</b>		<b>13,443,350</b>	<b>370,000</b>	<b>1,665,060</b>	<b>12,148,290</b>	<b>1,379,867</b>
<b>Revenue Bonds</b>						
2013 Urban Renewal	2.55	2,310,000	0	360,000	1,950,000	370,000
<b>Special Assessment Bonds with Government Commitment</b>						
Special Assessment Bonds	3.50-6.00	2,810,036	45,000	315,973	2,539,063	246,972
2008 Bond Premium		93,139	0	4,369	88,770	0
<b>Total Special Assessment Bonds</b>		<b>2,903,175</b>	<b>45,000</b>	<b>320,342</b>	<b>2,627,833</b>	<b>246,972</b>
<b>Other Long-Term Obligations</b>						
Loans		415,821	0	97,494	318,327	101,681
Compensated Absences		1,896,965	165,582	227,118	1,835,429	261,066
<b>Total Other Long-Term Obligations</b>		<b>2,312,786</b>	<b>165,582</b>	<b>324,612</b>	<b>2,153,756</b>	<b>362,747</b>
<b>Total Governmental Activities</b>		<b>\$20,969,311</b>	<b>\$580,582</b>	<b>\$2,670,014</b>	<b>\$18,879,879</b>	<b>\$2,359,586</b>
<b><u>Business-Type Activities</u></b>						
<b>General Obligation Revenue Bonds</b>						
2005 Water System	3.50-5.13%	\$135,000	\$0	\$135,000	\$0	\$0
2005 Wastewater System	3.50-5.13	1,430,000	0	1,430,000	0	0
Bond Premium		40,220	0	40,220	0	0
Bond Discount		(16,935)	0	(16,935)	0	0
2014 Various Purpose Refunding	3.05	0	1,630,000	60,000	1,570,000	70,000
<b>Total General Obligation Revenue Bonds</b>		<b>1,588,285</b>	<b>1,630,000</b>	<b>1,648,285</b>	<b>1,570,000</b>	<b>70,000</b>

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

	Interest Rate	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due Within One Year
<u>Business-Type Activities</u> (continued)						
OWDA Loans						
Water	4.60-5.20%	\$17,979,662	\$14,271	\$935,482	\$17,058,451	\$859,784
Sewer	4.27-6.39	28,456,385	0	1,407,454	27,048,931	1,493,214
Total OWDA Loans		<u>46,436,047</u>	<u>14,271</u>	<u>2,342,936</u>	<u>44,107,382</u>	<u>2,352,998</u>
Other Long-Term Obligations						
Loans		258,374	0	60,578	197,796	63,180
Compensated Absences		606,871	84,200	72,027	619,044	81,935
Total Other Long-Term Obligations		<u>865,245</u>	<u>84,200</u>	<u>132,605</u>	<u>816,840</u>	<u>145,115</u>
Total Business-Type Activities		<u>\$48,889,577</u>	<u>\$1,728,471</u>	<u>\$4,123,826</u>	<u>\$46,494,222</u>	<u>\$2,568,113</u>

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. During 2014, \$355,000 of these bonds was refunded.

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, 2014**  
**(continued)**

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**NOTE 19 - 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, 2014, 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, 2014, 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, 2014, 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, 2014**  
**(continued)**

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**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.

2014 Various Purpose Refunding General Obligation Bonds

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

The refunded bonds were fully retired on September 2, 2014.

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, 2014, the refunded bonds were fully retired.

On July 29, 2014, the City issued \$45,000 in current refunding general obligation bonds to refund \$40,000 in bonds previously issued for sidewalks. The bonds were issued for a two year period with maturity beginning December 1, 2014. The bonds will be paid from the Special Assessment Bond Retirement debt service fund.

The refunded bonds were fully retired on September 2, 2014.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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

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, \$318,327 was not capitalized in governmental activities and \$197,796 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 and Federal Grants special revenue funds, the Various Improvement capital projects fund, and the Water and Sewer enterprise funds.

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. During 2014, \$135,000 of these bonds was refunded.

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. During 2014, \$1,430,000 of these bonds was refunded.

2014 Various Purpose Refunding

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

The refunded bonds were fully retired on September 2, 2014.

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.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

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 \$54,197,413. Principal and interest paid for the current year and net revenues were \$1,818,251 and \$1,356,485 from the Water enterprise fund and \$2,714,946 and \$1,628,337 for the Sewer enterprise fund. The OWDA loans are payable through 2041.

The City's legal debt margin was \$33,670,230 at December 31, 2014.

The chemical improvements project funded by an OWDA loan has not been completed. An amortization schedule for the repayment of the loan will not be available until the project is completed and, therefore, is not included in the following schedule.

Principal and interest requirements to retire governmental activities general long-term obligations outstanding at December 31, 2014, were as follows:

Year	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$1,379,867	\$475,171	\$370,000	\$49,725	\$246,972	\$137,694	\$101,681	\$12,457
2016	1,329,867	425,724	380,000	40,290	225,973	126,266	106,047	8,091
2017	1,389,867	376,319	390,000	30,600	191,574	115,360	110,599	3,537
2018	1,469,867	323,619	400,000	20,655	190,573	106,131	0	0
2019	1,529,867	266,127	410,000	10,455	163,573	96,538	0	0
2020-2024	4,204,601	556,798	0	0	765,398	358,399	0	0
2025-2028	685,000	43,384	0	0	755,000	113,326	0	0
	<u>\$11,988,936</u>	<u>\$2,467,142</u>	<u>\$1,950,000</u>	<u>\$151,725</u>	<u>\$2,539,063</u>	<u>\$1,053,714</u>	<u>\$318,327</u>	<u>\$24,085</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2014, from the enterprise funds were as follows:

Year	2014 Various Purpose Refunding			
	Principal	Interest		
2015	\$70,000	\$47,885		
2016	75,000	45,750		
2017	75,000	43,463		
2018	75,000	41,174		
2019	80,000	38,888		
2020-2024	475,000	154,787		
2025-2029	585,000	75,182		
2030	135,000	4,118		
	\$1,570,000	\$451,247		

Year	OWDA Loans		Loans	
	Principal	Interest	Principal	Interest
2015	\$2,352,998	\$1,783,379	\$63,180	\$7,740
2016	2,468,653	1,667,724	65,893	5,027
2017	2,590,035	1,546,342	68,723	2,198
2018	2,717,433	1,418,944	0	0
2019	2,851,149	1,285,228	0	0
2020-2024	14,520,364	4,225,650	0	0
2025-2029	3,615,559	1,890,084	0	0
2030-2034	2,729,818	1,297,952	0	0
2035-2039	3,371,940	655,830	0	0
2040-2041	1,158,515	49,816	0	0
	\$38,376,464	\$15,820,949	\$197,796	\$14,965

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

Long-term obligations at December 31, 2014, consisted of the following issues:

Long-Term Obligations	Term	Percent	Original Issue	Outstanding 12/31/14
<b>General Obligation Bonds</b>				
2001 Various Purpose	2001-2026	3.00-5.05%	\$6,037,200	\$100,000
2005 City Complex Refunding	2005-2020	4.28	6,410,000	4,260,000
2007 Police Pension Refunding	2007-2026	4.00-4.25	445,515	358,118
2007 Fire Pension Refunding	2007-2026	4.00-4.25	599,485	481,882
2007 Various Purpose Refunding	2007-2026	4.00-4.25	4,433,271	3,358,936
2011 Library Improvement Refunding	2011-2023	2.00-4.25	4,090,000	3,185,000
2014 Various Purpose Refunding	2014-2030	3.05	370,000	245,000
			22,385,471	11,988,936
<b>Revenue Bonds</b>				
2013 Urban Renewal	2013-2019	2.55	2,680,000	1,950,000
<b>Special Assessment Bonds</b>				
1996 Perry Street	1996-2016	5.72	40,000	4,000
1996 Perry Street - City Port	1996-2016	5.72	350,000	46,000
1998 PP Street	1998-2018	4.87	48,894	9,845
1998 PP Street	1998-2018	4.87	31,000	6,243
1998 PP Street	1998-2018	4.87	69,106	13,912
1999 Winnebago	1999-2019	5.50	81,000	19,000
1999 Wilbert	1999-2019	5.50	143,000	30,000
1999 Streetscape	1999-2019	5.50	329,000	81,000
2006 Sidewalk	2006-2016	4.66	104,000	20,800
2007 Remington Refunding	2007-2026	4.00	66,729	41,063
2007 Seneca	2007-2027	4.00	52,000	33,800
2007 Huntington	2007-2027	4.00	147,000	113,400
2007 Sidewalk	2007-2027	4.00	91,000	37,800
2008 Sidewalk, Curb, and Gutter	2008-2018	4.00-5.00	113,000	50,000
2008 Cold Creek	2008-2028	4.00-6.00	2,425,000	1,930,000
2008 Monroe Street	2008-2018	4.00-5.00	87,000	40,000
2009 Monroe Street	2009-2019	4.50	84,400	42,200
2014 Sidewalk Refunding	2014-2030	3.05	45,000	20,000
			4,307,129	2,539,063



**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

General Obligation Revenue Bonds

Water

2014 Various Purpose Refunding	2014-2030	3.05%	\$140,000	\$135,000
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Sewer

2014 Various Purpose Refunding	2014-2030	3.05	1,490,000	1,435,000
			<u>1,630,000</u>	<u>1,570,000</u>
			<u>\$31,002,600</u>	<u>\$18,047,999</u>

OWDA Loans

Water

2003 Water Plant Improvements	2004-2024	5.20%	\$19,993,686	\$5,762,251
2005 WTP Electrical Improvements	2005-2030	4.60	8,628,362	5,565,282
2011 Chemical Improvements	2011-2042	4.45	5,644,215	5,730,918
			<u>34,266,263</u>	<u>17,058,451</u>

Sewer

1998 Ultraviolet Treatment	2001-2026	5.56	2,110,930	1,323,313
1999 Sewer Rehabilitation	2001-2025	6.13	350,878	218,596
2000 Sewer Rehabilitation	2001-2026	6.39	713,436	425,738
2000 CSO Flow Monitors	2001-2026	6.39	306,536	204,969
2000 Sludge Digestion System	2001-2026	6.03	1,409,888	781,174

Sewer

2001 Cedar Point Pump Station	2002-2022	5.05	4,393,697	2,213,133
2001 Final Settling Tank Improv	2002-2022	5.05	383,484	146,021
2002 WWTP Expansion	2003-2024	4.65	26,286,934	9,028,179
2007 WWTP Phase II Design	2008-2041	4.27	13,438,130	12,707,808
			<u>49,393,913</u>	<u>27,048,931</u>
			<u>\$83,660,176</u>	<u>\$44,107,382</u>

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

**NOTE 20 - OPERATING LEASE**

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

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

For 2014, the City received payments, in the amount of \$31,250. Future annual lease payments to be received are as follows:

Year	Annual Lease Payment	Total Lease for Period
2015	\$30,000	\$30,000
2016-2024	30,000	270,000
Total minimum future rentals		\$300,000

Beginning in 2000, Sandusky Bay Investment Company, Limited is required to pay additional rents to the City if net income is reported for that year. The additional rent will be 2 percent of gross income. The City received \$20,000 in additional rent in 2014.

**NOTE 21 - FUND BALANCE**

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

Fund Balance	General	Capital Projects	Other Governmental Funds
Nonspendable for:			
Interfund Loans	\$5,400	\$0	\$0
Materials and Supplies			
Inventory	108,421	0	132,158
Unclaimed Monies	104,146	0	0
Total Nonspendable	217,967	0	132,158

(continued)

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
(continued)

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

Fund Balance	General	Capital Projects	Other Governmental Funds
Restricted for:			
Cemetery Operations	\$0	\$0	\$685,019
Court Computerization	0	0	175,422
Debt Retirement	0	0	350,359
Drug and Alcohol Treatment/Enforcement	0	0	354,300
Economic Development and Rehabilitation	0	0	2,718,521
Electronic Monitoring	0	0	17,185
Police and Fire Operations	0	0	192,606
Probation	0	0	449,855
Recreation	0	0	204,352
Street Construction and Maintenance	0	0	173,226
Transit System	0	0	19,509
Total Restricted	0	0	5,340,354
Committed for:			
Capital Improvements	0	0	59,800
Assigned for:			
Future Severance Payments	112,061	0	0
Unpaid Obligations	17,565	0	0
Total Assigned	129,626	0	0
Unassigned (Deficit)	3,953,112	(11,046)	(303,691)
Total Fund Balance (Deficit)	\$4,300,705	(\$11,046)	\$5,228,621

**NOTE 22 - INTERFUND TRANSFERS**

During 2014, the General Fund made transfers to the Special Assessment Bond Retirement Fund and other governmental funds, in the amount of \$156,226 and \$560,000, respectively, to move receipts as debt payments became due, and to other governmental funds, in the amount of \$1,369,562, 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 \$116,143, 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 \$534,240, and to other governmental funds to move receipts as debt payments became due, in the amount of \$117,278.

**City of Sandusky**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2014**  
**(continued)**

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**NOTE 22 - INTERFUND TRANSFERS** (continued)

The Sewer Fund made transfers to the Special Assessment Bond Retirement Fund in the amount of \$56,942, to move receipts as debt payments became due.

**NOTE 23 - 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, 2014. Financial information may be obtained from Buckeye Ohio Risk Management Association, 631 Perry Street, Defiance, Ohio 43512.

**NOTE 24 - CONTINGENT LIABILITIES**

**A. Litigation**

The City of Sandusky is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. Approximately \$327,000 of receivables billed in 2013 and reported in the Water enterprise fund due from Erie County (intergovernmental receivable) is being disputed by Erie County and is in litigation. In addition, \$518,068 was recorded for amounts billed in 2014 and not paid by Erie County based on a dispute of a proper rate per hundred cubic feet (ccf). On June 5, 2015, the Court of Appeals of Ohio, Sixth Appellate District, Lucas County reversed the lower court award of summary judgment in favor of the City.

**B. Federal and State Grants**

For the period January 1, 2014, to December 31, 2014, 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.

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

#### Federal Grants

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

#### Indigent Drivers Alcohol

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

(continued)

**Nonmajor Special Revenue Funds  
(continued)**

Enforcement and Education

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

Court Computerization

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

Indigent Telephone

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

Municipal Probation

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

General Trust

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

Park Donations

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

Cemetery Donations

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

**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.

**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, 2014

	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	\$2,759,021	\$309,391	\$294,218	\$3,362,630
Accounts Receivable	17,089	0	423,193	440,282
Accrued Interest Receivable	656	0	0	656
Due from Other Governments	926,959	24,843	0	951,802
Municipal Income Taxes Receivable	0	134,890	107,912	242,802
Other Local Taxes Receivable	33,650	0	0	33,650
Materials and Supplies Inventory	132,158	0	0	132,158
Property Taxes Receivable	272,034	453,540	0	725,574
Payment in Lieu of Taxes Receivable	376	535,563	28,328	564,267
Notes Receivable	2,267,046	0	0	2,267,046
<b>Total Assets</b>	<b>\$6,408,989</b>	<b>\$1,458,227</b>	<b>\$853,651</b>	<b>\$8,720,867</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$19,635	\$0	\$1,738	\$21,373
Accounts Payable	482,202	0	55,128	537,330
Contracts Payable	11,835	0	0	11,835
Interfund Payable	0	0	8,100	8,100
Due to Other Governments	183,205	0	2,314	185,519
<b>Total Liabilities</b>	<b>696,877</b>	<b>0</b>	<b>67,280</b>	<b>764,157</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	247,176	412,110	0	659,286
Payment in Lieu of Taxes	376	535,563	28,328	564,267
Unavailable Revenue	846,010	160,195	498,331	1,504,536
<b>Total Deferred Inflows of Resources</b>	<b>1,093,562</b>	<b>1,107,868</b>	<b>526,659</b>	<b>2,728,089</b>
<u>Fund Balance</u>				
Nonspendable	132,158	0	0	132,158
Restricted	4,790,083	350,359	199,912	5,340,354
Committed	0	0	59,800	59,800
Unassigned (Deficit)	(303,691)	0	0	(303,691)
<b>Total Fund Balance</b>	<b>4,618,550</b>	<b>350,359</b>	<b>259,712</b>	<b>5,228,621</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$6,408,989</b>	<b>\$1,458,227</b>	<b>\$853,651</b>	<b>\$8,720,867</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2014

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$104,164	\$53,000	\$535	\$93	\$93
Accounts Receivable	22	0	17,067	0	0
Accrued Interest Receivable	0	0	0	0	0
Due from Other Governments	461,238	37,399	80,393	10,138	10,138
Other Local Taxes Receivable	33,650	0	0	0	0
Materials and Supplies Inventory	131,918	0	0	0	0
Property Taxes Receivable	0	0	0	136,017	136,017
Payment in Lieu of Taxes Receivable	0	0	0	188	188
Notes Receivable	0	0	0	0	0
Total Assets	<u>\$730,992</u>	<u>\$90,399</u>	<u>\$97,995</u>	<u>\$146,436</u>	<u>\$146,436</u>
<u>Liabilities</u>					
Accrued Wages Payable	\$19,635	\$0	\$0	\$0	\$0
Accounts Payable	36,713	0	176,441	0	0
Contracts Payable	0	0	0	0	0
Due to Other Governments	27,213	849	6,105	80,488	64,500
Total Liabilities	<u>83,561</u>	<u>849</u>	<u>182,546</u>	<u>80,488</u>	<u>64,500</u>
<u>Deferred Inflows of Resources</u>					
Property Taxes	0	0	0	123,588	123,588
Payment in Lieu of Taxes	0	0	0	188	188
Unavailable Revenue	399,448	32,389	74,338	22,567	22,567
Total Deferred Inflows of Resources	<u>399,448</u>	<u>32,389</u>	<u>74,338</u>	<u>146,343</u>	<u>146,343</u>
<u>Fund Balance</u>					
Nonspendable	131,918	0	0	0	0
Restricted	116,065	57,161	0	0	0
Unassigned (Deficit)	0	0	(158,889)	(80,395)	(64,407)
Total Fund Balance (Deficit)	<u>247,983</u>	<u>57,161</u>	<u>(158,889)</u>	<u>(80,395)</u>	<u>(64,407)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$730,992</u>	<u>\$90,399</u>	<u>\$97,995</u>	<u>\$146,436</u>	<u>\$146,436</u>

State Grants	Federal Grants	Indigent Drivers Alcohol	Enforcement and Education	Court Computerization	Indigent Telephone	Municipal Probation
\$343,038	\$263,937	\$291,269	\$68,798	\$187,219	\$17,185	\$350,783
0	0	0	0	0	0	0
0	617	0	0	0	0	0
32,274	291,465	3,914	0	0	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
2,235,046	32,000	0	0	0	0	0
<u>\$2,610,358</u>	<u>\$588,101</u>	<u>\$295,183</u>	<u>\$68,798</u>	<u>\$187,219</u>	<u>\$17,185</u>	<u>\$350,783</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
7,501	243,983	5,767	0	11,797	0	0
11,835	0	0	0	0	0	0
1,560	0	0	0	0	0	1,172
<u>20,896</u>	<u>243,983</u>	<u>5,767</u>	<u>0</u>	<u>11,797</u>	<u>0</u>	<u>1,172</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
16,137	274,650	3,914	0	0	0	0
<u>16,137</u>	<u>274,650</u>	<u>3,914</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	82	0	0	0	0	0
2,573,325	69,386	285,502	68,798	175,422	17,185	349,611
0	0	0	0	0	0	0
<u>2,573,325</u>	<u>69,468</u>	<u>285,502</u>	<u>68,798</u>	<u>175,422</u>	<u>17,185</u>	<u>349,611</u>
<u>\$2,610,358</u>	<u>\$588,101</u>	<u>\$295,183</u>	<u>\$68,798</u>	<u>\$187,219</u>	<u>\$17,185</u>	<u>\$350,783</u>

(continued)

City of Sandusky  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2014  
(continued)

	General Trust	Park Donations	Cemetery Donations	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$203,284	\$189,325	\$686,298	\$2,759,021
Accounts Receivable	0	0	0	17,089
Accrued Interest Receivable	0	0	39	656
Due from Other Governments	0	0	0	926,959
Other Local Taxes Receivable	0	0	0	33,650
Materials and Supplies Inventory	0	0	158	132,158
Property Taxes Receivable	0	0	0	272,034
Payment in Lieu of Taxes Receivable	0	0	0	376
Notes Receivable	0	0	0	2,267,046
<b>Total Assets</b>	<b>\$203,284</b>	<b>\$189,325</b>	<b>\$686,495</b>	<b>\$6,408,989</b>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$0	\$19,635
Accounts Payable	0	0	0	482,202
Contracts Payable	0	0	0	11,835
Due to Other Governments	0	0	1,318	183,205
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>1,318</b>	<b>696,877</b>
<u>Deferred Inflows of Resources</u>				
Property Taxes	0	0	0	247,176
Payment in Lieu of Taxes	0	0	0	376
Unavailable Revenue	0	0	0	846,010
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,093,562</b>
<u>Fund Balance</u>				
Nonspendable	0	0	158	132,158
Restricted	203,284	189,325	685,019	4,790,083
Unassigned (Deficit)	0	0	0	(303,691)
<b>Total Fund Balance (Deficit)</b>	<b>203,284</b>	<b>189,325</b>	<b>685,177</b>	<b>4,618,550</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$203,284</b>	<b>\$189,325</b>	<b>\$686,495</b>	<b>\$6,408,989</b>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2014

	General Bond Retirement	Urban Renewal Debt Retirement	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,398	\$304,993	\$309,391
Due from Other Governments	24,843	0	24,843
Municipal Income Taxes Receivable	134,890	0	134,890
Property Taxes Receivable	453,540	0	453,540
Payment in Lieu of Taxes Receivable	594	534,969	535,563
	<hr/>	<hr/>	<hr/>
Total Assets	\$618,265	\$839,962	\$1,458,227
<u>Deferred Inflows of Resources</u>			
Property Taxes	\$412,110	\$0	\$412,110
Payment in Lieu of Taxes	594	534,969	535,563
Unavailable Revenue	160,195	0	160,195
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources	572,899	534,969	1,107,868
<u>Fund Balance</u>			
Restricted	45,366	304,993	350,359
	<hr/>	<hr/>	<hr/>
Total Deferred Inflows of Resources and Fund Balance	\$618,265	\$839,962	\$1,458,227
	<hr/>	<hr/>	<hr/>

City of Sandusky  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2014

	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$27,026	\$67,115	\$200,077	\$294,218
Accounts Receivable	0	0	423,193	423,193
Municipal Income Taxes Receivable	107,912	0	0	107,912
Payment in Lieu of Taxes Receivable	0	28,328	0	28,328
Total Assets	<u>\$134,938</u>	<u>\$95,443</u>	<u>\$623,270</u>	<u>\$853,651</u>
<u>Liabilities</u>				
Accrued Wages Payable	\$0	\$0	\$1,738	\$1,738
Accounts Payable	0	0	55,128	55,128
Interfund Payable	0	0	8,100	8,100
Due to Other Governments	0	0	2,314	2,314
Total Liabilities	<u>0</u>	<u>0</u>	<u>67,280</u>	<u>67,280</u>
<u>Deferred Inflows of Resources</u>				
Payment in Lieu of Taxes	0	28,328	0	28,328
Unavailable Revenue	75,138	0	423,193	498,331
Total Deferred Inflows of Resources	<u>75,138</u>	<u>28,328</u>	<u>423,193</u>	<u>526,659</u>
<u>Fund Balance</u>				
Restricted	0	67,115	132,797	199,912
Committed	59,800	0	0	59,800
Total Fund Balance	<u>59,800</u>	<u>67,115</u>	<u>132,797</u>	<u>259,712</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$134,938</u>	<u>\$95,443</u>	<u>\$623,270</u>	<u>\$853,651</u>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Property Taxes	\$247,446	\$412,473	\$0	\$659,919
Payment in Lieu of Taxes	390	537,775	29,484	567,649
Municipal Income Taxes	0	462,648	370,119	832,767
Other Local Taxes	430,871	0	0	430,871
Charges for Services	514,057	0	176,532	690,589
Fees, Licenses, and Permits	120,386	0	101,672	222,058
Fines and Forfeitures	79,252	0	0	79,252
Intergovernmental	3,636,360	111,496	0	3,747,856
Interest	30,107	0	8,886	38,993
Other	356,200	379	2,206	358,785
Total Revenues	<u>5,415,069</u>	<u>1,524,771</u>	<u>688,899</u>	<u>7,628,739</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	713,544	0	0	713,544
Fire	932,045	0	0	932,045
Public Health	62,427	0	0	62,427
Leisure Time Activities	35,124	0	0	35,124
Community Environment	842,317	0	341,473	1,183,790
Transportation	3,911,750	0	0	3,911,750
General Government			0	
Municipal Court	64,548	0	0	64,548
Other	181,625	0	0	181,625
Capital Outlay	0	0	6,951	6,951
Debt Service:				
Principal Retirement	76,168	1,954,867	0	2,031,035
Interest and Fiscal Charges	40,227	576,252	0	616,479
Total Expenditures	<u>6,859,775</u>	<u>2,531,119</u>	<u>348,424</u>	<u>9,739,318</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,444,706)</u>	<u>(1,006,348)</u>	<u>340,475</u>	<u>(2,110,579)</u>
<u>Other Financing Sources (Uses)</u>				
General Obligation Bonds Issued	0	370,000	0	370,000
Transfers In	1,369,562	793,421	2,700	2,165,683
Transfers Out	(285,416)	0	(366,102)	(651,518)
Total Other Financing Sources (Uses)	<u>1,084,146</u>	<u>1,163,421</u>	<u>(363,402)</u>	<u>1,884,165</u>
Changes in Fund Balance	(360,560)	157,073	(22,927)	(226,414)
Fund Balance Beginning of Year	<u>4,979,110</u>	<u>193,286</u>	<u>282,639</u>	<u>5,455,035</u>
Fund Balance End of Year	<u>\$4,618,550</u>	<u>\$350,359</u>	<u>\$259,712</u>	<u>\$5,228,621</u>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2014

	Street Maintenance	State Highway	Public Transit	Fire Pension	Police Pension
<u>Revenues</u>					
Property Taxes	\$0	\$0	\$0	\$123,723	\$123,723
Payment in Lieu of Taxes	0	0	0	195	195
Other Local Taxes	430,871	0	0	0	0
Charges for Services	0	0	475,214	0	0
Fees, Licenses, and Permits	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	892,643	72,355	351,840	20,613	20,613
Interest	112	5	0	0	0
Other	37,118	619	242,895	0	0
<b>Total Revenues</b>	<b>1,360,744</b>	<b>72,979</b>	<b>1,069,949</b>	<b>144,531</b>	<b>144,531</b>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	0	0	0	0	605,316
Fire	0	0	0	757,459	0
Public Health	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	1,448,655	52,834	1,420,427	0	0
General Government					
Municipal Court	0	0	0	0	0
Other	0	0	0	0	0
Debt Service:					
Principal Retirement	21,168	0	0	31,552	23,448
Interest and Fiscal Charges	3,614	0	0	21,004	15,609
<b>Total Expenditures</b>	<b>1,473,437</b>	<b>52,834</b>	<b>1,420,427</b>	<b>810,015</b>	<b>644,373</b>
Excess of Revenues Over (Under) Expenditures	(112,693)	20,145	(350,478)	(665,484)	(499,842)
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	0	253,517	640,074	475,971
Transfers Out	(105,458)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(105,458)</b>	<b>0</b>	<b>253,517</b>	<b>640,074</b>	<b>475,971</b>
Changes in Fund Balance	(218,151)	20,145	(96,961)	(25,410)	(23,871)
Fund Balance (Deficit) Beginning of Year	466,134	37,016	(61,928)	(54,985)	(40,536)
<b>Fund Balance (Deficit) End of Year</b>	<b>\$247,983</b>	<b>\$57,161</b>	<b>(\$158,889)</b>	<b>(\$80,395)</b>	<b>(\$64,407)</b>



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
0	0	0	0	0	0	0
0	0	41,605	0	0	0	78,781
0	0	0	9,383	30,845	0	0
255,636	2,003,178	0	0	19,482	0	0
16,865	10,847	0	0	0	0	0
17,122	1,936	0	0	11	0	681
<u>289,623</u>	<u>2,015,961</u>	<u>41,605</u>	<u>9,383</u>	<u>50,338</u>	<u>0</u>	<u>79,462</u>
0	46,066	0	0	0	0	0
0	174,586	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
153,272	686,369	0	0	0	0	0
0	989,834	0	0	0	0	0
64,548	0	0	0	0	0	0
0	0	53,386	0	72,417	265	55,557
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>217,820</u>	<u>1,896,855</u>	<u>53,386</u>	<u>0</u>	<u>72,417</u>	<u>265</u>	<u>55,557</u>
<u>71,803</u>	<u>119,106</u>	<u>(11,781)</u>	<u>9,383</u>	<u>(22,079)</u>	<u>(265)</u>	<u>23,905</u>
0	0	0	0	0	0	0
(62,680)	(117,278)	0	0	0	0	0
<u>(62,680)</u>	<u>(117,278)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9,123	1,828	(11,781)	9,383	(22,079)	(265)	23,905
<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>\$2,573,325</u>	<u>\$69,468</u>	<u>\$285,502</u>	<u>\$68,798</u>	<u>\$175,422</u>	<u>\$17,185</u>	<u>\$349,611</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, 2014  
(continued)

	General Trust	Park Donations	Cemetery Donations	Total
<u>Revenues</u>				
Property Taxes	\$0	\$0	\$0	\$247,446
Payment in Lieu of Taxes	0	0	0	390
Other Local Taxes	0	0	0	430,871
Charges for Services	11,235	8,752	18,856	514,057
Fees, Licenses, and Permits	0	0	0	120,386
Fines and Forfeitures	39,024	0	0	79,252
Intergovernmental	0	0	0	3,636,360
Interest	0	42	2,236	30,107
Other	46,582	1,418	7,818	356,200
<b>Total Revenues</b>	<b>96,841</b>	<b>10,212</b>	<b>28,910</b>	<b>5,415,069</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property				
Police	62,162	0	0	713,544
Fire	0	0	0	932,045
Public Health	0	0	62,427	62,427
Leisure Time Activities	2,286	32,838	0	35,124
Community Environment	2,676	0	0	842,317
Transportation	0	0	0	3,911,750
General Government				
Municipal Court	0	0	0	64,548
Other	0	0	0	181,625
Debt Service:				
Principal Retirement	0	0	0	76,168
Interest and Fiscal Charges	0	0	0	40,227
<b>Total Expenditures</b>	<b>67,124</b>	<b>32,838</b>	<b>62,427</b>	<b>6,859,775</b>
Excess of Revenues Over (Under) Expenditures	29,717	(22,626)	(33,517)	(1,444,706)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	0	1,369,562
Transfers Out	0	0	0	(285,416)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,084,146</b>
Changes in Fund Balance	29,717	(22,626)	(33,517)	(360,560)
Fund Balance (Deficit) Beginning of Year	173,567	211,951	718,694	4,979,110
Fund Balance (Deficit) End of Year	\$203,284	\$189,325	\$685,177	\$4,618,550

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2014

	General Bond Retirement	Urban Renewal Debt Retirement	Total
<u>Revenues</u>			
Property Taxes	\$412,473	\$0	\$412,473
Payment in Lieu of Taxes	616	537,159	537,775
Municipal Income Taxes	462,648	0	462,648
Intergovernmental	50,813	60,683	111,496
Other	379	0	379
<b>Total Revenues</b>	<b>926,929</b>	<b>597,842</b>	<b>1,524,771</b>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,594,867	360,000	1,954,867
Interest and Fiscal Charges	507,247	69,005	576,252
<b>Total Expenditures</b>	<b>2,102,114</b>	<b>429,005</b>	<b>2,531,119</b>
Excess of Revenues Over (Under) Expenditures	(1,175,185)	168,837	(1,006,348)
<u>Other Financing Sources</u>			
General Obligation Bonds Issued	370,000	0	370,000
Transfers In	793,421	0	793,421
<b>Total Other Financing Sources</b>	<b>1,163,421</b>	<b>0</b>	<b>1,163,421</b>
Changes in Fund Balance	(11,764)	168,837	157,073
Fund Balance Beginning of Year	57,130	136,156	193,286
<b>Fund Balance End of Year</b>	<b>\$45,366</b>	<b>\$304,993</b>	<b>\$350,359</b>

City of Sandusky  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2014

	Capital Improvement	Redevelopment Tax Increment	Various Improvement	Total
<u>Revenues</u>				
Payment in Lieu of Taxes	\$0	\$29,484	\$0	\$29,484
Municipal Income Taxes	370,119	0	0	370,119
Charges for Services	0	0	176,532	176,532
Fees, Licenses, and Permits	0	0	101,672	101,672
Interest	0	0	8,886	8,886
Other	0	0	2,206	2,206
Total Revenues	<u>370,119</u>	<u>29,484</u>	<u>289,296</u>	<u>688,899</u>
<u>Expenditures</u>				
Current:				
Community Environment	0	432	341,041	341,473
Capital Outlay	0	6,951	0	6,951
Total Expenditures	<u>0</u>	<u>7,383</u>	<u>341,041</u>	<u>348,424</u>
Excess of Revenues Over (Under) Expenditures	<u>370,119</u>	<u>22,101</u>	<u>(51,745)</u>	<u>340,475</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	0	2,700	2,700
Transfers Out	(366,102)	0	0	(366,102)
Total Other Financing Sources (Uses)	<u>(366,102)</u>	<u>0</u>	<u>2,700</u>	<u>(363,402)</u>
Changes in Fund Balance	4,017	22,101	(49,045)	(22,927)
Fund Balance Beginning of Year	<u>55,783</u>	<u>45,014</u>	<u>181,842</u>	<u>282,639</u>
Fund Balance End of Year	<u>\$59,800</u>	<u>\$67,115</u>	<u>\$132,797</u>	<u>\$259,712</u>

City of Sandusky  
Combining Statements - Fiduciary Funds

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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, 2014

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
<u>State Patrol Transfer</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,897	\$33,562	\$29,862	\$9,597
<u>Liabilities</u>				
Undistributed Assets	\$5,897	\$33,562	\$29,862	\$9,597
<u>Guaranteed Deposits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$60,084	\$20,029	\$21,532	\$58,581
<u>Liabilities</u>				
Undistributed Assets	\$60,084	\$20,029	\$21,532	\$58,581
<u>Sandusky Municipal Court</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$121,142	\$2,273,413	\$2,284,921	\$109,634
<u>Liabilities</u>				
Undistributed Assets	\$121,142	\$2,273,413	\$2,284,921	\$109,634
<u>BSF Assessment</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,921	\$4,271	\$4,019	\$2,173
<u>Liabilities</u>				
Undistributed Assets	\$1,921	\$4,271	\$4,019	\$2,173
<u>Fire Escrow</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$50,238	\$55,636	\$62,624	\$43,250
<u>Liabilities</u>				
Undistributed Assets	\$50,238	\$55,636	\$62,624	\$43,250
<u>Payroll</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$101,163	\$105,681	\$101,163	\$105,681
<u>Liabilities</u>				
Due to Other Governments	\$101,163	\$105,681	\$101,163	\$105,681
<u>Police Temporary Deposit</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$2,568	\$9,793	\$10,294	\$2,067
<u>Liabilities</u>				
Undistributed Assets	\$2,568	\$9,793	\$10,294	\$2,067

(continued)

City of Sandusky  
Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2014  
(continued)

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014
<u>Section 125 Plan</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$10,316	\$29,376	\$25,196	\$14,496
<u>Liabilities</u>				
Undistributed Assets	\$10,316	\$29,376	\$25,196	\$14,496
<u>Total - All Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$353,329	\$2,531,761	\$2,539,611	\$345,479
<u>Liabilities</u>				
Due to Other Governments	\$101,163	\$105,681	\$101,163	\$105,681
Undistributed Assets	252,166	2,426,080	2,438,448	239,798
Total Liabilities	\$353,329	\$2,531,761	\$2,539,611	\$345,479





**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, 2014

	Original	Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$1,496,178	\$1,496,178	\$1,505,564	\$9,386
Payment in Lieu of Taxes	2,239	2,239	2,239	0
Municipal Income Taxes	6,895,000	6,976,334	6,977,782	1,448
Other Local Taxes	3,940,000	3,861,217	3,883,302	22,085
Charges for Services	936,450	949,267	999,809	50,542
Fees, Licenses, and Permits	683,500	626,996	644,546	17,550
Fines and Forfeitures	1,100,000	909,618	977,945	68,327
Intergovernmental	671,729	708,488	720,111	11,623
Interest	120,000	120,000	133,260	13,260
Other	305,850	291,330	318,625	27,295
<b>Total Revenues</b>	<b>16,150,946</b>	<b>15,941,667</b>	<b>16,163,183</b>	<b>221,516</b>
<u>Expenditures</u>				
Current:				
Security of Persons and Property-Police				
Police Patrol				
Personal Services	3,576,425	3,456,425	3,456,043	382
Other	276,557	241,557	227,478	14,079
<b>Total Police Patrol</b>	<b>3,852,982</b>	<b>3,697,982</b>	<b>3,683,521</b>	<b>14,461</b>
Police Records				
Personal Services	61,856	61,856	61,816	40
Other	172,797	147,797	144,466	3,331
<b>Total Police Records</b>	<b>234,653</b>	<b>209,653</b>	<b>206,282</b>	<b>3,371</b>
Police Reserves				
Personal Services	127,621	98,621	97,776	845
Other	3,300	3,300	1,440	1,860
<b>Total Police Reserves</b>	<b>130,921</b>	<b>101,921</b>	<b>99,216</b>	<b>2,705</b>
Police Detectives				
Personal Services	438,734	425,734	424,761	973
Other	8,700	8,700	5,391	3,309
<b>Total Police Detectives</b>	<b>447,434</b>	<b>434,434</b>	<b>430,152</b>	<b>4,282</b>
<b>Total Security of Persons and Property- Police</b>	<b>4,665,990</b>	<b>4,443,990</b>	<b>4,419,171</b>	<b>24,819</b>
Security of Persons and Property-Fire				
Fire Suppression				
Personal Services	4,145,707	4,058,707	4,058,363	344
Other	363,012	291,012	285,096	5,916
<b>Total Security of Persons and Property-Fire</b>	<b>4,508,719</b>	<b>4,349,719</b>	<b>4,343,459</b>	<b>6,260</b>
Security of Persons and Property-Other				
Street Lighting				
Other	234,000	292,000	291,111	889

(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, 2014  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Public Health				
Oakland Cemetery				
Personal Services	\$171,014	\$180,014	\$179,787	\$227
Other	28,579	39,547	37,247	2,300
Total Public Health	199,593	219,561	217,034	2,527
Leisure Time Activities				
Aquatic Center				
Personal Services	10,500	11,865	11,865	0
Other	13,887	3,834	3,834	0
Total Aquatic Center	24,387	15,699	15,699	0
Mills Creek Golf Course				
Personal Services	105,823	87,399	87,399	0
Other	91,976	96,040	96,040	0
Total Mills Creek Golf Course	197,799	183,439	183,439	0
Recreation				
Personal Services	62,256	75,499	75,499	0
Other	66,200	71,409	71,409	0
Total Recreation	128,456	146,908	146,908	0
Paper District Marina				
Personal Services	30,999	19,588	19,588	0
Other	24,405	29,416	29,416	0
Total Paper District Marina	55,404	49,004	49,004	0
Boat Launch Ramp				
Personal Services	16,000	513	513	0
Other	21,575	10,547	10,547	0
Total Boat Launch Ramp	37,575	11,060	11,060	0
Total Leisure Time Activities	443,621	406,110	406,110	0
Community Environment				
Community Development Planning				
Personal Services	208,337	339,337	338,675	662
Other	44,806	24,806	20,964	3,842
Total Community Development Planning	253,143	364,143	359,639	4,504
City Wide Economic Development				
Other	68,295	53,295	52,333	962
Community Development Building Division				
Personal Services	171,632	166,632	166,382	250
Other	23,247	30,747	29,466	1,281
Total Community Development Building Division	194,879	197,379	195,848	1,531

(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, 2014  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
Horticulture Services				
Personal Services	\$568,539	\$548,539	\$547,909	\$630
Other	183,991	193,991	190,571	3,420
<b>Total Horticulture Services</b>	<b>752,530</b>	<b>742,530</b>	<b>738,480</b>	<b>4,050</b>
<b>Total Community Environment</b>	<b>1,268,847</b>	<b>1,357,347</b>	<b>1,346,300</b>	<b>11,047</b>
Transportation				
Jackson Street Pier				
Other	1,000	1,000	864	136
General Government-Municipal Court				
Court-Criminal				
Personal Services	866,245	853,245	853,035	210
Other	61,500	71,650	71,039	611
<b>Total General Government-Municipal Court</b>	<b>927,745</b>	<b>924,895</b>	<b>924,074</b>	<b>821</b>
General Government-Other				
City Manager				
Personal Services	84,856	66,856	66,392	464
Other	8,100	15,098	14,486	612
<b>Total City Manager</b>	<b>92,956</b>	<b>81,954</b>	<b>80,878</b>	<b>1,076</b>
Personnel Labor Relations				
Personal Services	69,655	72,155	72,036	119
Other	13,200	7,200	5,959	1,241
<b>Total Personnel Labor Relations</b>	<b>82,855</b>	<b>79,355</b>	<b>77,995</b>	<b>1,360</b>
Finance				
Personal Services	106,412	106,412	105,025	1,387
Other	12,545	14,545	13,996	549
<b>Total Finance</b>	<b>118,957</b>	<b>120,957</b>	<b>119,021</b>	<b>1,936</b>
Income Tax				
Personal Services	58,582	59,082	58,807	275
Other	237,866	252,866	251,176	1,690
<b>Total Income Tax</b>	<b>296,448</b>	<b>311,948</b>	<b>309,983</b>	<b>1,965</b>
Data Processing				
Personal Services	54,336	54,336	53,664	672
Other	39,647	46,647	44,140	2,507
<b>Total Data Processing</b>	<b>93,983</b>	<b>100,983</b>	<b>97,804</b>	<b>3,179</b>
Law Director				
Personal Services	241,564	241,564	236,796	4,768
Other	28,648	15,648	12,336	3,312
<b>Total Law Director</b>	<b>270,212</b>	<b>257,212</b>	<b>249,132</b>	<b>8,080</b>

(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, 2014  
(continued)

	Original	Budget	Actual	Variance with Final Budget Over (Under)
City Commission				
Personal Services	\$26,609	\$26,609	\$26,592	\$17
Other	4,430	3,430	3,249	181
<b>Total City Commission</b>	<b>31,039</b>	<b>30,039</b>	<b>29,841</b>	<b>198</b>
City Commission Clerk				
Personal Services	42,819	42,819	42,741	78
Other	1,540	1,390	1,014	376
<b>Total City Commission Clerk</b>	<b>44,359</b>	<b>44,209</b>	<b>43,755</b>	<b>454</b>
Municipal Buildings and Lands				
Personal Services	174,635	170,635	170,627	8
Other	166,891	178,891	176,897	1,994
<b>Total Municipal Buildings and Lands</b>	<b>341,526</b>	<b>349,526</b>	<b>347,524</b>	<b>2,002</b>
Engineering				
Personal Services	243,469	203,969	203,530	439
Other	40,250	36,250	26,270	9,980
<b>Total Engineering</b>	<b>283,719</b>	<b>240,219</b>	<b>229,800</b>	<b>10,419</b>
Mechanic				
Personal Services	159,403	147,403	147,150	253
Other	96,976	78,976	70,587	8,389
<b>Total Mechanic</b>	<b>256,379</b>	<b>226,379</b>	<b>217,737</b>	<b>8,642</b>
Unclaimed Funds				
Other	1,000	1,000	0	1,000
Administrative Support				
Personal Services	60,000	124,000	123,806	194
Other	597,350	657,350	646,496	10,854
<b>Total Administrative Support</b>	<b>657,350</b>	<b>781,350</b>	<b>770,302</b>	<b>11,048</b>
<b>Total General Government-Other</b>	<b>2,570,783</b>	<b>2,625,131</b>	<b>2,573,772</b>	<b>51,359</b>
Debt Service:				
Principal Retirement	76,326	76,326	76,326	0
Interest and Fiscal Charges	13,030	13,030	13,030	0
<b>Total Debt Service</b>	<b>89,356</b>	<b>89,356</b>	<b>89,356</b>	<b>0</b>
<b>Total Expenditures</b>	<b>14,909,654</b>	<b>14,709,109</b>	<b>14,611,251</b>	<b>97,858</b>
Excess of Revenues Over Expenditures	1,241,292	1,232,558	1,551,932	319,374

(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, 2014  
(continued)

	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<u>Other Financing Sources (Uses)</u>				
Other Financing Sources	\$327,271	\$492,117	\$443,827	(\$48,290)
Sale of Capital Assets	0	3,216	3,216	0
Advances In	2,700	2,700	2,700	0
Transfers Out	(1,840,691)	(2,085,788)	(2,085,788)	0
Total Other Financing Sources (Uses)	<u>(1,510,720)</u>	<u>(1,587,755)</u>	<u>(1,636,045)</u>	<u>(48,290)</u>
Changes in Fund Balance	(269,428)	(355,197)	(84,113)	271,084
Fund Balance Beginning of Year	4,454,096	4,454,096	4,454,096	0
Prior Year Encumbrances Appropriated	<u>29,195</u>	<u>29,195</u>	<u>29,195</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,213,863</u></u>	<u><u>\$4,128,094</u></u>	<u><u>\$4,399,178</u></u>	<u><u>\$271,084</u></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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Special Assessments	\$212,032	\$211,466	(\$566)
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	264,496	264,496	0
Interest and Fiscal Charges	145,539	145,539	0
Total Expenditures	410,035	410,035	0
Excess of Revenues Under Expenditures	(198,003)	(198,569)	(566)
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	43	43	0
Special Assessment Bonds Issued	45,000	45,000	0
Advances Out	(2,700)	(2,700)	0
Transfers In	156,226	156,226	0
Total Other Financing Sources (Uses)	198,569	198,569	0
Changes in Fund Balance	566	0	(566)
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$566</u>	<u>\$0</u>	<u>(\$566)</u>

City of Sandusky  
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$464,091	\$483,185	\$19,094
Fees, Licenses, and Permits	126,241	135,379	9,138
Intergovernmental	1,433,775	1,567,609	133,834
Other	23,711	23,711	0
<b>Total Revenues</b>	<b>2,047,818</b>	<b>2,209,884</b>	<b>162,066</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police			
Other	18,591	18,487	104
Security of Persons and Property-Fire			
EMS			
Personal Services	36,000	35,871	129
Other	325,551	265,151	60,400
<b>Total Security of Persons and Property-Fire</b>	<b>361,551</b>	<b>301,022</b>	<b>60,529</b>
Leisure Time Activities			
Schade/Mylander Plaza			
Other	599	599	0
Shoreline Park Improvements			
Other	7,384	3,305	4,079
<b>Total Leisure Time Activities</b>	<b>7,983</b>	<b>3,904</b>	<b>4,079</b>
Community Environment			
Keller Building			
Other	50,785	21,860	28,925
Sandusky Cabinets			
Other	300,435	267,766	32,669
Brownfields			
Other	550,000	551,509	(1,509)
<b>Total Community Environment</b>	<b>901,220</b>	<b>841,135</b>	<b>60,085</b>
Transportation			
First Street Resurfacing			
Personal Services	35,000	34,627	373
Other	109,900	3,978	105,922
<b>Total First Street Resurfacing</b>	<b>144,900</b>	<b>38,605</b>	<b>106,295</b>
Hayes Avenue Underpass			
Personal Services	100	24	76
Other	2,000	1,886	114
<b>Total Hayes Avenue Underpass</b>	<b>2,100</b>	<b>1,910</b>	<b>190</b>

(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, 2014  
(continued)

	Budget	Actual	Variance Over (Under)
Camp Street Underpass			
Personal Services	\$10,000	\$9,635	\$365
Other	9,898	9,886	12
<b>Total Camp Street Underpass</b>	<b>19,898</b>	<b>19,521</b>	<b>377</b>
Curran Street Improvement			
Other	150	142	8
Columbus Avenue Resurfacing			
Other	500	310	190
Perkins Avenue Signals			
Personal Services	10,000	7,390	2,610
Other	184,309	589	183,720
<b>Total Perkins Avenue Signals</b>	<b>194,309</b>	<b>7,979</b>	<b>186,330</b>
Paper District Waterfront Improvement Design			
Other	14,857	206	14,651
Westend Grade Separation			
Other	3,429	3,429	0
Warren Street Resurfacing			
Other	50,864	29,371	21,493
Water Street Rehabilitation			
Personal Services	5,000	3,177	1,823
Other	50,006	127,846	(77,840)
<b>Total Water Street Rehabilitation</b>	<b>55,006</b>	<b>131,023</b>	<b>(76,017)</b>
Ferndale Drive Resurfacing			
Other	2,000	16,070	(14,070)
<b>Total Transportation</b>	<b>488,013</b>	<b>248,566</b>	<b>239,447</b>
General Government-Municipal Court			
Municipal Court			
Personal Services	67,000	66,144	856
Other	20,000	15,866	4,134
<b>Total General Government-Municipal Court</b>	<b>87,000</b>	<b>82,010</b>	<b>4,990</b>
General Government-Other			
City Hall			
Other	50	42	8
Paper District			
Other	10,000	9,155	845

(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, 2014  
(continued)

	Budget	Actual	Variance Over (Under)
Clean Ohio Assistance Fund - DC Filter Other	\$56,099	\$6,100	\$49,999
Data Processing Other	15,000	11,088	3,912
Total General Government-Other	81,149	26,385	54,764
Capital Outlay	1,225,579	1,358,990	(133,411)
Debt Service:			
Principal Retirement	3,123,616	3,035,000	88,616
Interest and Fiscal Charges	94,521	37,938	56,583
Total Debt Service	3,218,137	3,072,938	145,199
Total Expenditures	6,389,223	5,953,437	435,786
Excess of Revenues Under Expenditures	(4,341,405)	(3,743,553)	597,852
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	550	550	0
Bond Anticipation Notes Issued	2,692,500	2,692,500	0
Sale of Capital Assets	3,145	3,145	0
Transfers In	534,240	534,240	0
Transfers Out	(116,143)	(116,143)	0
Total Other Financing Sources (Uses)	3,114,292	3,114,292	0
Changes in Fund Balance	(1,227,113)	(629,261)	597,852
Fund Balance Beginning of Year	3,704,262	3,704,262	0
Prior Year Encumbrances Appropriated	51,815	51,815	0
Fund Balance End of Year	\$2,528,964	\$3,126,816	\$597,852

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$4,781,044	\$4,949,067	\$168,023
OWDA Loan Proceeds	20,000	14,271	(5,729)
General Obligation Bonds Issued	139,121	140,000	879
Grants	154,585	154,585	0
Interest	200	335	135
Other	58,156	82,351	24,195
<b>Total Revenues</b>	<b>5,153,106</b>	<b>5,340,609</b>	<b>187,503</b>
<u>Expenses</u>			
<u>Personal Services</u>			
Water Office	99,166	98,308	858
Waterworks Filtration	1,022,037	970,110	51,927
Waterworks Distribution	825,329	783,873	41,456
Administrative Support	435,000	431,644	3,356
<b>Total Personal Services</b>	<b>2,381,532</b>	<b>2,283,935</b>	<b>97,597</b>
<u>Travel and Transportation</u>			
Water Office	175	100	75
Waterworks Filtration	9,500	9,418	82
Waterworks Distribution	4,755	4,732	23
Administrative Support	5,000	2,678	2,322
<b>Total Travel and Transportation</b>	<b>19,430</b>	<b>16,928</b>	<b>2,502</b>
<u>Contractual Services</u>			
Water Office	29,011	27,700	1,311
Waterworks Filtration	463,919	448,605	15,314
Waterworks Distribution	60,261	53,920	6,341
Administrative Support	251,076	243,723	7,353
<b>Total Contractual Services</b>	<b>804,267</b>	<b>773,948</b>	<b>30,319</b>
<u>Materials and Supplies</u>			
Water Office	6,149	2,251	3,898
Waterworks Filtration	732,120	633,446	98,674
Waterworks Distribution	223,403	218,329	5,074
Administrative Support	10,777	5,519	5,258
<b>Total Materials and Supplies</b>	<b>972,449</b>	<b>859,545</b>	<b>112,904</b>
<u>Other</u>			
Water Office	100	35	65
Administrative Support	3,492	3,492	0
<b>Total Other</b>	<b>3,592</b>	<b>3,527</b>	<b>65</b>
<u>Capital Outlay</u>			
Waterworks Filtration	90,300	72,368	17,932
Waterworks Distribution	685,369	679,879	5,490
Administrative Support	158,438	154,930	3,508
<b>Total Capital Outlay</b>	<b>934,107</b>	<b>907,177</b>	<b>26,930</b>

(continued)

City of Sandusky  
Water Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014  
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Debt Service:			
Principal Retirement	\$1,128,841	\$1,119,838	\$9,003
Interest Expense	900,726	899,481	1,245
	<u>2,029,567</u>	<u>2,019,319</u>	<u>10,248</u>
Total Debt Service			
	<u>2,029,567</u>	<u>2,019,319</u>	<u>10,248</u>
Total Expenses	<u>7,144,944</u>	<u>6,864,379</u>	<u>280,565</u>
Changes in Fund Balance	(1,991,838)	(1,523,770)	468,068
Fund Balance Beginning of Year	7,411,909	7,411,909	0
Prior Year Encumbrances Appropriated	<u>60,333</u>	<u>60,333</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,480,404</u></u>	<u><u>\$5,948,472</u></u>	<u><u>\$468,068</u></u>

City of Sandusky  
Sewer Enterprise Fund

Schedule of Revenues, Expenses,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$5,624,135	\$5,668,741	\$44,606
General Obligation Bonds Issued	1,397,755	1,490,000	92,245
Interest	0	613	613
Other	64,865	119,705	54,840
<b>Total Revenues</b>	<b>7,086,755</b>	<b>7,279,059</b>	<b>192,304</b>
<u>Expenses</u>			
Personal Services			
Sewer Office	99,166	98,307	859
Water Pollution Control	1,394,302	1,314,137	80,165
Sewer Maintenance	767,723	764,860	2,863
Administrative Support	427,000	425,203	1,797
<b>Total Personal Services</b>	<b>2,688,191</b>	<b>2,602,507</b>	<b>85,684</b>
Travel and Transportation			
Sewer Office	175	100	75
Water Pollution Control	12,500	9,670	2,830
Sewer Maintenance	6,005	1,298	4,707
Administrative Support	4,245	2,768	1,477
<b>Total Travel and Transportation</b>	<b>22,925</b>	<b>13,836</b>	<b>9,089</b>
Contractual Services			
Sewer Office	29,011	27,700	1,311
Water Pollution Control	846,022	765,015	81,007
Sewer Maintenance	175,105	142,823	32,282
Administrative Support	283,093	270,545	12,548
<b>Total Contractual Services</b>	<b>1,333,231</b>	<b>1,206,083</b>	<b>127,148</b>
Materials and Supplies			
Sewer Office	6,148	2,251	3,897
Water Pollution Control	226,392	226,130	262
Sewer Maintenance	259,381	259,109	272
Administrative Support	10,777	5,519	5,258
<b>Total Materials and Supplies</b>	<b>502,698</b>	<b>493,009</b>	<b>9,689</b>
Other			
Sewer Office	100	35	65
Administrative Support	2,755	2,229	526
<b>Total Other</b>	<b>2,855</b>	<b>2,264</b>	<b>591</b>
Capital Outlay			
Water Pollution Control	40,000	39,700	300
Sewer Maintenance	520,000	516,535	3,465
Administrative Support	6,295	1,295	5,000
<b>Total Capital Outlay</b>	<b>566,295</b>	<b>557,530</b>	<b>8,765</b>

(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, 2014  
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Debt Service:			
Principal Retirement	\$2,961,247	\$2,960,153	\$1,094
Interest Expense	1,460,246	1,424,640	35,606
	<u>4,421,493</u>	<u>4,384,793</u>	<u>36,700</u>
Total Debt Service			
	<u>4,421,493</u>	<u>4,384,793</u>	<u>36,700</u>
Total Expenses	<u>9,537,688</u>	<u>9,260,022</u>	<u>277,666</u>
Changes in Fund Balance	(2,450,933)	(1,980,963)	469,970
Fund Balance Beginning of Year	6,154,107	6,154,107	0
Prior Year Encumbrances Appropriated	<u>5,631</u>	<u>5,631</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$3,708,805</u></u>	<u><u>\$4,178,775</u></u>	<u><u>\$469,970</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Other Local Taxes	\$429,351	\$429,351	\$0
Intergovernmental	905,262	905,262	0
Interest	127	90	(37)
Other	3,006	3,006	0
<b>Total Revenues</b>	<b>1,337,746</b>	<b>1,337,709</b>	<b>(37)</b>
<u>Expenditures</u>			
Current:			
Transportation			
Public Works			
Personal Services	775,037	771,657	3,380
Other	254,688	235,230	19,458
<b>Total Public Works</b>	<b>1,029,725</b>	<b>1,006,887</b>	<b>22,838</b>
Traffic and Electrical Maintenance			
Personal Services	129,524	128,292	1,232
Other	85,094	76,565	8,529
<b>Total Traffic and Electrical Maintenance</b>	<b>214,618</b>	<b>204,857</b>	<b>9,761</b>
Street Cleaning, Snow, and Ice Removal			
Other	100,500	100,004	496
<b>Total Transportation</b>	<b>1,344,843</b>	<b>1,311,748</b>	<b>33,095</b>
Debt Service:			
Principal Retirement	21,168	21,168	0
Interest and Fiscal Charges	3,614	3,614	0
<b>Total Debt Service</b>	<b>24,782</b>	<b>24,782</b>	<b>0</b>
<b>Total Expenditures</b>	<b>1,369,625</b>	<b>1,336,530</b>	<b>33,095</b>
Excess of Revenues Over (Under) Expenditures	(31,879)	1,179	33,058
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	31,354	34,112	2,758
Transfers Out	(105,500)	(105,458)	42
<b>Total Other Financing Sources (Uses)</b>	<b>(74,146)</b>	<b>(71,346)</b>	<b>2,800</b>
Changes in Fund Balance	(106,025)	(70,167)	35,858
Fund Balance Beginning of Year	174,135	174,135	0
Prior Year Encumbrances Appropriated	196	196	0
<b>Fund Balance End of Year</b>	<b>\$68,306</b>	<b>\$104,164</b>	<b>\$35,858</b>

City of Sandusky  
State Highway Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Intergovernmental	\$69,995	\$73,400	\$3,405
Interest	5	5	0
Total Revenues	<u>70,000</u>	<u>73,405</u>	<u>3,405</u>
<u>Expenditures</u>			
Current:			
Transportation			
State Highway Maintenance and Repair			
Personal Services	35,000	30,132	4,868
Other	<u>45,000</u>	<u>22,795</u>	<u>22,205</u>
Total Expenditures	<u>80,000</u>	<u>52,927</u>	<u>27,073</u>
Excess of Revenues Over (Under) Expenditures	(10,000)	20,478	30,478
<u>Other Financing Sources</u>			
Other Financing Sources	<u>0</u>	<u>619</u>	<u>619</u>
Changes in Fund Balance	(10,000)	21,097	31,097
Fund Balance Beginning of Year	<u>31,903</u>	<u>31,903</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$21,903</u></u>	<u><u>\$53,000</u></u>	<u><u>\$31,097</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$466,762	\$467,457	\$695
Intergovernmental	400,281	400,281	0
Other	160,320	160,320	0
<b>Total Revenues</b>	<b>1,027,363</b>	<b>1,028,058</b>	<b>695</b>
<u>Expenditures</u>			
Current:			
Transportation			
Public Transit System			
Personal Services	35,403	35,403	0
Other	1,324,483	1,324,483	0
<b>Total Expenditures</b>	<b>1,359,886</b>	<b>1,359,886</b>	<b>0</b>
Excess of Revenues Under Expenditures	(332,523)	(331,828)	695
<u>Other Financing Sources</u>			
Other Financing Sources	79,120	78,020	(1,100)
Transfers In	253,517	253,517	0
<b>Total Other Financing Sources</b>	<b>332,637</b>	<b>331,537</b>	<b>(1,100)</b>
Changes in Fund Balance	114	(291)	(405)
Fund Balance Beginning of Year	826	826	0
Fund Balance End of Year	<u>\$940</u>	<u>\$535</u>	<u>(\$405)</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$120,603	\$123,723	\$3,120
Payment in Lieu of Taxes	195	195	0
Intergovernmental	17,237	20,613	3,376
<b>Total Revenues</b>	<b>138,035</b>	<b>144,531</b>	<b>6,496</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Fire			
Fire Pension			
Personal Services	728,926	728,926	0
Other	2,768	3,030	(262)
<b>Total Security of Persons and Property-Fire</b>	<b>731,694</b>	<b>731,956</b>	<b>(262)</b>
Debt Service:			
Principal Retirement	31,552	31,552	0
Interest and Fiscal Charges	21,004	21,004	0
<b>Total Debt Service</b>	<b>52,556</b>	<b>52,556</b>	<b>0</b>
<b>Total Expenditures</b>	<b>784,250</b>	<b>784,512</b>	<b>(262)</b>
Excess of Revenues Under Expenditures	(646,215)	(639,981)	6,234
<u>Other Financing Sources</u>			
Transfers In	646,563	640,074	(6,489)
<b>Changes in Fund Balance</b>	<b>348</b>	<b>93</b>	<b>(255)</b>
Fund Balance Beginning of Year	0	0	0
<b>Fund Balance End of Year</b>	<b>\$348</b>	<b>\$93</b>	<b>(\$255)</b>

City of Sandusky  
Police Pension Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$120,603	\$123,723	\$3,120
Payment in Lieu of Taxes	195	195	0
Intergovernmental	17,237	20,613	3,376
<b>Total Revenues</b>	<b>138,035</b>	<b>144,531</b>	<b>6,496</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Pension			
Personal Services	578,321	578,321	0
Other	2,770	3,031	(261)
<b>Total Security of Persons and Property-Police</b>	<b>581,091</b>	<b>581,352</b>	<b>(261)</b>
Debt Service:			
Principal Retirement	23,448	23,448	0
Interest and Fiscal Charges	15,609	15,609	0
<b>Total Debt Service</b>	<b>39,057</b>	<b>39,057</b>	<b>0</b>
<b>Total Expenditures</b>	<b>620,148</b>	<b>620,409</b>	<b>(261)</b>
Excess of Revenues Under Expenditures	(482,113)	(475,878)	6,235
<u>Other Financing Sources</u>			
Transfers In	482,113	475,971	(6,142)
Changes in Fund Balance	0	93	93
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$93</u>	<u>\$93</u>

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$255,636	\$255,636	\$0
Interest	15,027	16,865	1,838
Other	57,218	58,693	1,475
<b>Total Revenues</b>	<b>327,881</b>	<b>331,194</b>	<b>3,313</b>
<u>Expenditures</u>			
Current:			
Community Environment			
Landbank			
Other	45,000	16,951	28,049
CDBG			
Other	200,000	157,856	42,144
Revolving Loan Home			
Other	4,000	60	3,940
Revolving Loan Economic Development			
Other	27,001	33,344	(6,343)
<b>Total Community Environment</b>	<b>276,001</b>	<b>208,211</b>	<b>67,790</b>
General Government-Municipal Court			
Court Security			
Other	500	0	500
DRC Probation			
Personal Services	70,000	64,548	5,452
Other	1,000	0	1,000
<b>Total General Government-Municipal Court</b>	<b>71,500</b>	<b>64,548</b>	<b>6,952</b>
<b>Total Expenditures</b>	<b>347,501</b>	<b>272,759</b>	<b>74,742</b>
Excess of Revenues Over (Under) Expenditures	(19,620)	58,435	78,055
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	17,122	17,122	0
Transfers Out	(63,000)	(62,680)	320
<b>Total Other Financing Sources</b>	<b>(45,878)</b>	<b>(45,558)</b>	<b>320</b>
Changes in Fund Balance	(65,498)	12,877	78,375
Fund Balance Beginning of Year	330,161	330,161	0
Fund Balance End of Year	<u>\$264,663</u>	<u>\$343,038</u>	<u>\$78,375</u>

City of Sandusky  
Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Intergovernmental	\$2,015,995	\$2,015,047	(\$948)
Interest	2,069	2,094	25
<b>Total Revenues</b>	<b>2,018,064</b>	<b>2,017,141</b>	<b>(923)</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Department			
Personal Services	10,000	6,050	3,950
Other	2,000	686	1,314
<b>Total Police Department</b>	<b>12,000</b>	<b>6,736</b>	<b>5,264</b>
Justice Assistance Grant			
Other	50,000	37,398	12,602
<b>Total Security of Persons and Property-Police</b>	<b>62,000</b>	<b>44,134</b>	<b>17,866</b>
Security of Persons and Property-Fire			
EMS			
Personal Services	180,000	172,086	7,914
Other	5,000	2,500	2,500
<b>Total Security of Persons and Property-Fire</b>	<b>185,000</b>	<b>174,586</b>	<b>10,414</b>
Community Environment			
HUD CDBG 09MC390034			
Personal Services	69,894	60,478	9,416
Other	681,548	608,200	73,348
<b>Total HUD CDBG 09MC390034</b>	<b>751,442</b>	<b>668,678</b>	<b>82,764</b>
Revolving Loan Economic Development			
Other	15,000	14,535	465
<b>Total Community Environment</b>	<b>766,442</b>	<b>683,213</b>	<b>83,229</b>
Transportation			
Public Transit System			
Personal Services	20,000	13,621	6,379
Other	810,000	807,270	2,730
<b>Total Transportation</b>	<b>830,000</b>	<b>820,891</b>	<b>9,109</b>
<b>Total Expenditures</b>	<b>1,843,442</b>	<b>1,722,824</b>	<b>120,618</b>
<b>Excess of Revenues Over Expenditures</b>	<b>174,622</b>	<b>294,317</b>	<b>119,695</b>

(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, 2014  
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Other Financing Sources (Uses)</u>			
Other Financing Sources	\$1,936	\$1,936	\$0
Transfers Out	(125,000)	(117,278)	7,722
Total Other Financing Sources (Uses)	<u>(123,064)</u>	<u>(115,342)</u>	<u>7,722</u>
Changes in Fund Balance	51,558	178,975	127,417
Fund Balance Beginning of Year	85,382	85,382	0
Prior Year Encumbrances Appropriated	<u>1,442</u>	<u>1,442</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$138,382</u></u>	<u><u>\$265,799</u></u>	<u><u>\$127,417</u></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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Fees, Licenses, and Permits	\$40,000	\$42,956	\$2,956
<u>Expenditures</u>			
Current:			
Other			
Indigent Drivers Alcohol Treatment			
Personal Services	50,500	50,241	259
Changes in Fund Balance	(10,500)	(7,285)	3,215
Fund Balance Beginning of Year	298,554	298,554	0
Fund Balance End of Year	\$288,054	\$291,269	\$3,215

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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$5,000	\$9,989	\$4,989
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	5,000	9,989	4,989
Fund Balance Beginning of Year	<u>58,809</u>	<u>58,809</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$63,809</u></u>	<u><u>\$68,798</u></u>	<u><u>\$4,989</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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$30,000	\$32,252	\$2,252
Intergovernmental	19,000	19,482	482
Total Revenues	<u>49,000</u>	<u>51,734</u>	<u>2,734</u>
<u>Expenditures</u>			
Current:			
Other			
Court Computerization			
Other	70,119	67,158	2,961
Excess of Revenues Under Expenditures	(21,119)	(15,424)	(227)
<u>Other Financing Sources</u>			
Other Financing Sources	0	11	11
Changes in Fund Balance	(21,119)	(15,413)	5,706
Fund Balance Beginning of Year	196,496	196,496	0
Prior Year Encumbrances Appropriated	119	119	0
Fund Balance End of Year	<u>\$175,496</u>	<u>\$181,202</u>	<u>\$5,706</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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$1,500	\$0	(\$1,500)
<u>Expenditures</u>			
Current:			
Other			
Indigent Telephone			
Other	5,000	265	4,735
Changes in Fund Balance	(3,500)	(265)	3,235
Fund Balance Beginning of Year	17,450	17,450	0
Fund Balance End of Year	<u>\$13,950</u>	<u>\$17,185</u>	<u>\$3,235</u>

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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Fees, Licenses, and Permits	\$72,982	\$78,781	\$5,799
<u>Expenditures</u>			
Current:			
Other			
Municipal Probation			
Personal Services	50,000	49,107	893
Other	10,000	6,702	3,298
Total Expenditures	60,000	55,809	4,191
Excess of Revenues Over Expenditures	12,982	22,972	9,990
<u>Other Financing Sources</u>			
Other Financing Sources	518	681	163
Changes in Fund Balance	13,500	23,653	10,153
Fund Balance Beginning of Year	327,130	327,130	0
Fund Balance End of Year	<u>\$340,630</u>	<u>\$350,783</u>	<u>\$10,153</u>

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$11,210	\$11,235	\$25
Fines and Forfeitures	32,385	39,024	6,639
Other	39,545	41,934	2,389
<b>Total Revenues</b>	<b>83,140</b>	<b>92,193</b>	<b>9,053</b>
<u>Expenditures</u>			
Current:			
Security of Persons and Property-Police			
Police Patrol			
Other	16,523	15,677	846
Contraband Trust			
Other	47,000	46,485	515
<b>Total Security of Persons and Property- Police</b>	<b>63,523</b>	<b>62,162</b>	<b>1,361</b>
Security of Persons and Property-Fire			
Fire Suppression			
Other	3,000	0	3,000
Leisure Time Activities			
Green Trust			
Other	5,000	1,596	3,404
Friends of the Greenhouse			
Other	5,000	690	4,310
Sailing Scholarship			
Other	6,500	3,870	2,630
<b>Total Leisure Time Activities</b>	<b>16,500</b>	<b>6,156</b>	<b>10,344</b>
Community Environment			
Park Trust			
Personal Services	4,000	2,676	1,324
<b>Total Expenditures</b>	<b>87,023</b>	<b>70,994</b>	<b>16,029</b>
Excess of Revenues Over (Under) Expenditures	(3,883)	21,199	25,082
<u>Other Financing Sources</u>			
Other Financing Sources	4,505	4,648	143
Changes in Fund Balance	622	25,847	25,225
Fund Balance Beginning of Year	176,914	176,914	0
Prior Year Encumbrances Appropriated	523	523	0
<b>Fund Balance End of Year</b>	<b>\$178,059</b>	<b>\$203,284</b>	<b>\$25,225</b>

City of Sandusky  
Park Donations Special Revenue Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$11,000	\$8,752	(\$2,248)
Interest	200	42	(158)
Other	6,131	1,418	(4,713)
<b>Total Revenues</b>	<b>17,331</b>	<b>10,212</b>	<b>(7,119)</b>
<u>Expenditures</u>			
Current:			
Leisure Time Activities			
Shoreline Park Improvement			
Other	500	0	500
Reg Wagon			
Other	5,000	4,420	580
Washington Park and Greenhouse			
Other	29,418	28,418	1,000
<b>Total Leisure Time Activities</b>	<b>34,918</b>	<b>32,838</b>	<b>2,080</b>
General Government-Other			
Fred Epple Trust			
Other	500	0	500
<b>Total Expenditures</b>	<b>35,418</b>	<b>32,838</b>	<b>2,580</b>
Changes in Fund Balance	(18,087)	(22,626)	(4,539)
Fund Balance Beginning of Year	183,533	183,533	0
Prior Year Encumbrances Appropriated	28,418	28,418	0
<b>Fund Balance End of Year</b>	<b>\$193,864</b>	<b>\$189,325</b>	<b>(\$4,539)</b>

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$14,983	\$18,856	\$3,873
Interest	3,610	1,118	(2,492)
<b>Total Revenues</b>	<b>18,593</b>	<b>19,974</b>	<b>1,381</b>
<u>Expenditures</u>			
Current:			
Public Health			
Oakland Cemetery			
Personal Services	48,000	46,418	1,582
Other	13,000	8,336	4,664
<b>Total Oakland Cemetery</b>	<b>61,000</b>	<b>54,754</b>	<b>6,246</b>
Garden Mausoleum			
Other	6,000	5,150	850
Perpetual Care			
Other	10,000	1,728	8,272
Special Care			
Other	5,000	209	4,791
Memorial Paintings			
Other	1,000	540	460
Ridgeview Columbarium			
Other	1,000	0	1,000
<b>Total Expenditures</b>	<b>84,000</b>	<b>62,381</b>	<b>21,619</b>
Excess of Revenues Under Expenditures	(65,407)	(42,407)	23,000
<u>Other Financing Sources</u>			
Other Financing Sources	4,075	7,818	3,743
Changes in Fund Balance	(61,332)	(34,589)	26,743
Fund Balance Beginning of Year	723,261	723,261	0
Fund Balance End of Year	<u>\$661,929</u>	<u>\$688,672</u>	<u>\$26,743</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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Property Taxes	\$409,068	\$412,473	\$3,405
Payment in Lieu of Taxes	616	616	0
Municipal Income Taxes	462,732	462,874	142
Intergovernmental	50,433	50,813	380
<b>Total Revenues</b>	<b>922,849</b>	<b>926,776</b>	<b>3,927</b>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	1,594,867	1,594,867	0
Interest and Fiscal Charges	507,247	507,247	0
<b>Total Expenditures</b>	<b>2,102,114</b>	<b>2,102,114</b>	<b>0</b>
Excess of Revenues Under Expenditures	(1,179,265)	(1,175,338)	3,927
<u>Other Financing Sources</u>			
Other Financing Sources	0	379	379
General Obligation Bonds Issued	370,000	370,000	0
Transfers In	793,421	793,421	0
<b>Total Other Financing Sources</b>	<b>1,163,421</b>	<b>1,163,800</b>	<b>379</b>
Changes in Fund Balance	(15,844)	(11,538)	4,306
Fund Balance Beginning of Year	15,936	15,936	0
<b>Fund Balance End of Year</b>	<b>\$92</b>	<b>\$4,398</b>	<b>\$4,306</b>

City of Sandusky  
Urban Renewal Debt Retirement Debt Service Fund

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$537,000	\$537,159	\$159
Intergovernmental	60,000	60,683	683
Total Revenues	<u>597,000</u>	<u>597,842</u>	<u>842</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	360,000	360,000	0
Interest and Fiscal Charges	69,905	69,005	900
Total Expenditures	<u>429,905</u>	<u>429,005</u>	<u>900</u>
Changes in Fund Balance	167,095	168,837	1,742
Fund Balance Beginning of Year	<u>136,156</u>	<u>136,156</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$303,251</u></u>	<u><u>\$304,993</u></u>	<u><u>\$1,742</u></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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Municipal Income Taxes	\$369,000	\$370,300	\$1,300
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	369,000	370,300	1,300
<u>Other Financing Uses</u>			
Transfers Out	<u>(366,234)</u>	<u>(366,102)</u>	<u>132</u>
Changes in Fund Balance	2,766	4,198	1,432
Fund Balance Beginning of Year	<u>22,828</u>	<u>22,828</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$25,594</u></u>	<u><u>\$27,026</u></u>	<u><u>\$1,432</u></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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>Revenues</u>			
Payment in Lieu of Taxes	\$25,000	\$29,484	\$4,484
<u>Expenditures</u>			
Current:			
Community Environment			
City Wide Economic Development			
Other	20,000	432	19,568
Capital Outlay	6,951	6,951	0
Total Expenditures	26,951	7,383	19,568
Changes in Fund Balance	(1,951)	22,101	24,052
Fund Balance Beginning of Year	38,063	38,063	0
Prior Year Encumbrances Appropriated	6,951	6,951	0
Fund Balance End of Year	<u>\$43,063</u>	<u>\$67,115</u>	<u>\$24,052</u>

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, 2014

	Budget	Actual	Variance Over (Under)
<u>Revenues</u>			
Charges for Services	\$24,754	\$27,272	\$2,518
Fees, Licenses, and Permits	91,736	101,672	9,936
Interest	7,686	8,886	1,200
Other	20	0	(20)
<b>Total Revenues</b>	<b>124,196</b>	<b>137,830</b>	<b>13,634</b>
<u>Expenditures</u>			
Current:			
Community Environment			
Remove Unsafe Buildings			
Personal Services	500	0	500
Other	14,500	834	13,666
<b>Total Remove Unsafe Buildings</b>	<b>15,000</b>	<b>834</b>	<b>14,166</b>
Nuisance Removal			
Personal Services	1,000	0	1,000
Other	35,000	27,321	7,679
<b>Total Nuisance Removal</b>	<b>36,000</b>	<b>27,321</b>	<b>8,679</b>
Rental Registration Fee			
Personal Services	85,000	81,825	3,175
Other	7,000	2,287	4,713
<b>Total Rental Registration Fee</b>	<b>92,000</b>	<b>84,112</b>	<b>7,888</b>
Inspection Fee			
Personal Services	500	0	500
Other	18,000	17,643	357
<b>Total Inspection Fee</b>	<b>18,500</b>	<b>17,643</b>	<b>857</b>
Administration Fee			
Personal Services	500	478	22
Other	8,000	7,590	410
<b>Total Administration Fee</b>	<b>8,500</b>	<b>8,068</b>	<b>432</b>
<b>Total Expenditures</b>	<b>170,000</b>	<b>137,978</b>	<b>32,022</b>
Excess of Revenues Under Expenditures	(45,804)	(148)	45,656
<u>Other Financing Sources</u>			
Other Financing Sources	1,804	2,206	402
<b>Changes in Fund Balance</b>	<b>(44,000)</b>	<b>2,058</b>	<b>46,058</b>
Fund Balance Beginning of Year	198,019	198,019	0
<b>Fund Balance End of Year</b>	<b>\$154,019</b>	<b>\$200,077</b>	<b>\$46,058</b>



# Statistical

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

**Contents** **Page**

Financial Trends..... S-2

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity ..... S-12

These schedules contain information to help the reader assess the City’s most significant local revenue sources.

Debt Capacity..... S-44

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

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

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)

	2014	2013	2012	2011	2010
Governmental Activities					
Net Investment in Capital Assets	\$32,986,487	\$34,031,522	\$35,252,903	\$35,126,166	\$38,122,520
Restricted for					
Capital Projects	3,332,213	4,280,873	3,806,228	3,492,887	2,920,974
Debt Service	1,745,871	2,162,193	1,949,698	1,918,564	1,902,993
Other Purposes	5,700,728	5,920,558	5,556,594	6,061,253	6,005,182
Unrestricted (Deficit)	(494,784)	(139,214)	(712,642)	(1,573,210)	(2,681,773)
Total Governmental Activities Net Position	<u>43,270,515</u>	<u>46,255,932</u>	<u>45,852,781</u>	<u>45,025,660</u>	<u>46,269,896</u>
Business-Type Activities					
Net Investment in Capital Assets	41,477,719	40,066,785	39,713,895	39,918,374	39,941,052
Unrestricted	<u>10,465,966</u>	<u>13,462,237</u>	<u>14,630,323</u>	<u>15,278,595</u>	<u>16,854,414</u>
Total Business-Type Activities Net Position	<u>51,943,685</u>	<u>53,529,022</u>	<u>54,344,218</u>	<u>55,196,969</u>	<u>56,795,466</u>
Primary Government					
Net Investment in Capital Assets	74,464,206	74,098,307	74,966,798	75,044,540	78,063,572
Restricted	10,778,812	12,363,624	11,312,520	11,472,704	10,829,149
Unrestricted	<u>9,971,182</u>	<u>13,323,023</u>	<u>13,917,681</u>	<u>13,705,385</u>	<u>14,172,641</u>
Total Primary Government Net Position	<u>\$95,214,200</u>	<u>\$99,784,954</u>	<u>\$100,196,999</u>	<u>\$100,222,629</u>	<u>\$103,065,362</u>



<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$34,869,732	\$33,005,235	\$32,191,349	\$30,075,530	\$31,671,586
3,218,958	6,197,701	4,249,788	3,531,814	2,204,456
2,439,729	2,528,165	1,242,965	155,282	323,278
6,367,187	8,143,328	8,553,276	8,345,260	7,924,998
(2,812,918)	(2,978,838)	(2,362,700)	(359,373)	(28,759)
<u>44,082,688</u>	<u>46,895,591</u>	<u>43,874,678</u>	<u>41,748,513</u>	<u>42,095,559</u>
35,050,194	17,057,860	18,003,813	16,501,983	13,366,444
18,611,306	23,825,346	22,646,163	15,618,806	14,558,225
<u>53,661,500</u>	<u>40,883,206</u>	<u>40,649,976</u>	<u>32,120,789</u>	<u>27,924,669</u>
69,919,926	50,063,095	50,195,162	46,577,513	45,038,030
12,025,874	16,869,194	14,046,029	12,032,356	10,452,732
15,798,388	20,846,508	20,283,463	15,259,433	14,529,466
<u>\$97,744,188</u>	<u>\$87,778,797</u>	<u>\$84,524,654</u>	<u>\$73,869,302</u>	<u>\$70,020,228</u>

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

	2014	2013	2012	2011	2010
<u>Expenses</u>					
Governmental Activities					
Security of Persons and Property					
Police	\$5,347,693	\$5,032,468	\$5,032,700	\$5,402,963	\$5,516,364
Fire	5,940,342	5,953,841	5,905,825	5,527,949	5,515,869
Other	271,810	252,367	244,688	252,562	249,581
Public Health	308,648	318,872	306,388	283,560	329,948
Leisure Time Activities	542,957	614,010	216,767	508,712	460,013
Community Environment	4,315,542	2,538,486	2,476,125	2,893,502	3,331,774
Transportation	6,107,625	4,848,791	4,470,255	4,445,226	4,239,588
General Government					
Municipal Court	1,057,957	1,013,065	1,033,017	1,023,043	970,915
Other	3,452,889	3,372,415	3,617,806	3,497,520	3,456,520
Interest and Fiscal Charges	844,566	965,397	1,295,714	1,005,849	1,252,643
Total Governmental Activities Expenses	<u>28,190,029</u>	<u>24,909,712</u>	<u>24,599,285</u>	<u>24,840,886</u>	<u>25,323,215</u>
Business-Type Activities					
Water	5,976,511	5,561,209	5,368,961	5,359,486	4,511,328
Sewer	7,193,792	6,726,105	6,334,406	8,341,844	6,895,098
Total Business-Type Activities Expenses	<u>13,170,303</u>	<u>12,287,314</u>	<u>11,703,367</u>	<u>13,701,330</u>	<u>11,406,426</u>
Total Primary Government Expenses	<u>41,360,332</u>	<u>37,197,026</u>	<u>36,302,652</u>	<u>38,542,216</u>	<u>36,729,641</u>
<u>Program Revenues</u>					
Governmental Activities					
Charges for Services					
Security of Persons and Property					
Police	332,809	354,756	399,331	353,733	321,561
Fire	773,862	756,733	754,046	988,659	827,407
Public Health	108,974	116,853	84,027	108,618	107,057
Leisure Time Activities	276,929	257,010	269,160	217,068	234,894
Community Environment	182,696	19,156	86,007	215,830	236,362
Transportation	1,081,882	982,640	913,441	1,019,259	844,608
General Government					
Municipal Court	1,091,134	1,134,702	1,215,434	1,070,168	1,160,818
Other	246,887	328,020	186,445	247,215	267,011
Total Charges for Services	<u>4,095,173</u>	<u>3,949,870</u>	<u>3,907,891</u>	<u>4,220,550</u>	<u>3,999,718</u>
Operating Grants, Contributions, and Interest	3,789,724	3,144,597	3,711,215	3,742,313	4,514,002
Capital Grants and Contributions	1,512,023	722,483	500,093	1,074,582	1,509,594
Total Governmental Activities Program Revenues	<u>9,396,920</u>	<u>7,816,950</u>	<u>8,119,199</u>	<u>9,037,445</u>	<u>10,023,314</u>
Business-Type Activities					
Charges for Services					
Water	5,313,083	5,259,240	5,267,773	5,224,179	5,055,459
Sewer	5,667,134	5,587,673	5,485,453	6,730,491	6,176,303
Total Charges for Services	<u>10,980,217</u>	<u>10,846,913</u>	<u>10,753,226</u>	<u>11,954,670</u>	<u>11,231,762</u>
Capital Grants and Contributions	113,852	275,377	271,057	148,225	4,108,459
Total Business-Type Activities Program Revenues	<u>11,094,069</u>	<u>11,122,290</u>	<u>11,024,283</u>	<u>12,102,895</u>	<u>15,340,221</u>
Total Primary Government Program Revenues	<u>20,490,989</u>	<u>18,939,240</u>	<u>19,143,482</u>	<u>21,140,340</u>	<u>25,363,535</u>
<u>Net (Expense) Revenue</u>					
Governmental Activities	(18,793,109)	(17,092,762)	(16,480,086)	(15,803,441)	(15,299,901)
Business-Type Activities	<u>(2,076,234)</u>	<u>(1,165,024)</u>	<u>(679,084)</u>	<u>(1,598,435)</u>	<u>3,933,795</u>
Total Primary Government Net Expense	<u>(20,869,343)</u>	<u>(18,257,786)</u>	<u>(17,159,170)</u>	<u>(17,401,876)</u>	<u>(11,366,106)</u>

2009	2008	2007	2006	2005
\$5,669,764	\$5,874,509	\$5,574,825	\$5,487,963	\$5,266,496
5,862,556	5,937,365	6,007,917	5,307,276	5,144,980
258,171	314,316	337,986	141,866	98,338
315,947	403,533	390,069	387,849	371,995
816,417	601,231	724,443	755,381	532,317
4,228,845	3,310,344	3,076,512	3,414,429	3,089,728
4,205,229	4,303,144	4,537,224	5,335,488	4,107,524
933,795	870,524	915,040	828,045	829,951
3,870,955	4,408,458	3,859,012	3,499,303	3,633,634
1,495,442	1,447,618	1,347,061	1,280,938	1,171,585
27,657,121	27,471,042	26,770,089	26,438,538	24,246,548
5,101,130	5,585,538	4,515,116	3,896,902	4,257,055
6,337,377	6,433,075	6,017,246	4,957,114	5,458,838
11,438,507	12,018,613	10,532,362	8,854,016	9,715,893
39,095,628	39,489,655	37,302,451	35,292,554	33,962,441
342,426	383,757	260,758	205,984	309,073
721,402	625,434	743,841	617,742	629,573
122,323	118,531	132,369	128,255	125,552
233,214	327,660	328,280	297,903	275,319
417,210	358,027	326,365	234,689	277,330
882,613	5,149,554	1,892,081	1,150,337	989,425
1,184,632	1,196,877	1,035,917	1,036,688	982,508
178,236	175,414	200,752	286,948	411,300
4,082,056	8,335,254	4,920,363	3,958,546	4,000,080
3,531,046	3,008,317	3,541,296	4,392,095	3,912,640
2,010,876	258,793	1,874,767	1,441,100	755,345
9,623,978	11,602,364	10,336,426	9,791,741	8,668,065
5,361,036	5,480,958	4,741,359	5,401,818	6,551,510
5,881,665	6,460,336	6,480,173	6,559,309	6,589,124
11,242,701	11,941,294	11,221,532	11,961,127	13,140,634
12,273,563	178,083	8,069,676	194,076	162,675
23,516,264	12,119,377	19,291,208	12,155,203	13,303,309
33,140,242	23,721,741	29,627,634	21,946,944	21,971,374
(18,033,143)	(15,868,678)	(16,433,663)	(16,646,797)	(15,578,483)
12,077,757	100,764	8,758,846	3,301,187	3,587,416
(5,955,386)	(15,767,914)	(7,674,817)	(13,345,610)	(11,991,067)

(continued)

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

	2014	2013	2012	2011	2010
<u>General Revenues and Other Changes in Net Position</u>					
Governmental Activities					
Property Taxes Levied for General Purposes	\$1,400,699	\$1,444,024	\$1,570,731	\$1,582,982	\$1,670,722
Property Taxes Levied for Police and Fire Pension	230,208	237,368	258,206	260,218	274,602
Property Taxes Levied for Debt Service	383,742	395,613	430,340	433,693	452,224
Payment in Lieu of Taxes	569,888	591,483	541,236	554,005	546,140
Municipal Income Taxes Levied for General Purposes	6,521,944	7,413,615	7,121,861	6,473,159	6,092,961
Municipal Income Taxes Levied for Debt Service	430,773	494,203	472,199	422,949	404,895
Municipal Income Taxes Levied for Capital Projects	344,619	395,361	377,758	338,360	313,797
Other Local Taxes	3,878,441	4,122,098	3,735,461	3,835,778	3,823,682
Franchise Taxes	387,086	379,067	373,856	350,146	321,254
Grants and Entitlements not Restricted to Specific Programs	806,031	1,120,835	1,425,985	1,343,834	1,774,328
Interest	239,432	(3,698)	161,743	303,999	241,382
Other	900,535	782,475	556,285	1,112,606	987,687
Transfers	(285,706)	123,469	281,546	161,158	1,097,027
Special Item - Asset Donated to Developer	0	0	0	(2,613,682)	0
Total Governmental Activities	<u>15,807,692</u>	<u>17,495,913</u>	<u>17,307,207</u>	<u>14,559,205</u>	<u>18,000,701</u>
Business-Type Activities					
Interest	948	607	1,532	1,380	1,328
Other	204,243	472,690	106,347	159,716	295,870
Transfers	285,706	(123,469)	(281,546)	(161,158)	(1,097,027)
Total Business-Type Activities	<u>490,897</u>	<u>349,828</u>	<u>(173,667)</u>	<u>(62)</u>	<u>(799,829)</u>
Total Primary Government	<u>16,298,589</u>	<u>17,845,741</u>	<u>17,133,540</u>	<u>14,559,143</u>	<u>17,200,872</u>
<u>Changes in Net Position</u>					
Governmental Activities	(2,985,417)	403,151	827,121	(1,244,236)	2,700,800
Business-Type Activities	<u>(1,585,337)</u>	<u>(815,196)</u>	<u>(852,751)</u>	<u>(1,598,497)</u>	<u>3,133,966</u>
Total Primary Government	<u>(\$4,570,754)</u>	<u>(\$412,045)</u>	<u>(\$25,630)</u>	<u>(\$2,842,733)</u>	<u>\$5,834,766</u>

2009	2008	2007	2006	2005
\$1,568,338	\$1,808,771	\$1,757,611	\$1,653,693	\$1,672,894
257,807	296,040	290,214	271,237	274,996
423,572	488,892	476,474	328,893	316,768
1,030	2,939	589,383	23,815	21,793
5,609,577	7,308,067	6,174,450	6,424,092	6,298,260
355,717	478,361	398,287	419,919	419,110
283,887	393,536	318,588	335,939	438,682
3,530,345	3,759,788	3,720,784	3,486,825	3,573,094
304,588	290,451	272,184	254,087	238,015
1,808,763	1,884,362	1,958,323	2,041,444	2,002,142
559,857	1,329,987	1,541,216	1,011,952	572,828
967,843	540,308	556,074	638,096	420,467
(451,084)	308,089	506,240	(590,241)	56,189
0	0	0	0	0
<u>15,220,240</u>	<u>18,889,591</u>	<u>18,559,828</u>	<u>16,299,751</u>	<u>16,305,238</u>
1,086	1,955	1,923	691	1,191
248,367	438,600	274,658	304,001	75,022
451,084	(308,089)	(506,240)	590,241	(56,189)
<u>700,537</u>	<u>132,466</u>	<u>(229,659)</u>	<u>894,933</u>	<u>20,024</u>
<u>15,920,777</u>	<u>19,022,057</u>	<u>18,330,169</u>	<u>17,194,684</u>	<u>16,325,262</u>
(2,812,903)	3,020,913	2,126,165	(347,046)	726,755
12,778,294	233,230	8,529,187	4,196,120	3,607,440
<u>\$9,965,391</u>	<u>\$3,254,143</u>	<u>\$10,655,352</u>	<u>\$3,849,074</u>	<u>\$4,334,195</u>

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

	2014	2013	2012	2011	2010
General Fund					
Reserved	\$0	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0	0
Nonspendable	217,967	221,127	237,393	227,348	146,670
Restricted	0	0	0	0	93,120
Assigned	129,626	365,022	100,273	281,308	133,224
Unassigned	3,953,112	3,943,022	3,953,717	3,598,766	3,272,103
Total General Fund	<u>4,300,705</u>	<u>4,529,171</u>	<u>4,291,383</u>	<u>4,107,422</u>	<u>3,645,117</u>
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	132,158	254,806	122,143	91,871	85,551
Restricted	5,340,354	5,634,163	5,117,809	5,308,988	5,639,796
Committed	59,800	55,783	61,240	42,338	43,585
Unassigned (Deficit)	(314,737)	(157,449)	(3,310,167)	(4,310,201)	(4,345,598)
Total All Other Governmental Funds	<u>5,217,575</u>	<u>5,787,303</u>	<u>1,991,025</u>	<u>1,132,996</u>	<u>1,423,334</u>
Total Governmental Funds	<u><u>\$9,518,280</u></u>	<u><u>\$10,316,474</u></u>	<u><u>\$6,282,408</u></u>	<u><u>\$5,240,418</u></u>	<u><u>\$5,068,451</u></u>

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

2009	2008	2007	2006	2005
\$0	\$134,443	\$108,449	\$111,838	\$123,608
0	3,689,976	4,115,612	3,461,642	3,174,012
19,590	n/a	n/a	n/a	n/a
86,561	n/a	n/a	n/a	n/a
26,956	n/a	n/a	n/a	n/a
2,897,549	n/a	n/a	n/a	n/a
<u>3,030,656</u>	<u>3,824,419</u>	<u>4,224,061</u>	<u>3,573,480</u>	<u>3,297,620</u>
0	3,280,330	3,958,843	3,633,344	3,733,926
0	4,233,164	4,376,446	4,650,635	4,839,344
0	267,924	340,938	231,142	425,019
0	(1,746,995)	(5,528,968)	(5,560,337)	(5,173,626)
2,259,561	n/a	n/a	n/a	n/a
1,798,115	n/a	n/a	n/a	n/a
38,443	n/a	n/a	n/a	n/a
(333,517)	n/a	n/a	n/a	n/a
<u>3,762,602</u>	<u>6,034,423</u>	<u>3,147,259</u>	<u>2,954,784</u>	<u>3,824,663</u>
<u>\$6,793,258</u>	<u>\$9,858,842</u>	<u>\$7,371,320</u>	<u>\$6,528,264</u>	<u>\$7,122,283</u>

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

	2014	2013	2012	2011	2010
<u>Revenues</u>					
Property Taxes	\$2,165,483	\$2,156,325	\$2,266,548	\$2,290,106	\$2,265,450
Payment in Lieu of Taxes	569,888	591,483	541,236	554,005	546,140
Municipal Income Taxes	7,815,510	7,961,439	7,679,283	7,240,793	6,716,022
Other Local Taxes	4,319,159	4,542,872	4,176,906	4,287,830	4,289,953
Special Assessments	790,084	225,647	263,281	329,360	312,486
Charges for Services	2,179,994	1,873,124	1,751,080	1,408,172	1,566,291
Fees, Licenses, and Permits	994,644	1,050,523	977,026	940,663	951,838
Fines and Forfeitures	992,340	1,072,425	1,129,197	1,027,377	1,089,255
Intergovernmental	5,982,009	4,853,612	5,802,086	5,717,042	7,606,331
Interest	259,189	(1,431)	184,401	341,790	322,815
Other	1,145,250	973,777	944,060	1,225,758	1,253,526
<b>Total Revenues</b>	<b>27,213,550</b>	<b>25,299,796</b>	<b>25,715,104</b>	<b>25,362,896</b>	<b>26,920,107</b>
<u>Expenditures</u>					
Current:					
Security of Persons and Property					
Police	5,225,064	4,918,939	5,066,185	5,498,666	5,440,140
Fire	5,603,879	5,478,660	5,512,695	5,522,370	5,263,815
Other	271,810	252,367	244,688	252,562	249,581
Public Health	282,640	291,026	310,763	271,130	353,288
Leisure Time Activities	445,443	490,240	455,973	385,373	340,606
Community Environment	3,671,076	2,288,489	3,060,559	2,704,414	3,464,442
Transportation	4,712,716	3,277,176	3,178,728	3,110,557	3,864,900
General Government					
Municipal Court	1,077,058	1,016,432	981,662	1,038,040	957,168
Other	2,618,712	2,566,204	2,829,493	2,863,831	2,795,838
Other	181,625	88,357	128,727	92,756	68,108
Capital Outlay	1,164,442	547,247	803,610	1,635,471	4,507,569
Debt Service:					
Principal Retirement	2,423,334	1,959,320	1,500,472	5,455,694	1,213,401
Interest and Fiscal Charges	812,248	930,235	896,912	1,001,860	1,241,563
Issuance Costs	0	0	0	115,335	0
<b>Total Expenditures</b>	<b>28,490,047</b>	<b>24,104,692</b>	<b>24,970,467</b>	<b>29,948,059</b>	<b>29,760,419</b>
Excess of Revenues Over (Under) Expenditures	(1,276,497)	1,195,104	744,637	(4,585,163)	(2,840,312)
<u>Other Financing Sources (Uses)</u>					
General Obligation Bonds Issued	370,000	0	0	4,090,000	0
Special Assessment Bonds Issued	45,000	0	0	0	0
Revenue Bonds Issued	0	2,680,000	0	0	0
Loan Proceeds	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	120,335	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Sale of Capital Assets	6,361	35,493	1,161	385,637	18,478
Inception of Capital Lease	0	0	0	0	0
Transfers In	2,913,091	3,414,520	3,257,469	4,961,338	4,664,279
Transfers Out	(2,856,149)	(3,291,051)	(2,961,277)	(4,800,180)	(3,567,252)
<b>Total Other Financing Sources (Uses)</b>	<b>478,303</b>	<b>2,838,962</b>	<b>297,353</b>	<b>4,757,130</b>	<b>1,115,505</b>
<b>Changes in Fund Balance</b>	<b>(\$798,194)</b>	<b>\$4,034,066</b>	<b>\$1,041,990</b>	<b>\$171,967</b>	<b>(\$1,724,807)</b>
Debt Service as a Percentage of Noncapital Expenditures	11.70%	12.33%	10.61%	23.43%	10.35%



2009	2008	2007	2006	2005
\$2,296,321	\$2,408,140	\$2,537,843	\$2,225,347	\$2,258,521
509,041	61,710	22,601	23,815	21,793
7,035,145	7,633,758	7,387,718	7,313,992	7,443,699
3,954,181	4,192,054	4,155,563	3,933,675	4,027,163
363,594	716,482	514,373	387,246	456,434
1,625,516	1,734,744	1,562,798	1,415,863	1,426,503
860,515	818,094	777,905	828,294	972,001
1,175,414	1,216,730	1,000,848	973,563	978,369
6,725,011	5,484,268	6,007,797	7,040,114	5,798,366
626,662	1,419,311	1,653,255	1,075,368	695,896
1,011,487	948,160	1,081,031	1,585,259	1,021,847
<u>26,182,887</u>	<u>26,633,451</u>	<u>26,701,732</u>	<u>26,802,536</u>	<u>25,100,592</u>
5,524,466	5,814,874	5,501,299	5,398,901	5,005,613
5,369,175	5,537,118	5,566,180	4,946,518	4,923,135
258,171	314,316	337,986	141,866	98,338
289,282	385,481	365,784	354,785	371,835
375,479	472,955	752,163	590,560	419,758
4,711,509	3,351,746	3,449,840	3,575,935	2,849,352
2,810,287	2,648,551	2,884,363	2,555,374	2,488,592
924,136	856,718	890,382	789,382	849,310
3,179,119	3,723,204	3,483,636	3,002,062	3,158,999
112,205	106,467	79,540	185,530	60,324
3,404,107	1,487,593	2,216,476	3,990,621	1,928,029
1,118,512	1,033,726	991,682	944,627	895,901
1,472,318	1,436,324	1,263,946	1,279,621	1,164,110
0	97,668	103,441	0	86,721
<u>29,548,766</u>	<u>27,266,741</u>	<u>27,886,718</u>	<u>27,755,782</u>	<u>24,300,017</u>
<u>(3,365,879)</u>	<u>(633,290)</u>	<u>(1,184,986)</u>	<u>(953,246)</u>	<u>800,575</u>
0	0	5,478,271	0	7,705,000
84,400	2,625,000	356,729	104,000	185,000
0	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)
30,806	900	11,255	46,656	0
0	0	0	0	48,499
2,769,241	5,259,992	3,569,940	2,690,340	3,398,033
(2,584,152)	(4,876,617)	(2,879,995)	(2,481,769)	(3,341,844)
<u>300,295</u>	<u>3,120,812</u>	<u>2,028,042</u>	<u>359,227</u>	<u>1,671,409</u>
<u>(\$3,065,584)</u>	<u>\$2,487,522</u>	<u>\$843,056</u>	<u>(\$594,019)</u>	<u>\$2,471,984</u>
9.82%	9.85%	9.22%	8.49%	9.49%

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			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility	Estimated Actual Value				
2014	\$305,909,000	\$137,297,000	\$1,266,302,857	\$16,854,000	\$19,152,273	\$0	\$0
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

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		
\$460,060,000	\$1,285,455,130	35.79%	\$5.25
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

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

Year	2014	2013	2012	2011	2010
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	80.5250	75.4100	75.4000	75.4000

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.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$1.0000	\$1.0000	\$1.0000	\$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	5.2500	4.9500	4.9500
8.8000	8.8000	8.8000	8.8000	8.8000
75.3500	75.9500	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>
2014	\$3,038,646	\$2,895,623	95.29%	\$390,445	\$148,768	3,044,391	100.19%
2013	3,079,702	2,918,017	94.75	404,560	148,793	3,066,810	99.58
2012	3,087,085	2,602,352	84.30	466,638	157,080	2,759,432	89.39
2011	2,569,664	2,396,091	93.25	467,320	166,077	2,562,168	99.71
2010	3,172,208	2,990,421	94.27	427,533	127,728	3,118,149	98.30
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

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	2014			2005		
		Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Cedar Fair	Theme Park	\$37,366,130	1	8.12%	\$58,904,960	1	11.72%
Ohio Edison Company	Utility	12,726,260	2	2.77	7,487,720	2	1.49
Norfolk & Western Railway	Railroad	5,255,120	3	1.14	3,271,470	9	0.65
Firelands Regional Health System	Hospital	3,834,380	4	0.83	4,800,770	6	0.96
S & S Realty	Realty	3,329,270	5	0.72	3,684,660	8	0.73
Key Real Estate LTD	Realty	3,032,740	6	0.66			
Columbia Gas	Utility	2,841,130	7	0.62			
Myers Industries, Inc.	Manufacturing/Assembly	2,294,440	8	0.50			
Providence Care Center	Nursing Home	2,045,980	9	0.44			
CNL Income Sandusky Marina	Port Facilities	1,913,250	10	0.42			
FMC Corporation	Food Equipment				5,094,230	3	1.01
Sandusky Limited	Port Facilities				5,053,120	4	1.00
Sandusky International, Inc.	Manufacturing				4,934,510	5	0.98
SBC Communications	Telephone				3,807,750	7	0.76
U. S. Tsubaki, Inc.	Manufacturing				3,090,750	10	0.62
	Total	<u>74,638,700</u>		<u>16.22</u>	<u>100,129,940</u>		<u>19.92</u>
	All Other Taxpayers	<u>385,421,300</u>		<u>83.78</u>	<u>402,414,190</u>		<u>80.08</u>
	Total Assessed Valuation	<u>\$460,060,000</u>		<u>100.00%</u>	<u>\$502,544,130</u>		<u>100.00%</u>

Source: Erie County Auditor

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

2014				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	388	6.08%	\$76,299,804	29.81%
\$75,001 - \$100,000	374	5.86	32,161,678	12.57
\$50,001 - \$75,000	868	13.60	53,086,760	20.74
\$25,001 - \$50,000	1,689	26.46	61,059,096	23.85
\$25,000 and lower	3,064	48.00	33,363,234	13.03
<b>Total</b>	<b>6,383</b>	<b>100.00%</b>	<b>\$255,970,572</b>	<b>100.00%</b>

2013				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	410	6.40%	\$95,092,764	34.11%
\$75,001 - \$100,000	388	6.06	36,544,019	13.11
\$50,001 - \$75,000	853	13.32	52,244,517	18.74
\$25,001 - \$50,000	1,689	26.37	60,602,011	21.74
\$25,000 and lower	3,065	47.85	34,290,337	12.30
<b>Total</b>	<b>6,405</b>	<b>100.00%</b>	<b>\$278,773,648</b>	<b>100.00%</b>

2012				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	380	6.09%	\$77,823,120	30.78%
\$75,001 - \$100,000	390	6.25	33,788,858	13.36
\$50,001 - \$75,000	790	12.66	47,968,447	18.97
\$25,001 - \$50,000	1,664	26.66	60,546,655	23.95
\$25,000 and lower	3,018	48.34	32,690,204	12.94
<b>Total</b>	<b>6,242</b>	<b>100.00%</b>	<b>\$252,817,284</b>	<b>100.00%</b>

2011				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	360	5.21%	\$69,826,664	26.86%
\$75,001 - \$100,000	394	5.70	34,025,087	13.09
\$50,001 - \$75,000	868	12.55	53,169,757	20.45
\$25,001 - \$50,000	1,799	26.01	64,745,186	24.90
\$25,000 and lower	3,495	50.53	38,203,367	14.70
<b>Total</b>	<b>6,916</b>	<b>100.00%</b>	<b>\$259,970,061</b>	<b>100.00%</b>

(continued)



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

2010				
Income Level	Number of Taxpayers	Percentage of Total	Income	Percentage of Total
\$100,001 and higher	331	4.81%	\$65,302,989	26.06%
\$75,001 - \$100,000	375	5.45	32,314,336	12.90
\$50,001 - \$75,000	839	12.19	51,281,828	20.47
\$25,001 - \$50,000	1,763	25.61	63,270,279	25.25
\$25,000 and lower	3,577	51.94	38,394,358	15.32
<b>Total</b>	<b>6,885</b>	<b>100.00%</b>	<b>\$250,563,790</b>	<b>100.00%</b>

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
<b>Total</b>	<b>7,543</b>	<b>100.00%</b>	<b>\$267,200,213</b>	<b>100.00%</b>

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
<b>Total</b>	<b>8,441</b>	<b>100.00%</b>	<b>\$274,433,154</b>	<b>100.00%</b>

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
<b>Total</b>	<b>7,770</b>	<b>100.00%</b>	<b>\$254,772,870</b>	<b>100.00%</b>

(continued)

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

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
<b>Total</b>	<b>8,161</b>	<b>100.00%</b>	<b>\$264,130,399</b>	<b>100.00%</b>

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
<b>Total</b>	<b>8,480</b>	<b>100.00%</b>	<b>\$271,393,026</b>	<b>100.00%</b>

Source: Regional Income Tax Agency (RITA)

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

Type of Customer	2014			2013		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	596,980	\$1,374,780	\$1,333,595	551,320	\$1,317,439	\$1,329,853
Commercial	593,452	1,158,914	1,158,064	510,084	1,158,926	1,150,794
Industrial	30,094	58,537	59,083	31,712	60,598	59,041
Municipal	62,110	0	0	72,120	0	0
<b>Total</b>	<b>1,282,636</b>	<b>\$2,592,231</b>	<b>\$2,550,742</b>	<b>1,165,236</b>	<b>\$2,536,963</b>	<b>\$2,539,688</b>
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	2012			2011		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	548,757	\$1,414,656	\$1,387,655	615,721	\$1,439,777	\$1,400,365
Commercial	507,931	1,299,733	1,163,057	521,961	1,190,109	1,179,737
Industrial	28,074	57,888	56,826	31,093	59,055	57,115
Municipal	<u>57,723</u>	<u>0</u>	<u>0</u>	<u>52,242</u>	<u>0</u>	<u>0</u>
Total	<u>1,142,485</u>	<u>\$2,772,277</u>	<u>\$2,607,538</u>	<u>1,221,017</u>	<u>\$2,688,941</u>	<u>\$2,637,217</u>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

2010			2009		
<u>Consumption (CCF)</u>	<u>Billings</u>	<u>Payments</u>	<u>Consumption (CCF)</u>	<u>Billings</u>	<u>Payments</u>
602,857	\$1,417,520	\$1,408,563	607,578	\$1,415,158	\$1,442,767
488,715	1,173,261	1,143,321	501,882	1,067,549	1,069,470
25,519	50,625	46,932	23,337	51,264	52,651
56,694	0	0	37,754	0	0
<u>1,173,785</u>	<u>\$2,641,406</u>	<u>\$2,598,816</u>	<u>1,170,551</u>	<u>\$2,533,971</u>	<u>\$2,564,888</u>
	\$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	2008			2007		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	652,538	\$1,502,904	\$1,460,921	679,939	\$1,547,390	\$1,506,012
Commercial	531,077	1,162,919	1,141,576	544,937	1,190,056	1,193,784
Industrial	26,814	57,649	54,522	32,138	72,598	77,686
Municipal	27,297	0	0	18,663	0	0
<b>Total</b>	<b>1,237,726</b>	<b>\$2,723,472</b>	<b>\$2,657,019</b>	<b>1,275,677</b>	<b>\$2,810,044</b>	<b>\$2,777,482</b>
Monthly Base Rate		\$4.10			\$4.10	
Rate per 100 Cubic Feet		\$1.90			\$1.90	

2006			2005		
<u>Consumption (CCF)</u>	<u>Billings</u>	<u>Payments</u>	<u>Consumption (CCF)</u>	<u>Billings</u>	<u>Payments</u>
660,179	\$1,510,317	\$1,510,051	656,463	\$1,457,843	\$1,448,097
556,330	1,226,408	1,225,604	595,875	1,283,016	1,296,703
38,040	84,593	76,639	45,565	97,333	95,961
<u>21,734</u>	<u>0</u>	<u>0</u>	<u>26,066</u>	<u>0</u>	<u>0</u>
<u>1,276,283</u>	<u>\$2,821,318</u>	<u>\$2,812,294</u>	<u>1,323,969</u>	<u>\$2,838,192</u>	<u>\$2,840,761</u>
	\$4.10			\$4.10	
	\$1.90			\$1.90	

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

Type of Customer	2014			2013		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	585,393	\$2,668,905	\$2,542,241	551,320	\$2,531,256	\$2,532,349
Commercial	505,059	2,085,709	2,065,514	510,084	2,110,759	2,073,429
Industrial	30,591	128,868	128,962	31,712	133,237	130,017
Municipal	<u>60,792</u>	<u>0</u>	<u>0</u>	<u>72,120</u>	<u>0</u>	<u>0</u>
Total	<u>1,181,835</u>	<u>\$4,883,482</u>	<u>\$4,736,717</u>	<u>1,165,236</u>	<u>\$4,775,252</u>	<u>\$4,735,795</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.



2012			2011		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
548,757	\$2,601,336	\$2,645,519	615,721	\$2,785,808	\$2,657,644
507,931	2,106,498	2,095,062	521,961	2,144,778	2,105,590
28,074	122,333	126,372	31,093	130,625	126,327
57,723	0	0	52,242	0	0
<u>1,142,485</u>	<u>\$4,830,167</u>	<u>\$4,866,953</u>	<u>1,221,017</u>	<u>\$5,061,211</u>	<u>\$4,889,561</u>
	\$7.00			\$7.00	
	\$3.97			\$3.97	

(continued)

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

Type of Customer	2010			2009		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	602,857	\$2,734,948	\$2,689,269	607,578	\$2,754,445	\$2,773,222
Commercial	488,715	2,014,088	2,125,726	501,882	2,066,859	2,052,461
Industrial	25,519	108,864	101,797	23,337	100,270	99,459
Municipal	<u>56,694</u>	<u>0</u>	<u>0</u>	<u>37,754</u>	<u>0</u>	<u>0</u>
Total	<u>1,173,785</u>	<u>\$4,857,900</u>	<u>\$4,916,792</u>	<u>1,170,551</u>	<u>\$4,921,574</u>	<u>\$4,925,142</u>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

2008			2007		
Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
652,538	\$2,943,970	\$2,816,847	679,939	\$3,030,649	\$2,927,168
531,077	2,195,755	2,145,365	544,937	2,237,127	2,202,101
26,814	114,945	111,770	32,138	139,349	143,690
27,297	0	0	18,663	0	0
<u>1,237,726</u>	<u>\$5,254,670</u>	<u>\$5,073,982</u>	<u>1,275,677</u>	<u>\$5,407,125</u>	<u>\$5,272,959</u>
	\$7.00			\$7.00	
	\$3.97			\$3.97	

(continued)

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

Type of Customer	2006			2005		
	Consumption (CCF)	Billings	Payments	Consumption (CCF)	Billings	Payments
Residential	660,179	\$2,965,144	\$2,931,352	656,463	\$2,858,345	\$2,815,696
Commercial	556,330	2,308,180	2,288,275	595,875	2,268,957	2,355,544
Industrial	38,040	157,073	137,502	45,565	171,556	174,324
Municipal	21,734	0	0	26,066	0	0
Total	<u>1,276,283</u>	<u>\$5,430,397</u>	<u>\$5,357,129</u>	<u>1,323,969</u>	<u>\$5,298,858</u>	<u>\$5,345,564</u>
Monthly Base Rate		\$7.00			\$7.00	
Rate per 100 Cubic Feet		\$3.97			\$3.97	

City of Sandusky  
Principal Water Customers  
Last Ten Years

2014		
Water Revenue		
Customer	Amount	Percentage
Cedar Fair	\$541,507	21.23%
Firelands Regional Health System	63,486	2.49
Sandusky Associates, LLC	39,166	1.54
U. S. Tsubaki, Inc.	25,486	1.00
MHD Corporation	13,744	0.54
Sandusky Board of Education	12,946	0.51
Norfolk-Southern Corporation	11,219	0.44
Okamoto Sandusky Manufacturing	10,552	0.41
North Coast Property Management	9,908	0.38
Greentree Inn	9,165	0.36
Total	737,179	28.90
Balance from Other Customers	1,813,563	71.10
Total Water Revenue	\$2,550,742	100.00%

2013		
Water Revenue		
Customer	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	\$2,539,688	100.00%

(continued)

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

2012		
Water Revenue		
Customer	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	\$2,607,538	100.00%

2011		
Water Revenue		
Customer	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	\$2,637,217	100.00%

(continued)

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

2010		
Water Revenue		
Customer	Amount	Percentage
Cedar Fair	\$525,661	20.23%
Firelands Regional Health System	61,288	2.37
Sandusky Associates, LLC	25,486	0.98
U. S. Tsubaki, Inc.	17,696	0.68
MHD Corporation	13,136	0.51
Providence Care Center	11,084	0.43
Greentree Inn	10,913	0.42
Sandusky Board of Education	10,856	0.41
Westwood Management	8,158	0.31
Erie Metro Housing	8,004	0.31
Total	692,282	26.64
Balance from Other Customers	1,906,534	73.36
Total Water Revenue	\$2,598,816	100.00%

2009		
Water Revenue		
Customer	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	\$2,564,888	100.00%

(continued)

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

2008		
Water Revenue		
Customer	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	\$2,657,019	100.00%

2007		
Water Revenue		
Customer	Amount	Percentage
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	2,101,601	75.67
Total Water Revenue	\$2,777,482	100.00%

(continued)



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

2006		
Water Revenue		
Customer	Amount	Percentage
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	2,185,709	77.72
Total Water Revenue	\$2,812,294	100.00%

2005		
Water Revenue		
Customer	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

City of Sandusky  
Principal Sewer Customers  
Last Ten Years

2014		
Sewer Revenue		
Customer	Amount	Percentage
Cedar Fair	\$943,181	19.91%
Firelands Regional Health System	127,169	2.69
Sandusky Associates, LLC	82,348	1.74
MHD Corporation	28,851	0.61
Okamoto Sandusky Manufacturing	23,314	0.49
North Coast Property Management	21,259	0.45
Greentree Inn	19,283	0.41
Sandusky Board of Education	19,272	0.40
Erie Metro Housing	16,176	0.34
Myers Industries, Inc.	2,152	0.05
Total	1,283,005	27.09
Balance from Other Customers	3,453,712	72.91
Total Sewer Revenue	\$4,736,717	100.00%

2013		
Sewer Revenue		
Customer	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	\$4,735,795	100.00%

(continued)

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

2012		
Sewer Revenue		
Customer	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	\$4,866,953	100.00%

2011		
Sewer Revenue		
Customer	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	\$4,889,561	100.00%

(continued)

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

2010		
Sewer Revenue		
Customer	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	\$4,916,792	100.00%

2009		
Sewer Revenue		
Customer	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	\$4,925,142	100.00%

(continued)

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

2008		
Sewer Revenue		
Customer	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	\$5,073,982	100.00%

2007		
Sewer Revenue		
Customer	Amount	Percentage
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	18,558	0.35
Total	1,266,954	24.03
Balance from Other Customers	4,006,005	75.97
Total Sewer Revenue	\$5,272,959	100.00%

(continued)

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

2006		
Sewer Revenue		
Customer	Amount	Percentage
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	17,652	0.34
Total	1,152,235	21.51
Balance from Other Customers	4,204,894	78.49
Total Sewer Revenue	\$5,357,129	100.00%

2005		
Sewer Revenue		
Customer	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	\$5,345,564	100.00%

Source: City Utility Department

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

Year	Water		Sewer		Total	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
2014	8,208	1,168	8,166	1,143	16,374	2,311
2013	8,345	1,036	8,319	1,020	16,664	2,056
2012	8,389	1,027	8,357	1,014	16,746	2,041
2011	8,357	1,006	8,329	989	16,686	1,995
2010	8,361	1,019	8,334	1,002	16,695	2,021
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





City of Sandusky  
 Water Produced and Consumed and Wastewater Treated  
 Last Ten Years

Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water City Usage	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated
2014	3,304,447,404	2,489,943,910	153,627,237	841,352,644	25.26%	4,625,400,000
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

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
2014	\$12,148,290	\$1,950,000	\$2,627,833	\$318,327	\$0
2013	13,443,350	2,310,000	2,903,175	415,821	0
2012	14,677,706	0	3,183,334	509,301	0
2011	15,803,424	0	3,486,729	598,932	0
2010	15,901,176	0	3,812,686	684,873	914
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

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)
\$1,570,000	\$44,107,382	\$197,796	\$62,919,628	\$2,439.41	11.68%
1,588,285	46,436,047	258,374	67,355,052	2,611	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

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	\$1,285,455,130	\$16,346,123	\$633.74	1.27%
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

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, 2014

	Debt Outstanding	Percent Applicable to City of Sandusky (1)	Amount Applicable to City of Sandusky
City of Sandusky			
2001 Various Purpose	\$100,000	100.00%	\$100,000
2005 City Complex Refunding	4,290,964	100.00	4,290,964
2007 Police Pension Refunding	361,893	100.00	361,893
2007 Fire Pension Refunding	486,963	100.00	486,963
2007 Various Purpose Refunding	3,384,762	100.00	3,384,762
2011 Library Refunding	3,278,708	100.00	3,278,708
2014 Various Purpose Refunding	245,000	100.00	245,000
2013 Urban Renewal	1,950,000	100.00	1,950,000
Special Assessment Bonds	2,627,833	100.00	2,627,833
Loans Payable	318,327	100.00	318,327
	<u>17,044,450</u>		<u>17,044,450</u>
Erie County	<u>11,644,195</u>	23.34	<u>2,717,755</u>
Total	<u>\$28,688,645</u>		<u>\$19,762,205</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 2014 collection year.

City of Sandusky  
 Computation of Legal Debt Margin  
 Last Ten Years

	2014	2013	2012	2011
Total Assessed Valuation	<u>\$460,060,000</u>	<u>\$460,233,000</u>	<u>\$484,811,000</u>	<u>\$487,852,000</u>
Overall Debt Limitation - 10.5 Percent of Assessed Valuation	48,306,300	48,324,465	50,905,155	51,224,460
Gross Indebtedness	64,847,881	69,424,886	73,103,099	73,755,127
Less Debt Outside Limitation				
Revenue Bonds	1,950,000	2,310,000	0	0
Special Assessment Bonds	2,539,063	2,810,036	3,086,009	3,384,549
General Obligation Revenue Bonds	1,570,000	1,565,000	1,625,000	1,729,000
OWDA Loans	<u>44,107,382</u>	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>
Net Indebtedness	14,681,436	16,303,803	20,328,670	21,915,971
Less Fund Balance in Debt Service Fund	<u>45,366</u>	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>
Net Debt Within 10.5 Percent Limitation	<u>14,636,070</u>	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>
Legal Debt Margin Within 10.5 Percent Limitation	<u>\$33,670,230</u>	<u>\$32,077,792</u>	<u>\$30,605,619</u>	<u>\$29,341,242</u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	69.70%	66.38%	60.12%	57.28%
Unvoted Debt Limitation - 5.5 Percent of Assessed Valuation	\$25,303,300	\$25,312,815	\$26,664,605	\$26,831,860
Gross Indebtedness	64,847,881	69,424,886	73,103,099	73,755,127
Less Debt Outside Limitation				
Revenue Bonds	1,950,000	2,310,000	0	0
Special Assessment Bonds	2,539,063	2,810,036	3,086,009	3,384,549
General Obligation Revenue Bonds	1,570,000	1,565,000	1,625,000	1,729,000
OWDA Loans	<u>44,107,382</u>	<u>46,436,047</u>	<u>48,063,420</u>	<u>46,725,607</u>
Net Indebtedness	14,681,436	16,303,803	20,328,670	21,915,971
Less Fund Balance in Debt Service Fund	<u>45,366</u>	<u>57,130</u>	<u>29,134</u>	<u>32,753</u>
Net Debt Within 5.5 Percent Limitation	<u>14,636,070</u>	<u>16,246,673</u>	<u>20,299,536</u>	<u>21,883,218</u>
Legal Debt Margin Within 5.5 Percent Limitation	<u>\$10,667,230</u>	<u>\$9,066,142</u>	<u>\$6,365,069</u>	<u>\$4,948,642</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	42.16%	35.82%	23.87%	18.44%

Source: City Records

2010	2009	2008	2007	2006	2005
<u>\$400,482,525</u>	<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>
42,050,665	51,464,285	53,359,574	54,841,654	51,192,318	52,767,134
71,437,371	69,034,270	68,244,180	65,841,032	67,414,138	66,854,776
0	0	0	0	0	0
3,706,088	4,060,063	4,324,197	1,992,732	1,970,132	2,123,266
1,906,000	2,083,000	2,255,000	2,427,000	2,599,000	2,896,000
<u>43,537,012</u>	<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>
22,288,271	22,198,136	24,883,001	26,842,866	26,702,866	25,737,733
<u>82,687</u>	<u>173,295</u>	<u>162,155</u>	<u>205,867</u>	<u>266,065</u>	<u>256,409</u>
<u>22,205,584</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>\$19,845,081</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>
47.19%	57.20%	53.67%	51.43%	48.36%	51.71%
\$22,026,539	\$26,957,483	\$27,950,253	\$28,726,581	\$26,815,024	\$27,639,927
71,437,371	69,034,270	68,244,180	65,841,032	67,414,138	66,854,776
0	0	0	0	0	0
3,706,088	4,060,063	4,324,197	1,992,732	1,970,132	2,123,266
1,906,000	2,083,000	2,255,000	2,427,000	2,599,000	2,896,000
<u>43,537,012</u>	<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>
22,288,271	22,198,136	24,883,001	26,842,866	26,702,866	25,737,733
<u>82,687</u>	<u>173,295</u>	<u>162,155</u>	<u>205,867</u>	<u>266,065</u>	<u>256,409</u>
<u>22,205,584</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>(\$179,045)</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>
(0.81%)	18.30%	11.55%	7.27%	1.41%	7.81%





City of Sandusky  
Revenue Supported - Bond Coverage  
Governmental Activities  
Last Two Years

Year	Payment in Lieu of Taxes Revenue (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	\$537,159	\$360,000	\$69,005	\$429,005	1.25
2013	558,906	370,000	133,603	503,603	1.11

Source: City Records

(1) Includes only payment in lieu of taxes revenue from the Urban Renewal Debt Retirement debt service fund.

City of Sandusky  
 General Obligation - Revenue Supported - 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	
2014	\$5,395,434	\$5,100,326	\$295,108	\$140,000	\$9,140	\$149,140	1.98
2013	5,330,875	4,681,292	649,583	5,000	5,641	10,641	61.05
2012	5,301,855	4,537,221	764,634	5,000	5,898	10,898	70.16
2011	5,296,814	4,770,271	526,543	85,000	10,523	95,523	5.51
2010	5,135,801	4,198,140	937,661	85,000	14,523	99,523	9.42
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

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	
2014	\$5,789,026	\$5,836,218	(\$47,192)	\$1,485,000	\$108,913	\$1,593,913	(0.03)
2013	5,981,063	5,316,839	664,224	55,000	59,739	114,739	5.79
2012	5,552,003	4,829,487	722,516	99,000	64,335	163,335	4.42
2011	6,816,622	6,343,763	472,859	92,000	68,641	160,641	2.94
2010	6,390,831	5,854,281	536,550	92,000	72,946	164,946	3.25
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

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)
2014	25,793	\$538,635,219	\$20,883	13,447	11,155	2.25
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

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)
5,786	\$45,208	7.0%
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



City of Sandusky  
Principal Employers  
Current Year and Nine Years Ago

Employer	Type of Business	2014			2005		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Magnum Management Corp.	Entertainment	6,070	1	48.17%	6,890	1	53.00%
Firelands Regional Health System	Hospital	2,043	2	16.21	1,944	2	14.95
Sandusky Board of Education	Education	669	3	5.31	853	3	6.56
Erie County	Government	460	4	3.65	697	4	5.36
Providence Care Center	Nursing Home	355	5	2.83			
Kyklos Bearings International	Automotive	353	6	2.80			
Wal-Mart	Retail	268	7	2.13			
Stein Hospice Service	Hospice	236	8	1.87	391	5	3.01
Lewco, Inc.	Manufacturing	183	9	1.45			
Sandusky International, Inc.	Manufacturing	173	10	1.37			
Delphi Automotive System	Automotive				285	6	2.19
G & C Foundry	Manufacturing				250	7	1.92
FMC Corporation	Food Equipment				227	8	1.75
Sandusky Limited	Port Facilities				188	9	1.45
Sandusky Internists, Inc.	Medical				37	10	0.29
	Total	<u>10,810</u>		<u>85.79%</u>	<u>11,762</u>		<u>90.48%</u>
	Total City Employment	<u>12,600</u>			<u>13,000</u>		

Source: Regional Income Tax Agency (RITA)

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

Function/Program	2014	2013	2012	2011
<b>Security of Persons and Property-Police</b>				
Police Patrol	45.0	45.0	45.0	47.0
Police Records	1.0	1.0	1.0	4.5
Police Reserve	0.0	4.0	4.0	2.0
<b>Security of Persons and Property-Fire</b>				
Fire Suppression	48.0	53.0	53.0	54.0
<b>Public Health</b>				
Oakland Cemetery	2.0	2.5	2.5	2.5
<b>Leisure Time Activities</b>				
Golf Course	0.0	0.0	0.5	0.0
Recreation	1.0	1.0	1.0	2.0
Pavillion	0.0	0.0	0.0	0.0
<b>Community Environment</b>				
Community Development	6.0	7.0	6.0	6.0
Horticultural Services	7.0	7.5	8.0	8.5
<b>Transportation</b>				
Streets	11.0	10.5	10.5	9.5
Traffic and Electrical Maintenance	2.0	2.0	2.0	2.0
<b>General Government-Municipal Court</b>				
Court-Criminal	14.0	17.0	17.5	17.0
<b>General Government-Other</b>				
City Manager	1.0	1.0	1.0	1.5
Personnel Labor Relations	2.0	3.0	3.0	4.0
Finance	3.0	3.0	3.0	2.0
Law Director	4.0	4.5	4.5	4.5
City Commission	8.0	8.0	8.0	8.0
Municipal Buildings and Lands	2.0	2.5	3.5	3.5
Engineering	8.0	8.0	7.0	7.0
Fleet	4.0	4.0	4.0	4.0
<b>Basic Utility Services</b>				
Water/Sewer Office	3.0	3.0	3.0	3.0
Waterworks Filtration	13.0	12.0	13.0	13.0
Waterworks Distribution	9.0	9.0	8.0	8.0
Water Pollution Control	15.0	15.0	17.0	18.0
Sewer Maintenance	9.0	9.0	9.0	8.0
<b>Total</b>	<u>218.0</u>	<u>232.5</u>	<u>235.0</u>	<u>239.5</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.



2010	2009	2008	2007	2006	2005
45.0	52.0	52.0	49.0	50.0	51.0
6.0	10.0	12.0	11.0	10.5	11.0
0.0	0.0	3.5	7.0	8.5	7.5
48.0	54.0	52.0	53.0	53.0	52.0
2.5	3.5	3.0	4.5	4.0	4.0
0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	1.0	2.0
0.0	0.5	0.5	0.0	0.0	0.0
6.0	5.0	8.5	10.5	11.5	11.5
8.5	8.0	9.0	11.5	11.0	13.0
9.5	10.0	10.0	10.0	9.0	9.0
3.0	3.0	3.0	5.0	4.0	5.0
18.0	18.0	19.5	19.5	17.5	17.5
0.0	0.0	2.0	2.0	3.0	4.0
4.0	4.5	5.5	5.5	3.5	5.0
3.0	4.0	4.0	4.0	4.0	4.0
4.5	4.0	6.0	6.0	6.0	6.0
8.0	8.0	9.0	9.0	9.0	9.5
4.5	4.0	5.5	4.5	4.5	5.0
7.0	10.0	11.0	11.0	12.0	11.0
4.0	4.0	4.0	4.0	4.0	4.0
3.0	3.0	3.0	2.0	3.0	3.0
13.0	12.0	12.0	13.0	13.0	14.0
8.5	9.0	9.0	10.0	10.0	11.0
18.0	18.0	18.0	18.0	18.0	18.0
9.0	9.0	9.0	9.0	10.0	10.0
<u>234.0</u>	<u>254.5</u>	<u>272.0</u>	<u>280.0</u>	<u>280.0</u>	<u>288.0</u>

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

Function/Program	2014	2013	2012
<b>Security of Persons and Property-Police</b>			
Number of Calls for Service	25,192	43,330	36,934
Number of Traffic Citations and Arrests	2,785	4,281	3,922
Number of Parking Tickets Issued	349	396	445
<b>Accident Severity Breakdown</b>			
Fatalities	0	0	2
Injury	125	100	127
Property Damage	568	514	577
Number of Criminal Arrests	6,026	6,391	6,094
Number of DUI Arrests	255	237	184
Square Miles Served	14.9	14.9	14.9
Original Department Operating Budget (General Fund)	\$4,665,990	\$4,727,118	\$4,951,507
<b>Security of Persons and Property-Fire</b>			
Number of EMS Calls	4,904	4,542	4,495
Number of Fire Calls	1,059	897	855
Net Ambulance Billing Collections	\$850,165	\$780,893	\$864,791
EMS Response Time (in seconds)	186	175	178
Fire Reponse Time (in seconds)	255	226	251
Number of Times Mutual Aid Given	29	32	23
Number of Times Mutual Aid Received	23	23	17
Square Miles Served	14.9	14.9	14.9
Number of Stations	3	3	3
Original Department Operating Budget (General Fund)	\$4,508,719	\$4,294,596	\$4,176,776
<b>Public Health</b>			
Cemetery Burials	138	138	108
Cemetery Cremations	38	48	34
Cemetery Sale of Lots	62	75	74
Cemetery Charges for Services Receipts	\$90,118	\$96,550	\$74,340
<b>Leisure Time Activities</b>			
<b>Recreation</b>			
Boat Ramp Receipts	\$0	\$28,763	\$21,369
Golf Course Receipts	\$183,990	\$162,553	\$204,010
Recreation Receipts	\$46,700	\$40,456	\$30,954
Sandusky Bay Pavilion Receipts	\$790	\$10,540	\$0
Paper District Marina Receipts	\$44,738	\$36,975	\$21,369
Reimbursements/Donations	\$3,048	\$3,483	\$3,262
Golf Course-Daily Pay Rounds	7,707	7,150	9,801
Golf Course-Daily Pass Rounds	6,487	5,983	6,952
Golf Course-Annual Pass Sales	110	113	120
Boat Ramp-Number of Daily Passes Sold	0	2,932	2,501
Boat Ramp-Number of Season Passes Sold	0	80	65
Boat Ramp-Number of Tournament Days	22	19	12
Paper District Marina-3-Hour Docks	1,811	1,722	722
Paper District Marina-Overnight Boat	299	334	109
Paper District Marina-Weekly Boat	0	0	0
Paper District Marina-Jetski Day	15	38	17
Paper District Marina-Jetski Overnight	0	6	0
Paper District Marina-Jetski 10-Day	0	0	0
Paper District Marina-Seasonal Dock (Boat)	6	1	0
Paper District Marina-Seasonal Dock (Jetski)	8	5	0

2011	2010	2009	2008	2007	2006	2005
37,071	19,471	28,288	21,441	17,529	15,951	16,010
3,452	3,072	4,319	4,892	3,807	2,598	2,537
557	611	1,069	1,819	1,815	2,672	2,513
0	0	0	2	0	0	0
138	101	120	123	132	159	177
574	603	511	575	651	582	641
5,881	6,505	5,771	7,953	8,094	7,829	7,341
185	241	241	209	235	174	145
14.9	14.9	14.9	14.9	14.9	14.9	14.9
\$4,686,741	\$4,673,083	\$5,404,496	\$5,384,630	\$5,017,372	\$4,835,645	\$4,416,114
4,312	3,914	3,858	3,673	3,641	3,332	3,223
791	838	1,177	1,168	1,115	950	928
\$622,476	\$767,177	\$626,958	\$660,239	\$599,323	\$637,234	\$595,298
191	184	178	186	214	199	198
288	285	247	207	226	191	201
26	21	18	27	18	23	16
29	23	16	19	30	45	37
14.9	14.9	14.9	14.9	14.9	14.9	14.9
3	3	3	3	3	3	3
\$4,105,936	\$4,392,888	\$4,900,965	\$4,745,641	\$4,515,255	\$4,314,322	\$3,996,555
128	110	95	93	103	131	106
34	33	42	42	35	26	33
66	65	69	74	103	64	70
\$90,515	\$86,562	\$100,113	\$95,190	\$107,389	\$103,154	\$107,066
\$938	\$201	\$845	\$38,128	\$55,519	\$53,306	\$32,280
\$211,717	\$214,839	\$207,048	\$244,384	\$209,793	\$188,407	\$224,461
\$30,958	\$23,786	\$27,820	\$36,325	\$34,509	\$22,999	\$21,127
\$5,000	\$500	\$17,515	\$34,261	\$35,741	\$54,355	\$8,295
\$6,033	\$0	\$0	\$0	\$0	\$0	\$0
\$760	\$650	\$669	\$529	\$124	\$877	\$1,058
6,935	9,610	9,517	11,275	10,357	8,140	9,817
6,880	6,588	9,484	9,973	10,074	8,695	8,185
119	124	132	145	164	197	195
0	n/a	n/a	3,915	4,513	4,616	4,915
0	n/a	n/a	78	113	124	155
14	12	14	4	22	19	21
186	0	0	0	0	0	0
89	0	0	0	0	0	0
11	0	0	0	0	0	0
39	0	0	0	0	0	0
2	0	0	0	0	0	0
2	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	2014	2013	2012
<b>Horticulture Services</b>			
Trees Planted	58	56	65
Trees Removed	136	113	153
Trees Trimmed	235	250	232
Stumps Removed	136	98	177
Loads of Wood and Chips to Residents	132	132	135
Number of Regularly Scheduled Work Hours Related to			
Trees Planted	135	143	244
Trees Removed	818	827	688
Trees Trimmed	427	476	375
Stumps Removed	137	149	144
Storm Cleanup	336	297	491
Plant Propagation	1,172	1,112	1,350
Plant Installation	565	499	731
Landscape Maintenance	1,575	1,521	1,945
Fountain and Irrigation Maintenance	143	164	174
Playground Equipment Maintenance	103	102	120
Nursery Maintenance	327	371	16
Baseball Field Maintenance	117	106	125
Public Restroom Maintenance	295	289	286
Holiday Decorations	793	732	715
Christmas Tree Pickup	87	81	122
<b>Transportation</b>			
Cost of Salt Purchased	\$45,472	\$50,460	\$25,307
Number of Regularly Scheduled Work Hours Related to Snow Removal	996	1,110	694
Sign Department Hours	1,561	1,600	1,503
Guardrail Repair Hours	3	8	0
Street Improvements-Asphalt Overlay (linear feet)	896	1,241	1,331
Pavement Marking Hours	555	654	520
Cold Patch Hours	1,090	1,245	839
Street Sweeping Hours	1,502	1,484	1,425
<b>General Government-Court</b>			
Municipal Court			
Number of Civil Cases	2,375	2,622	2,749
Number of Criminal Cases	11,716	12,843	11,597
<b>General Government-Other</b>			
Finance			
Agency Ratings-Moody's Financial Services	Aa3	Aa3	Aa3
<b>Income Tax</b>			
Number of Individual Returns	15,827	13,682	15,306
Number of Business Returns	3,382	2,927	2,748
Number of Business Withholding Accounts	14,381	14,168	13,387
Amount of Interest and Penalties Collected	\$149,107	\$97,234	\$100,984
Tax Revenue	\$7,297,336	\$8,303,179	\$7,971,818
<b>City Commission</b>			
Number of Ordinances Passed	160	146	141
Number of Resolutions Passed	54	50	39
<b>Municipal Buildings and Lands</b>			
Number of Construction Permits Issued (building, electric, plumbing)	772	842	927
Estimated Value of Construction	\$15,478,633	\$55,106,730	\$16,070,557
Amount of Revenue Generated from Building Department	\$170,621	\$290,930	\$188,287

2011	2010	2009	2008	2007	2006	2005
52	25	20	32	103	134	39
143	118	108	133	159	208	180
223	478	265	408	659	486	842
132	114	75	245	202	177	137
128	132	176	133	246	254	278
18	166	222	188	250	212	135
939	854	1,036	1,210	1,550	2,242	1,712
430	622	216	680	866	1,113	1,312
119	185	230	382	364	306	225
220	179	288	489	357	299	411
1,055	931	1,857	1,276	1,949	2,412	2,271
465	300	573	961	700	1,461	1,575
1,260	1,357	2,060	875	1,893	2,090	1,933
92	226	130	100	121	170	217
87	99	117	80	170	221	418
593	503	75	95	87	96	106
120	73	342	371	326	871	573
309	271	258	242	266	489	229
931	551	856	1,251	1,208	533	476
57	64	16	24	56	59	65
\$60,650	\$63,648	\$7,095	\$71,372	\$83,436	\$25,872	\$67,835
1,185	1,452	1,398	1,595	1,301	336	532
1,581	1,716	2,251	1,904	2,538	2,312	2,082
0	24	16	0	18,718	0	7
115	2,278	2,740	3,444	547	7,580	3,419
492	950	841	850	1,160	516	503
1,185	1,711	1,330	1,922	1,281	410	2,499
1,598	1,429	1,453	1,358	1,477	1,156	1,012
2,502	2,727	3,166	3,277	3,097	2,893	2,554
9,879	10,295	13,156	12,888	12,052	10,915	11,955
Aa3	Aa3	A2	A2	A2	A2	A2
15,050	10,091	6,982	12,838	9,704	11,503	9,450
2,460	1,846	2,070	1,423	1,292	1,226	1,429
12,168	9,767	8,550	1,337	1,352	8,885	1,375
\$122,404	\$98,699	\$148,491	\$165,724	\$207,015	\$78,435	\$101,724
\$7,234,468	\$6,811,653	\$6,249,181	\$8,179,964	\$6,891,325	\$7,179,950	\$7,156,052
143	162	131	150	105	130	72
52	44	33	37	38	55	30
1,060	2,259	931	1,146	892	1,018	1,113
\$11,484,665	\$26,426,795	\$30,794,209	\$14,812,745	\$12,990,490	\$71,960,299	\$49,638,024
\$146,647	\$232,932	\$162,116	\$162,072	\$136,065	\$329,152	\$381,708

(continued)

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

Function/Program	2014	2013	2012
Civil Service			
Number of Police Entry Tests Administered	0	0	0
Number of Fire Entry Tests Administered	0	1	0
Number of Police Promotional Tests Administered	0	1	0
Number of Fire Promotional Tests Administered	0	2	1
Number of Hires of Police Officers from Certified Lists	0	0	7
Number of Hires of Fire/Medics from Certified Lists	0	0	4
Number of Promotions from Police Certified Lists	2	0	5
Number of Promotions from Fire Certified Lists	4	0	6
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	4,625	4,696	4,401
Average Daily Flow (millions of gallons per day)	12.70	12.90	12.01
Tons of Dry Sludge Removed	1,211	1,210	1,272

Source: City Records

(1) Based on 5/8" meter

2011	2010	2009	2008	2007	2006	2005
1	0	0	0	1	0	0
1	0	0	1	0	0	0
2	0	0	1	3	0	0
2	0	1	1	0	0	0
5	0	0	7	4	0	0
6	0	2	2	0	0	0
4	0	0	2	8	0	0
2	0	1	1	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
5,865	3,764	3,791	4,300	4,174	4,120	3,943
16.10	10.30	10.42	11.79	11.42	11.30	10.82
1,017	1,246	1,441	1,491	1,650	1,357	1,466

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

Function/Program	2014	2013	2012
Security of Persons and Property-Police			
Stations	1	1	1
Vehicles	24	22	27
Security of Persons and Property-Fire			
Stations	3	3	3
Vehicles	15	15	16
Public Health			
Vehicles	2	2	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	50	46	46
Transportation			
Bridges	1	1	1
Streets (miles)	113.7	113.7	113.7
Vehicles	17	17	29
General Government-Other			
City Manager Vehicles	0	0	5
Mechanic Vehicles	4	4	4
Engineering Vehicles	3	3	10
Water			
Water Lines (miles)	134.88	134.88	134.88
Vehicles	12	11	18
Sewer			
Sewer Lines (miles)	164.15	163.69	163.69
Vehicles	16	14	20

Source: City Records



2011	2010	2009	2008	2007	2006	2005
1	1	1	1	1	1	1
26	26	27	27	25	27	22
3	3	3	3	3	3	3
15	15	15	16	15	14	14
3	3	3	3	3	3	3
20	20	20	20	20	20	21
4	4	4	4	4	4	4
1	1	1	1	1	1	1
1	1	1	1	1	1	1
17	17	17	17	17	17	17
1	1	1	1	1	1	1
46	46	34	34	34	34	34
1	1	1	1	1	1	1
113.7	113.7	113.7	113.7	113.7	113.7	113.7
29	29	29	29	29	29	30
6	6	6	6	6	6	6
4	4	4	4	4	5	5
10	10	10	10	10	10	10
134.88	134.88	134.82	134.69	134.66	134.37	134.37
18	18	16	16	16	16	17
163.69	163.69	163.69	163.49	162.52	162.50	161.73
20	20	19	19	19	19	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  
AUGUST 27, 2015**