



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

February 9, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2006**

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title | Pass Through Entity Number | Federal CFDA Number |
|--|--|---------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE <i>Passed through the Ohio Department of Education</i> | | |
| Food Distribution | n/a | 10.550 |
| <u>Nutrition Cluster:</u> | | |
| School Breakfast Program | 044743-05PU-2005 044743-05PU-2006 | 10.553 |
| Total - School Breakfast Program | | |
| National School Lunch Program | 044743-LLP4-2005 044743-LLP4-2006 | 10.555 |
| Total - National School Lunch Program | | |
| Total - Nutrition Cluster | | |
| Total Department of Agriculture | | |
| UNITED STATES DEPARTMENT OF EDUCATION <i>Direct Program</i> | | |
| Federal Pell Grant Program | n/a | 84.063 |
| Safe and Drug Free Schools and Communities - National Programs | Q184L040033 Q184L040033-06 | 84.184L |
| Total - Safe and Drug Free Schools and Communities - National Programs | | |
| <i>Passed through the Ohio Department of Education</i> | | |
| <u>Special Education Cluster:</u> | | |
| Special Education - Grants to States | 044743-6BSF-2005 044743-6BSF-2006 | 84.027 |
| Total - Special Education Grants to States | | |
| Special Education - Preschool Grants | 044743-PGS1-2005 044743-PGS1-2006 | 84.173 |
| Total - Preschool Grant | | |
| Total - Special Education Cluster | | |
| Adult Education - State Grant Program | 044743-ABS1-2004-C 044743-ABS1-2005 044743-ABS1-2006 | 84.002 |
| Total - Adult Basic Education | | |
| Title I Grants to Local Educational Agencies | 044743-C1S1-2005 044743-C1S1-2006 044743-C1SK-2005 044743-C1SK-2006 | 84.010 |
| Total - Title I Grants to Local Educational Agencies | | |

| <u>Receipts</u> | <u>Non-Cash Receipts</u> | <u>Disbursements</u> | <u>Non-Cash Disbursements</u> |
|------------------|------------------------------|----------------------|-----------------------------------|
| | \$ 97,406 | | \$ 97,406 |
| \$ 58,595 | | \$ 58,595 | |
| 155,588 | | 155,588 | |
| 214,183 | | 214,183 | |
| 235,162 | | 235,162 | |
| 606,545 | | 606,545 | |
| 841,707 | | 841,707 | |
| 1,055,890 | | 1,055,890 | |
| 1,055,890 | 97,406 | 1,055,890 | 97,406 |
| 113,870 | | 113,870 | |
| 207,796 | | 159,075 | |
| 484,429 | | 484,429 | |
| 692,225 | | 643,504 | |
| 132,796 | | 151,039 | |
| 992,372 | | 944,218 | |
| 1,125,168 | | 1,095,257 | |
| 1,671 | | 6,087 | |
| 56,000 | | 44,956 | |
| 57,671 | | 51,043 | |
| 1,182,839 | | 1,146,300 | |
| 11,414 | | 11,414 | |
| 12,974 | | 9,227 | |
| 66,422 | | 123,881 | |
| 90,810 | | 144,522 | |
| 197,746 | | 277,290 | |
| 1,347,515 | | 1,209,406 | |
| 4,653 | | 12,283 | |
| 63,160 | | 56,049 | |
| 1,613,074 | | 1,555,028 | |

(Continued)

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2006**

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title | Pass Through Entity Number | Federal CFDA Number |
|--|--|---------------------------|
| Vocational Education - Basic Grants to States | 044743-20C1-2005 044743-20C1-2006 044743-20C2-2005 044743-20C2-2006 | 84.048 |
| Total - Vocational Education Basic Grants to States | | |
| Safe and Drug Free Schools and Communities - State Grants | 044743-DRS1-2005 044743-DRS1-2006 | 84.186 |
| Total - Safe and Drug Free Schools and Communities - State Grants | | |
| Javits Gifted and Talented Students Education Grant Program | 044743-JGS1-2006 | 84.206 |
| State Grants for Innovative Programs | 044743-C2S1-2005 044743-C2S1-2006 | 84.298 |
| Total - State Grants for Innovative Programs | | |
| Education Technology State Grants | 044743-TJS1-2005 044743-TJS1-2006 044743-TJSL-2006 | 84.318 |
| Total - Education Technology State Grants | | |
| Comprehensive School Reform Demonstration | 044743-RFCC-2005 044743-RFCC-2006 | 84.332 |
| Total - Comprehensive School Reform Demonstration | | |
| Reading First State Grants | 044743-RSS1-2006 | 84.357 |
| Improving Teacher Quality State Grants | 044743-TRS1-2005 044743-TRS1-2006 | 84.367 |
| Total - Improving Teacher Quality State Grants | | |
| Total Department of Education | | |
| UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES | | |
| <i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i> | | |
| State Children's Health Insurance Program | | 93.767 |
| Medical Assistance Program (Medicaid; Title XIX) | | 93.778 |
| Total Department of Health and Human Services | | |
| TOTALS | | |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

| <u>Receipts</u> | <u>Non-Cash Receipts</u> | <u>Disbursements</u> | <u>Non-Cash Disbursements</u> |
|----------------------------|------------------------------|----------------------------|-----------------------------------|
| (2,479) | | 24,493 | |
| 123,428 | | 104,761 | |
| (1,503) | | 2,434 | |
| 77,863 | | 77,920 | |
| <u>197,309</u> | | <u>209,608</u> | |
| 220 | | 5,402 | |
| 22,603 | | 21,096 | |
| <u>22,823</u> | | <u>26,498</u> | |
| 7,777 | | 4,947 | |
| (119) | | 650 | |
| 13,992 | | 12,284 | |
| <u>13,873</u> | | <u>12,934</u> | |
| (1,520) | | 2,281 | |
| 7,772 | | 2,279 | |
| 524,826 | | 490,323 | |
| <u>531,078</u> | | <u>494,883</u> | |
| 112,692 | | 128,766 | |
| 107,440 | | 113,296 | |
| <u>220,132</u> | | <u>242,062</u> | |
| 1,980,667 | | 1,685,282 | |
| 12,649 | | 67,519 | |
| 403,930 | | 377,756 | |
| 416,579 | | 445,275 | |
| <u>7,083,056</u> | | <u>6,724,713</u> | |
| 7,066 | | 7,066 | |
| 117,601 | | 117,601 | |
| <u>124,667</u> | | <u>124,667</u> | |
| <u>\$ 8,263,613</u> | <u>\$ 97,406</u> | <u>\$ 7,905,270</u> | <u>\$ 97,406</u> |

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The District's Treasurer prepared the Schedule on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. The District reported this non-monetary assistance (expenditures) in the Schedule at the fair market value of the commodities received.

NOTE C – COMMINGLED FUNDS

Cash receipts from the U.S. Department of Agriculture and the U.S. Department of Health and Human Services are commingled with other revenues. It is assumed federal monies are expended first.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE E - ENVIRONMENTAL PROTECTION AGENCY GRANT

The District received an interest free loan in 1988 from the U.S. Environmental Protection Agency under the Asbestos Removal Grant Program (CFDA 66.702). As of June 30, 2006, the District owed \$92,201 on this loan. This loan is subject to certain compliance requirements imposed by the U.S. Environmental Protection Agency. The initial expenditure of these loan proceeds were reported on the Schedule of Federal Awards expenditures in the year funds were disbursed. No additional financial activity has been incurred other than the District's repayment of the loan. Such activity is not required to be reported in this Schedule.

NOTE F - CARRYOVER FUNDS

Negative receipts are shown in the Vocational Education – Basic Grants to States, CFDA #84.048; Innovative Education Program Strategies, CFDA #84.298; and Technology Literacy Challenge Fund Grants, CFDA #84.318. These negative receipts represent monies on the final expenditure report that were unspent after the initial period of availability had ended. In accordance with carryover provisions permitted by the Ohio Department of Education these monies were carried over to the subsequent years' award amounts.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 28, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 28, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

December 28, 2006



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

Compliance

We have audited the compliance of the Sandusky City School District, Erie County, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Sandusky City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006.

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Sandusky City School District as of and for the year ended June 30, 2006, and have issued our report thereon dated December 28, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 28, 2006

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No. |
| <i>(d)(1)(ii)</i> | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No. |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No. |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | No. |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | No. |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified. |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | No. |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Special Education Cluster (CFDA#84.027;84.173), Safe and Drug Free Schools (CFDA#84.184L), Education Technology (CFDA#84.318), Reading First (CFDA#84.357) |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | Yes. |

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**SANDUSKY CITY
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2006

**PREPARED BY
TREASURER'S DEPARTMENT
A. TROY BOUTS, TREASURER**

407 DECATUR STREET

SANDUSKY, OHIO 44870

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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INTRODUCTORY SECTION



Sandusky City Schools

407 Decatur Street • Sandusky, Ohio 44870-2442 • 419-626-6940

December 28, 2006

Members of the Board of Education and Residents of the
Sandusky City School District

The Comprehensive Annual Financial Report (CAFR) of the Sandusky City School District (the "District") for the fiscal year ended June 30, 2006 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in three sections as follows:

1. ***Introductory Section*** - This section contains a Letter of Transmittal, List of Principal Officers, Organizational Chart of the District, Certificate of Achievement for Excellence in Financial Reporting and Certificate of Excellence in Financial Reporting.
2. ***Financial Section*** - This section begins with the Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.
3. ***Statistical Section*** - This section presents selected financial and demographic information, generally presented on a multi-year basis.

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

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

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2006 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

PROFILE OF SANDUSKY CITY SCHOOL DISTRICT

The District ranks as 99th largest by total enrollment among the 615 public school districts in the state and is the largest in Erie County. As of the current school year (2005-06), the average daily membership (ADM) was 4,058 students. Most of these students attend one of the District's thirteen schools (six of which were built in the 1800's, with the most recent additions having been constructed in 1991), while a number of handicapped students are served by Erie County special education units outside the District. District enrollment is expected to gradually decline over the next several years.

The District has 576 full and part time employees. The District employs 360 certified staff members and 30 administrators. Additionally, the District employs 11 full-time adult education instructors and 175 full-time and part-time non-teaching staff members.

The District offers a wide variety of educational programs for all segments of the community. Sandusky High School is one of the few comprehensive high schools in Ohio, containing twelve (12) career technical education programs as well as a wide range of college preparatory offerings. Additionally, the adult continuing education program serves more than 2,000 adults each year. The District provides extensive special education services and offers a kindergarten through twelfth grade accelerated and gifted program. All District kindergarten students attend all-day, everyday kindergarten classes and benefit from a full day of instruction.

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

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

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

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

Overlapping Governmental Entities

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

1. A portion (25.27%) of Erie County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial).
2. The City of Sandusky (100%) (municipal corporation responsibilities).

Each of these entities operates independently, with its own separate budget, taxing power, and sources of revenue. Both Erie County and the City of Sandusky levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills). The District also acts as fiscal agent for local tax revenues distributed to the Sandusky Library, located within the District's boundaries, with this revenue reported in the agency funds. The District is not considered a component unit of another government.

The District is an active member of the Enterprise Zone Negotiating Committee, along with the City of Sandusky and Erie County. The Enterprise Zone offers tax abatements for real and personal property improvements and additions to businesses located within the city. A number of local companies have been granted partial tax abatements on additions made during the last several years. The City of Sandusky and the District have also benefited from these expansions through additional tax revenues from the unabated portion of valuation increases on the property and from improved economic conditions resulting from growth in employment of city residents.

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2005-06 school year) for a teacher with a bachelor's degree is \$30,320, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$63,672.

The District's certificated employees, excluding administration, are members of the Sandusky Education Association (S.E.A.), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the S.E.A. expires August 31, 2007.

All of the District's support staff employees, including secretarial, custodial, maintenance, transportation, and teacher aides, are represented for bargaining purposes by the Sandusky Non-Teaching Employees Association (S.N.T.E.A.), a labor organization affiliated with the Ohio Education Association. The current S.N.T.E.A. contract expires June 30, 2009.

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

Parochial Schools

The District acts as fiscal agent for state funds distributed to parochial schools, with revenue reported in special revenue funds. The following four (4) parochial schools, located within the District, serve students who reside both inside and outside the District. As of June, 2006, approximately 56% of the students reside within the District.

| <u>Parochial School</u> | 2005-06 Enrollment | | |
|---|--------------------|----------------|--------------|
| | <u>District</u> | <u>Outside</u> | <u>Total</u> |
| St. Mary's Elementary (Grades 4 - 8) | 170 | 117 | 287 |
| Sts. Peter & Paul Elementary (Grades K - 3) | 123 | 85 | 208 |
| Holy Angels Elementary (Pre-School) | 8 | 9 | 17 |
| St. Mary's Central Catholic High School | <u>104</u> | <u>108</u> | <u>212</u> |
| | <u>405</u> | <u>319</u> | <u>724</u> |

Budgetary Controls

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

Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in Note 2.E. to the basic financial statements.

ECONOMIC CONDITION

Local Economy

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

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

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

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

Within commuting distance of the District are numerous public and private two and four-year colleges and universities including Firelands College, Ashland University, Cleveland State University, Toledo University, Bowling Green State University, and Lorain Community College. Ashland University and Bowling Green State University utilize District facilities and staff for course offerings to District staff members and other interested residents and students.

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

The local economy has been in a gradual decline for several years. A number of businesses have closed or left Sandusky, taking with them a significant number of manufacturing jobs. The City's unemployment rate in 2005 was 6.7%, compared with state and national unemployment rates of 5.9% and 5.1% respectively. If one or both of the large plants in the area that manufacture automotive components are closed within the next two years as expected, the loss of jobs will further impact City residents who are currently employed there or who are searching for employment.

As further evidence of a struggling economy in Sandusky, according to the U.S. Census Bureau the median family income in the City was \$37,749 in the year 2000, compared with \$40,956 and \$41,994 state and national averages, respectively. Additionally, the median home value in Sandusky in 2000 was \$75,400, compared with \$103,700 and \$119,600 median home values in the state and the nation, respectively.

Long-Term Financial Planning

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

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in improvements in the District's financial condition include the approval of a 5.9 mill operating levy in 2003, the elimination of 60 staff positions over a five-year period, in conjunction with the closing of an two elementary school buildings and an alternative school.

Major Initiatives for the Year

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

The District continued to invest in technology in the 2005-06 school year. Completed upgrades in technology include the purchase of new hardware and software to replace many outdated computers. More than 700 new computers were purchased for the elementary schools and were in place at the beginning of the 2005-06 school year. The District employs a director of network technology, two computer technicians, and an instructional technology facilitator to provide support to District staff.

The District received a Reading First Ohio grant in the amount of \$2,167,175 for the 2005-06 school year, to be used for improving reading scores in grades K-3 in the seven elementary buildings. In the first year of the grant, funds were used to purchase a scientifically research-based reading program, equipment to assess student data, and personnel to assist in reading improvement (7 literacy specialists, 4 data manager/resource coordinators, and 1 coordinator.) The goal is to improve reading scores and to ensure that all students will be able to read successfully by the end of the third grade, in compliance with the U.S. Department of Education's No Child Left Behind Act.

The District closed an elementary school and an alternative school at the end of the 2005-06 school year. The restructuring plan resulted in the elimination of twenty staff positions and is expected to save the District more than \$1 million per year.

Major Initiatives for the Future

The District will continue to upgrade all areas of technology in the 2006-07 school year and beyond. Plans include the replacement of outdated computer software and hardware annually, as well as providing all staff with regularly scheduled in-service training in technology.

The District will continue to refine its master plan for future facility needs in concert with the Ohio School Facilities Commission. Public meetings have been scheduled for community discussion and direction as the District prepares to implement its master plan, which provides for the construction of a number of new schools and the renovation of all existing school buildings that will remain in service.

In the second and third years of the Reading First Ohio grant, funds are estimated to be \$1,538,519 and \$1,384,667, respectively, and are to be used to fund personnel to assist in reading improvement and to purchase materials for the reading program.

The District is projecting the need for additional local funding for school operations in the near future, and plans to place a tax levy on the ballot in 2007.

AWARDS AND ACKNOWLEDGEMENTS

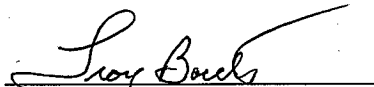
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sandusky City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 2005. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

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

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

Sincerely,


A. Troy Bouts, Treasurer


William F. Pahl, Superintendent

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 LIST OF PRINCIPAL OFFICERS
 JUNE 30, 2006**

Board of Education

| <u>Name</u> | Began Service as a Board Member <u>January 1</u> | Present Term Expires <u>December 31</u> | Vocation in Private <u>Life</u> |
|--------------------------|---|--|--|
| Mrs. Faith Denslow** | 2004+ | 2009 | Homemaker |
| Mr. Thomas C. Patterson* | 2002 | 2009 | Businessman |
| Mr. King Baer | 2000 | 2007 | Retired Fireman |
| Mr. Curtis Brown | 2006 | 2007 | U.S. Postal Service |
| Mrs. Julie Farrar | 2004 | 2007 | Ohio Veterans Home Administrator |

- ** President
 * Vice President
 + Appointed 7/30/04 to fill unexpired term due to a resignation.

Superintendent

Mr. William F. Pahl

Treasurer

Mr. A. Troy Bouts

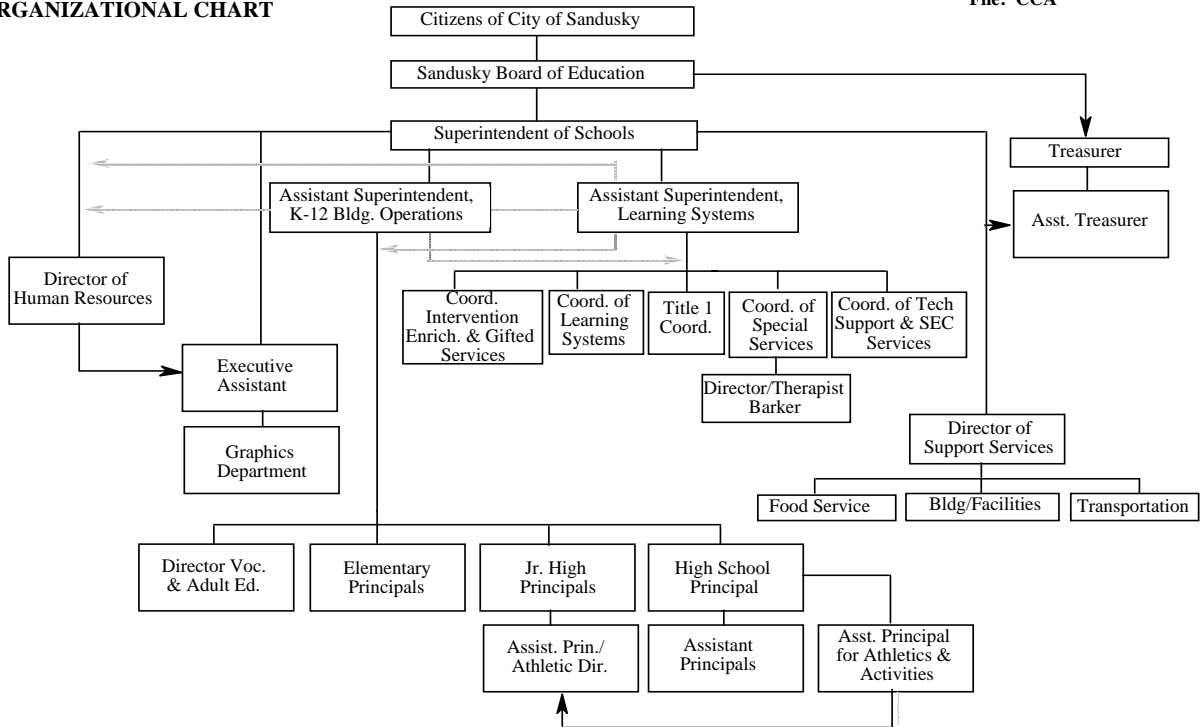
Central Office Administrative Staff

| | |
|---------------------|--|
| Mr. Tom Freitas | Food Services Supervisor |
| Mrs. Viki Kaszonyi | Director of Adult & Vocational Education |
| Mr. John Kaszonyi | Assistant Superintendent, Operations |
| Mrs. Joy Kear | Coordinator, Title 1 |
| Mr. Brett Kluiber | Coordinator of Network Technology |
| Mrs. Ceci Mees | Assistant Treasurer |
| Mrs. Faith Palmucci | Administrative Assistant |
| Mr. Ted Peters | Transportation Supervisor |
| Mrs. Bonnie Pigman | Director of Student Services |
| Mrs. Sally Roth | Curriculum Director |
| Mr. Kevin Toms | Supervisor of Building Services |
| Mrs. Christine Zess | Instructional Technology Facilitator |

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 ORGANIZATIONAL CHART
 JUNE 30, 2006**

ORGANIZATIONAL CHART

File: CCA



Adoption date: November 19, 2001

CROSS REF.: CCB, Staff Relations and Lines of Authority

Sandusky City School District, Sandusky, Ohio

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandusky City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

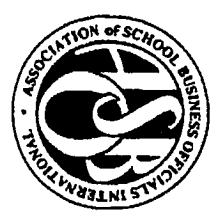
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SANDUSKY CITY SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2005

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Interim Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sandusky City School District
Erie County
407 Decatur Street
Sandusky, Ohio 44870-2483

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, Ohio (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our 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, the major fund, and the aggregate remaining fund information of Sandusky City School District, Erie County, Ohio, as of June 30, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

One Government Center / Room 1420 / Toledo, OH 43604-2246
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484
www.auditor.state.oh.us

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

December 28, 2006

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

The discussion and analysis of Sandusky City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

- In total, net assets decreased \$969,725. Net assets of governmental activities decreased \$646,744, which represents a 4.71% decrease from 2005. Net assets of business-type activities decreased \$322,981 or 441.13% from 2005.
- General revenues related to governmental activities accounted for \$36,914,148 in revenue or 79.63% of all governmental revenues. Program specific revenues related to governmental activities in the form of charges for services and sales, grants and contributions accounted for \$9,440,549 or 20.37% of total governmental revenues of \$46,354,697.
- The District had \$47,001,441 in expenses related to governmental activities; only \$9,440,549 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$36,914,148 were not adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$36,000,849 in revenues and other financing sources and \$36,299,704 in expenditures. The general fund's fund balance decreased \$274,991 from a balance of \$1,771,982 to \$1,496,991.
- Net assets for the District's two enterprise funds decreased \$322,981. The enterprise funds had \$2,683,075 in revenues and \$3,006,056 in expenses.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's adult education programs and food service operations are reported as business activities.

The District's statement of net assets and statement of activities can be found on pages F17-F19 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages F20-F24 of this report.

Proprietary Funds

The District maintains proprietary funds. The District maintains two enterprise funds that account for the District's food service and adult education operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance of the District's medical, dental and vision benefits. The basic proprietary fund financial statements can be found on pages F25-F28 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F29 and F30. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F31-F58 of this report.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2006 compared to fiscal 2005.

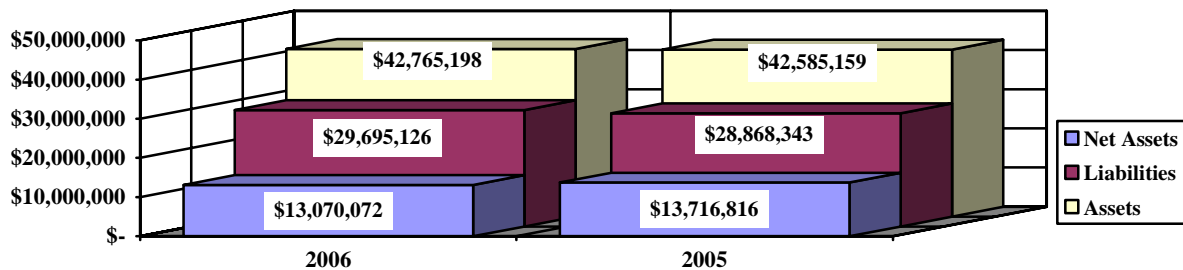
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

| | Net Assets | | | | Total | |
|--|--------------------------------|----------------------|---------------------------------|------------------|----------------------|----------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| <u>Assets</u> | | | | | | |
| Current assets | \$ 31,694,511 | \$ 31,347,669 | \$ (7,166) | \$ 319,680 | \$ 31,687,345 | \$ 31,667,349 |
| Capital assets | <u>11,070,687</u> | <u>11,237,490</u> | <u>130,010</u> | <u>110,021</u> | <u>11,200,697</u> | <u>11,347,511</u> |
| Total assets | <u>42,765,198</u> | <u>42,585,159</u> | <u>122,844</u> | <u>429,701</u> | <u>42,888,042</u> | <u>43,014,860</u> |
| <u>Liabilities</u> | | | | | | |
| Current liabilities | 24,474,141 | 23,557,620 | 260,943 | 229,258 | 24,735,084 | 23,786,878 |
| Long-term liabilities | <u>5,220,985</u> | <u>5,310,723</u> | <u>111,666</u> | <u>127,227</u> | <u>5,332,651</u> | <u>5,437,950</u> |
| Total liabilities | <u>29,695,126</u> | <u>28,868,343</u> | <u>372,609</u> | <u>356,485</u> | <u>30,067,735</u> | <u>29,224,828</u> |
| <u>Net Assets</u> | | | | | | |
| Invested in capital assets, net related of debt | 9,774,216 | 9,577,678 | 130,010 | 110,021 | 9,904,226 | 9,687,699 |
| Restricted | 2,277,541 | 2,460,505 | - | - | 2,277,541 | 2,460,505 |
| Unrestricted (deficit) | <u>1,018,315</u> | <u>1,678,633</u> | <u>(379,775)</u> | <u>(36,805)</u> | <u>638,540</u> | <u>1,641,828</u> |
| Total net assets (deficit) | <u>\$ 13,070,072</u> | <u>\$ 13,716,816</u> | <u>\$ (249,765)</u> | <u>\$ 73,216</u> | <u>\$ 12,820,307</u> | <u>\$ 13,790,032</u> |

Total governmental activities assets increased by \$180,039 while total governmental liabilities increased by \$826,783 resulting in a decrease to net assets of \$646,744. Taxes receivable in 2006 contributed \$20,534,242 or 48.02% of total governmental assets. Liabilities of governmental activities increased due to an overall increase in accrued wages and benefits, accounts payable, and claims payable. Total business-type activities assets decreased by \$306,857 while total liabilities increased \$16,124 resulting in a decrease of \$322,981 to net assets. The significant decrease in net assets of business-type activities was due to increasing costs associated with new staff for three new programs implemented during 2006 in the adult education program and increasing food and labor costs in food service operations.

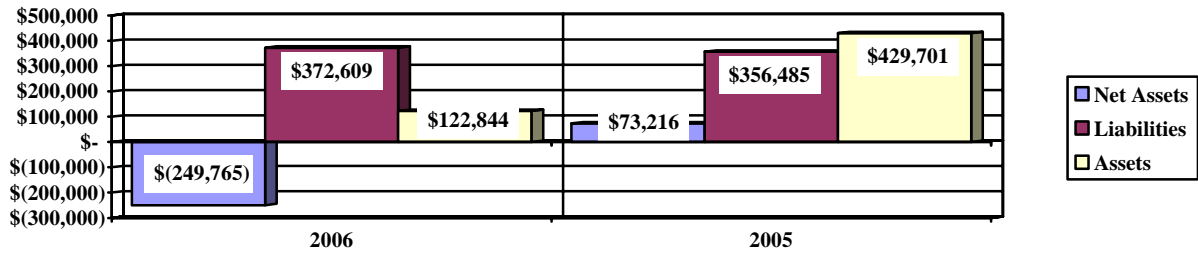
Governmental - Net Assets



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Business-Type - Net Assets



The table below shows the changes in net assets for governmental activities and business-type activities for fiscal year 2006 compared to fiscal year 2005.

Change in Net Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services and sales | \$ 463,677 | \$ 492,489 | \$1,245,147 | \$ 1,237,963 | \$ 1,708,824 | \$ 1,730,452 |
| Operating grants and contributions | 8,976,872 | 6,312,983 | 1,437,928 | 1,383,770 | 10,414,800 | 7,696,753 |
| General revenues: | | | | | | |
| Property taxes | 19,190,301 | 18,886,142 | - | - | 19,190,301 | 18,886,142 |
| Grants and entitlements | 16,892,666 | 17,143,794 | - | - | 16,892,666 | 17,143,794 |
| Other | 831,181 | 568,350 | - | - | 831,181 | 568,350 |
| Total revenues | <u>46,354,697</u> | <u>43,403,758</u> | <u>2,683,075</u> | <u>2,621,733</u> | <u>49,037,772</u> | <u>46,025,491</u> |

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|----------------------|---------------------------------|------------------|----------------------|----------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| <u>Expenses</u> | | | | | | |
| Program expenses: | | | | | | |
| Instruction: | | | | | | |
| Regular | 16,595,278 | 16,693,186 | - | - | 16,595,278 | 16,693,186 |
| Special | 8,200,870 | 7,667,920 | - | - | 8,200,870 | 7,667,920 |
| Vocational | 1,505,882 | 1,392,174 | - | - | 1,505,882 | 1,392,174 |
| Adult/continuing | 144,744 | - | - | - | 144,744 | - |
| Other | 1,465,312 | 130,949 | - | - | 1,465,312 | 130,949 |
| Support services: | | | | | | |
| Pupil | 1,892,558 | 1,795,398 | - | - | 1,892,558 | 1,795,398 |
| Instructional staff | 2,843,356 | 1,567,099 | - | - | 2,843,356 | 1,567,099 |
| Board of Education | 262,873 | 290,483 | - | - | 262,873 | 290,483 |
| Administration | 3,093,269 | 3,155,898 | - | - | 3,093,269 | 3,155,898 |
| Fiscal | 773,037 | 747,826 | - | - | 773,037 | 747,826 |
| Business | 171,953 | 163,970 | - | - | 171,953 | 163,970 |
| Operations and maintenance | 4,597,967 | 4,278,015 | - | - | 4,597,967 | 4,278,015 |
| Pupil transportation | 1,505,074 | 1,424,910 | - | - | 1,505,074 | 1,424,910 |
| Central | 1,309,047 | 617,090 | - | - | 1,309,047 | 617,090 |
| Operation of non-instructional services | 994,169 | 365,104 | - | - | 994,169 | 365,104 |
| Extracurricular activities | 1,151,621 | 1,091,654 | - | - | 1,151,621 | 1,091,654 |
| Intergovernmental | 425,781 | 475,587 | - | - | 425,781 | 475,587 |
| Interest and fiscal charges | 68,650 | 75,913 | - | - | 68,650 | 75,913 |
| Food service | - | - | 1,889,370 | 1,918,480 | 1,889,370 | 1,918,480 |
| Adult education | - | - | 1,116,686 | 820,179 | 1,116,686 | 820,179 |
| Total expenses | <u>47,001,441</u> | <u>41,933,176</u> | <u>3,006,056</u> | <u>2,738,659</u> | <u>50,007,497</u> | <u>44,671,835</u> |
| Excess (deficiency) before transfers | (646,744) | 1,470,582 | (322,981) | (116,926) | (969,725) | 1,353,656 |
| Transfers | - | (2,250) | - | 2,250 | - | - |
| Changes in net assets | (646,744) | 1,468,332 | (322,981) | (114,676) | (969,725) | 1,353,656 |
| Net assets, beginning of year | 13,716,816 | 12,248,484 | 73,216 | 187,892 | 13,790,032 | 12,436,376 |
| Net assets (deficit), end of year | <u>\$ 13,070,072</u> | <u>\$ 13,716,816</u> | <u>\$ (249,765)</u> | <u>\$ 73,216</u> | <u>\$ 12,820,307</u> | <u>\$ 13,790,032</u> |

Governmental Activities

Net assets of the District's governmental activities decreased \$646,744. Total governmental expenses of \$47,001,441 were offset by program revenues of \$9,440,549 and general revenues of \$36,914,148. Program revenues supported 20.09% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 77.84% of total governmental revenue. Real estate property is reappraised every six years. Erie County underwent a triennial update during 2003. Although recent growth has had a positive effect on the District's tax base, the full tax revenue impact has not been realized due to H.B. 920. This state law, enacted in 1976, does not allow for revenue increases caused by inflationary growth of real property values. Increases in valuation prompt corresponding annual reductions in the "effective millage", the tax rates applied to real property. Thus, although District tax valuation continues to grow, this built-in revenue limitation requires the District to request additional school operating revenue by placing a levy on the ballot periodically (every three to five years, on average).

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

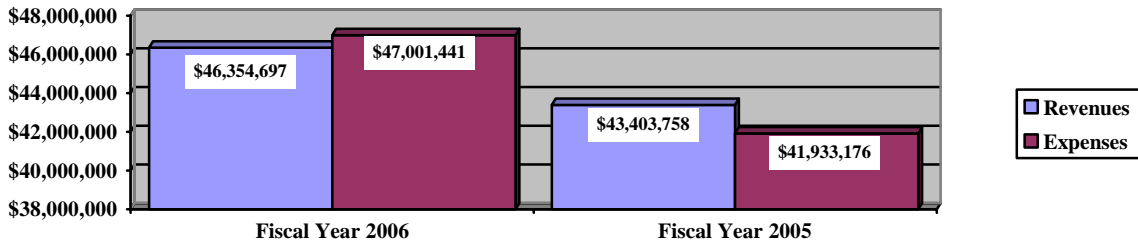
The 4.9 mill school operating levy passed by voters in March, 1996, which generated approximately \$1.8 million per year, provided adequate revenue for general fund operating expenses through the year 2003. In November, 2003, voters approved a 5.9 mill school operating levy which is expected to generate approximately \$2.65 million annually beginning in 2004. During 2005, the District realized its first full year of tax revenue from the operating levy.

Instructional expenses accounted for 59.39% of instructional expenses. Supporting service include those related to pupils, staff, administration and business operations and account for an additional 34.99% of expenses. The remaining amount of program expenses, 5.62% is used to finance other obligations of the District such as operations of non-instructional services, extracurricular activities, intergovernmental pass through, and interest and fiscal charges.

Expenses increased \$5,068,265 or 12.09% from fiscal year 2005. This increase is attributed to an overall increase in salaries, wages and fringe benefits and additional expenses of approximately \$2,930,000 associated with the Youth Involvement program.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2006 and 2005.

Governmental Activities - Revenues and Expenses



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2006 and 2005. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED**

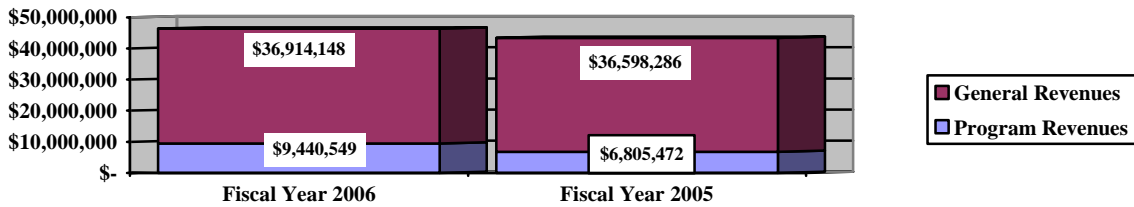
Governmental Activities

| | Total Cost of Services <u>2006</u> | Net Cost of Services <u>2006</u> | Total Cost of Services <u>2005</u> | Net Cost of Services <u>2005</u> |
|---|--|--|--|--|
| Program expenses: | | | | |
| Instruction: | | | | |
| Regular | \$ 16,595,278 | \$ 15,273,826 | \$ 16,693,186 | \$ 14,997,220 |
| Special | 8,200,870 | 5,949,197 | 7,667,920 | 5,560,552 |
| Vocational | 1,505,882 | 1,379,432 | 1,392,174 | 1,202,116 |
| Adult/continuing | 144,744 | 20,659 | - | - |
| Other | 1,465,312 | 140,456 | 130,949 | 130,949 |
| Support services: | | | | |
| Pupil | 1,892,558 | 1,667,840 | 1,795,398 | 1,619,083 |
| Instructional staff | 2,843,356 | 1,148,073 | 1,567,099 | 903,762 |
| Board of Education | 262,873 | 208,820 | 290,483 | 290,483 |
| Administration | 3,093,269 | 2,908,249 | 3,155,898 | 2,934,619 |
| Fiscal | 773,037 | 758,733 | 747,826 | 734,431 |
| Business | 171,953 | 171,953 | 163,970 | 163,970 |
| Operations and maintenance | 4,597,967 | 4,564,537 | 4,278,015 | 4,234,812 |
| Pupil transportation | 1,505,074 | 1,505,074 | 1,424,910 | 1,424,910 |
| Central | 1,309,047 | 988,315 | 617,090 | 582,491 |
| Operation of non-instructional services | 994,169 | (5,413) | 365,104 | (519,700) |
| Extracurricular activities | 1,151,621 | 829,755 | 1,091,654 | 777,232 |
| Intergovernmental | 425,781 | (17,264) | 475,587 | 14,861 |
| Interest and fiscal charges | 68,650 | 68,650 | 75,913 | 75,913 |
| Total expenses | <u>\$ 47,001,441</u> | <u>\$ 37,560,892</u> | <u>\$ 41,933,176</u> | <u>\$ 35,127,704</u> |

The dependence upon tax revenues during fiscal year 2006 for governmental activities is apparent, as 81.55% of 2006 instruction activities are supported through taxes and other general revenues. All governmental activities, general revenue support is 79.91% in 2006. The District's taxpayers as a whole, is by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2006 and 2005.

Governmental Activities - General and Program Revenues



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Business-Type Activities

Business-type activities include adult education and food service operations. These programs had combined revenues of \$2,683,075 and expenses of \$3,006,056 for fiscal year 2006 resulting in a decrease in net assets of \$322,981. Although the District took steps to tighten food service expenses and reduced staff in fiscal year 2006, increasing food and labor costs combined with flat revenues resulted in deficit net assets of \$191,002 in the food service fund. During fiscal year 2006 the adult education fund had three new programs that began operations: cosmetology, fire and rescue, and the school of practical nursing. Additional staff was hired for these programs, resulting in an increase in salaries and wages and additional program costs. The District did not receive state funding during fiscal year 2006 that was anticipated to finance the programs, resulting in a decrease in net assets of \$291,549 in the adult education fund. State funding and tuition fees are expected to be received during fiscal year 2007 to fund the programs. The District's business activities receive no support from tax revenues.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$2,955,738, which is below last year's total of \$3,379,624. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2006 and 2005.

| | <u>Fund Balance</u> <u>June 30, 2006</u> | <u>Fund Balance</u> <u>June 30, 2005</u> | <u>(Decrease)</u> |
|--------------------|---|---|---------------------|
| General | \$ 1,496,991 | \$ 1,771,982 | \$ (274,991) |
| Other Governmental | <u>1,458,747</u> | <u>1,607,642</u> | <u>(148,895)</u> |
| Total | <u>\$ 2,955,738</u> | <u>\$ 3,379,624</u> | <u>\$ (423,886)</u> |

General Fund

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

| | <u>2006</u> <u>Amount</u> | <u>2005</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|------------------------|------------------------------|------------------------------|------------------------------------|
| <u>Revenues</u> | | | |
| Taxes | \$ 17,782,508 | \$ 19,061,348 | (6.71) % |
| Interest earnings | 351,124 | 174,278 | 101.47 % |
| Intergovernmental | 16,805,825 | 17,120,053 | (1.84) % |
| Other revenues | <u>541,647</u> | <u>440,786</u> | 22.88 % |
| Total | <u>\$ 35,481,104</u> | <u>\$ 36,796,465</u> | (3.57) % |

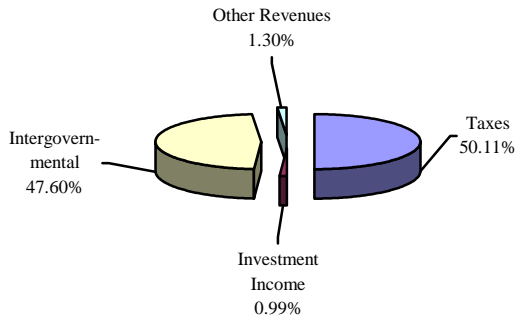
The fund balance of the general fund decreased \$274,991. Tax revenue decreased 6.71% from fiscal year 2005 as a result in the amount of taxes collected by the Erie County Auditor and available to the District as an advance at fiscal year end. These amounts vary depending upon when the tax bills are sent. On a cash basis, the fiscal year 2006 tax revenue actually increased \$172,872. The decrease in tax revenue is caused by the application of GAAP and the requirement to record tax revenue for amounts collected by the Erie County Auditor at June 30 and available to the District as an advance.

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

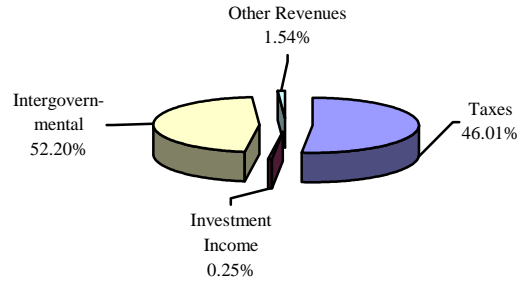
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED**

These amounts are reserved on the fund financial statements as tax advance unavailable for appropriation. Intergovernmental revenue decreased \$314,228 or 1.84% from the prior year. This is attributed to a decrease in the amount of grants and state foundation the District received in 2006. The significant increase in investment income is the result of the rising interest rate market. The increase in other general fund revenues can be attributed to an increase in tuition and local revenue.

Revenues - Fiscal Year 2006



Revenues - Fiscal Year 2005



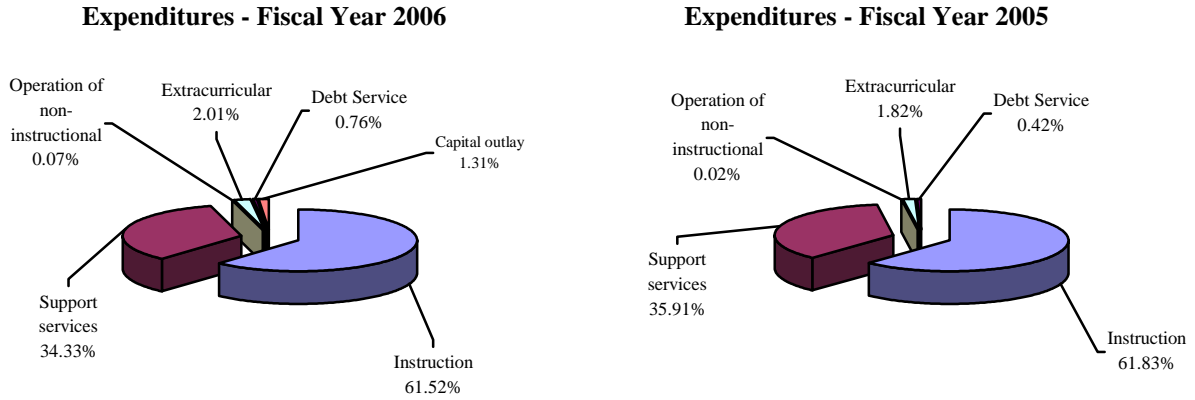
The table that follows assists in illustrating the expenditures of the general fund.

| <u>Expenditures</u> | <u>2006</u> <u>Amount</u> | <u>2005</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|---|------------------------------|------------------------------|------------------------------------|
| Instruction | \$ 22,336,031 | \$ 21,615,433 | 3.33 % |
| Support services | 12,460,616 | 12,555,133 | (0.75) % |
| Operation of non-instructional services | 24,810 | 7,139 | 247.53 % |
| Extracurricular activities | 727,855 | 638,046 | 14.08 % |
| Capital outlay | 474,690 | - | 100.00 % |
| Debt service | 275,702 | 148,222 | 86.01 % |
| Total | <u>\$ 36,299,704</u> | <u>\$ 34,963,973</u> | 3.82 % |

Total expenditures of the general fund increased 3.82% in fiscal year 2006. The increase in capital outlay is due to the District entering in to a capital lease for computer equipment. This increase also increased the debt service expense to pay for the capital lease. Instruction expenditures increased 3.33% due to an overall increase in salaries, wages, and fringe benefits. Other expenditures remained comparable to 2005, other than non-instructional services which increased a total of \$17,671.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED**



General Fund Budgeting Highlights

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

During the course of fiscal 2006, the District amended its general fund budget several times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$36,321,554, below original budget estimates of \$36,650,000. The actual revenues and other financing sources were \$36,318,933, which was \$2,621 less than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) of \$37,467,912 were decreased to \$37,362,296 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2006 totaled \$36,854,298, which was \$507,998 less than the final budget appropriations, primarily because salary costs proved to be lower than anticipated in the final budget. The District made \$591,000 in advances out to other funds, which were not budgeted, to cover costs in other funds in which revenues were not received by June 30, 2006.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Capital Assets and Debt Administration

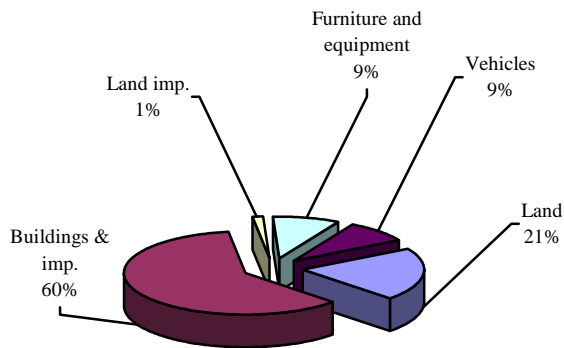
Capital Assets

At the end of fiscal 2006, the District had \$11,200,697 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. Of this total, \$11,070,687 was reported in governmental activities and \$130,010 was reported in business-type activities. The following table shows fiscal 2006 balances compared to 2005:

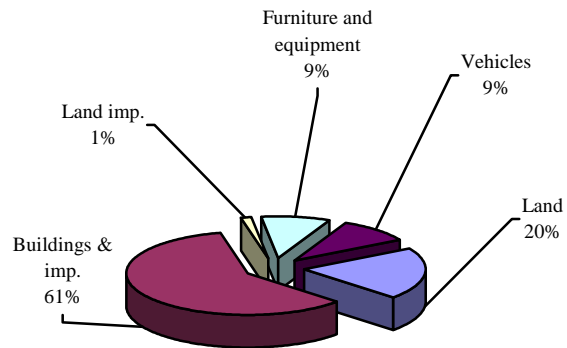
**Capital Assets at June 30
(Net of Depreciation)**

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---------------------------|--------------------------------|----------------------------|---------------------------------|--------------------------|-----------------------------|----------------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Land | \$ 2,280,969 | \$ 2,280,969 | \$ - | \$ - | \$ 2,280,969 | \$ 2,280,969 |
| Land improvements | 144,729 | 138,024 | - | - | 144,729 | 138,024 |
| Building and improvements | 6,700,918 | 6,688,271 | - | - | 6,700,918 | 6,688,271 |
| Furniture and equipment | 1,000,773 | 1,032,066 | 130,010 | 110,021 | 1,130,783 | 1,142,087 |
| Vehicles | 943,298 | 1,098,160 | - | - | 943,298 | 1,098,160 |
| Total | <u>\$ 11,070,687</u> | <u>\$11,237,490</u> | <u>\$ 130,010</u> | <u>\$ 110,021</u> | <u>\$ 11,200,697</u> | <u>\$11,347,511</u> |

**Capital Assets - Governmental Activities
2006**



**Capital Assets - Governmental Activities
2005**



Refer to Note 8 to the basic financial statements for detail on the District's capital assets.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Debt Administration

At June 30, 2006 the District had \$597,201 in general obligation bonds and a loan outstanding. Of this total, \$246,468 is due within one year and \$350,733 is due within greater than one year. The following table summarizes the bonds and loan outstanding.

Outstanding Debt, at Year End

| | <u>Governmental Activities 2006</u> | <u>Governmental Activities 2005</u> |
|------------------------------|---|---|
| General obligation bonds: | | |
| Elementary building addition | \$ 505,000 | \$ 695,000 |
| Asbestos abatement loan | 92,201 | 153,669 |
| Capital lease obligation | <u>1,052,785</u> | <u>811,143</u> |
| Total | <u><u>\$ 1,649,986</u></u> | <u><u>\$ 1,659,812</u></u> |

The asbestos abatement loan was received in 1988 from the U.S. Environmental Agency for an asbestos project at Sandusky High School. This loan is scheduled to mature in fiscal year 2008 and is interest free as long as the District remains current on repayment.

On March 3, 2003, the District issued general obligation refunding bonds. The general obligation refunding bonds are scheduled to mature in fiscal year 2009 and bear an annual interest rate of 4.45%.

The District has entered into capital lease obligations for computers, fiber optic equipment, and telephone equipment. The final principal and interest payments are scheduled to be made in fiscal year 2013.

At June 30, 2006 the District's overall legal debt margin was \$44,825,700 with an unvoted debt margin of \$501,834.

See Note 10 to the basic financial statements for detail on the District's long-term obligations.

Current Financial Related Activities

As the preceding information shows, the District relies heavily upon grants and entitlements and property taxes. The increase in tax revenue and intergovernmental revenue combined with a tighter control of operating expenses allowed the District to end fiscal year 2006 financially strong. The additional tax revenue from the 5.9 mill operating levy passed by voters in November 2003 will provide the District with the necessary funds to meet its operating expenses through 2007. However, the future financial stability of the District is not without challenges.

One challenge is that the District's Management must continue to provide the resources necessary to meet student needs while diligently planning expenses, staying within the five-year plan. The five-year plan is utilized by management to manage resources effectively and efficiently. Additional revenues should not be treated as a windfall to expand programs but as an opportunity to extend the life of the five-year plan.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED**

The next challenge facing the District is the future of state funding. The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the state has directed its tax revenue growth toward school districts with little property tax wealth. On May 16, 2003, the Ohio Supreme Court emphatically clarified that jurisdiction of the DeRolph case had ended. The Ohio Coalition for Equity and Adequacy of School Funding filed a petition with the U.S. Supreme Court for permission to file an appeal. Currently, associations throughout the State are working on a proposed funding solution which will require a constitutional amendment. Without a solution, the District does not anticipate growth in state revenue, as in the ten years prior to the DeRolph decision; no state revenue growth was realized.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: A. Troy Bouts, treasurer at Sandusky City School District, 407 Decatur Street, Sandusky, Ohio, 44870.

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

STATEMENT OF NET ASSETS
JUNE 30, 2006

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 9,026,254 | \$ 226,145 | \$ 9,252,399 |
| Receivables: | | | |
| Taxes | 20,534,242 | - | 20,534,242 |
| Accounts | 8,818 | 22,772 | 31,590 |
| Intergovernmental | 1,376,036 | 171,939 | 1,547,975 |
| Internal loan | 450,812 | (450,812) | - |
| Prepayments | 5,169 | 2,770 | 7,939 |
| Materials and supplies inventory | 275,515 | 20,020 | 295,535 |
| Unamortized bond issue costs | 17,665 | - | 17,665 |
| Capital assets: | | | |
| Land | 2,280,969 | - | 2,280,969 |
| Depreciable capital assets, net | 8,789,718 | 130,010 | 8,919,728 |
| Capital assets, net. | <u>11,070,687</u> | <u>130,010</u> | <u>11,200,697</u> |
| Total assets. | <u>42,765,198</u> | <u>122,844</u> | <u>42,888,042</u> |
| Liabilities: | | | |
| Accounts payable. | 639,582 | 9,591 | 649,173 |
| Accrued wages and benefits | 4,528,407 | 159,571 | 4,687,978 |
| Pension obligation payable. | 929,907 | 81,202 | 1,011,109 |
| Intergovernmental payable | 342,491 | 10,579 | 353,070 |
| Deferred revenue | 17,588,169 | - | 17,588,169 |
| Accrued interest payable | 1,873 | - | 1,873 |
| Claims payable | 443,712 | - | 443,712 |
| Long-term liabilities: | | | |
| Due within one year. | 1,084,971 | 6,401 | 1,091,372 |
| Due within more than one year | 4,136,014 | 105,265 | 4,241,279 |
| Total liabilities | <u>29,695,126</u> | <u>372,609</u> | <u>30,067,735</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt. | 9,774,216 | 130,010 | 9,904,226 |
| Restricted for: | | | |
| Capital projects | 789,461 | - | 789,461 |
| Debt service. | 189,901 | - | 189,901 |
| Perpetual care: | | | |
| Expendable | 21,323 | - | 21,323 |
| Nonexpendable | 81,610 | - | 81,610 |
| Locally funded programs | 16,566 | - | 16,566 |
| State funded programs | 90,081 | - | 90,081 |
| Federally funded programs | 983,252 | - | 983,252 |
| Student activities | 4,542 | - | 4,542 |
| Public school support | 100,805 | - | 100,805 |
| Unrestricted (deficit) | <u>1,018,315</u> | <u>(379,775)</u> | <u>638,540</u> |
| Total net assets (deficit) | <u>\$ 13,070,072</u> | <u>\$ (249,765)</u> | <u>\$ 12,820,307</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | |
|--|---|---|--|----------------------|
| Expenses | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 16,595,278 | \$ 84,355 | \$ 1,237,097 | \$ (15,273,826) |
| Special | 8,200,870 | - | 2,251,673 | (5,949,197) |
| Vocational | 1,505,882 | 41,557 | 84,893 | (1,379,432) |
| Adult/continuing | 144,744 | - | 124,085 | (20,659) |
| Other | 1,465,312 | - | 1,324,856 | (140,456) |
| Support services: | | | | |
| Pupil | 1,892,558 | - | 224,718 | (1,667,840) |
| Instructional staff | 2,843,356 | - | 1,695,283 | (1,148,073) |
| Board of education | 262,873 | - | 54,053 | (208,820) |
| Administration | 3,093,269 | - | 185,020 | (2,908,249) |
| Fiscal | 773,037 | - | 14,304 | (758,733) |
| Business | 171,953 | - | - | (171,953) |
| Operations and maintenance | 4,597,967 | 28,694 | 4,736 | (4,564,537) |
| Pupil transportation | 1,505,074 | - | - | (1,505,074) |
| Central | 1,309,047 | - | 320,732 | (988,315) |
| Operation of non-instructional services | 994,169 | - | 999,582 | 5,413 |
| Extracurricular activities | 1,151,621 | 309,071 | 12,795 | (829,755) |
| Intergovernmental | 425,781 | - | 443,045 | 17,264 |
| Interest and fiscal charges | 68,650 | - | - | (68,650) |
| Total governmental activities | 47,001,441 | 463,677 | 8,976,872 | (37,560,892) |
| Business-type activities: | | | | |
| Food service | 1,889,370 | 655,354 | 1,212,754 | - |
| Adult education | 1,116,686 | 589,793 | 225,174 | - |
| Total business-type activities | 3,006,056 | 1,245,147 | 1,437,928 | - |
| Totals | \$ 50,007,497 | \$ 1,708,824 | \$ 10,414,800 | (37,560,892) |
| General Revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | | | | 18,310,310 |
| Debt service | | | | 283,257 |
| Capital projects | | | | 596,734 |
| Grants and entitlements not restricted to specific programs | | | | 16,892,666 |
| Investment earnings | | | | 440,921 |
| Miscellaneous | | | | 390,260 |
| Total general revenues | | | | 36,914,148 |
| Change in net assets | | | | (646,744) |
| Net assets at beginning of year | | | | 13,716,816 |
| Net assets (deficit) at end of year | | | | \$ 13,070,072 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| Net (Expense) Revenue and Changes in Net Assets | |
|--|----------------------|
| Business-Type Activities | Total |
| \$ - | \$ (15,273,826) |
| - | (5,949,197) |
| - | (1,379,432) |
| - | (20,659) |
| - | (140,456) |
| - | (1,667,840) |
| - | (1,148,073) |
| - | (208,820) |
| - | (2,908,249) |
| - | (758,733) |
| - | (171,953) |
| - | (4,564,537) |
| - | (1,505,074) |
| - | (988,315) |
| - | 5,413 |
| - | (829,755) |
| - | 17,264 |
| - | (68,650) |
| - | (37,560,892) |
| (21,262) | (21,262) |
| (301,719) | (301,719) |
| (322,981) | (322,981) |
| (322,981) | (37,883,873) |
| - | 18,310,310 |
| - | 283,257 |
| - | 596,734 |
| - | 16,892,666 |
| - | 440,921 |
| - | 390,260 |
| - | 36,914,148 |
| (322,981) | (969,725) |
| 73,216 | 13,790,032 |
| <u>\$ (249,765)</u> | <u>\$ 12,820,307</u> |

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

| | General | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---|---|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 4,605,077 | \$ 2,955,048 | \$ 7,560,125 |
| Receivables: | | | |
| Taxes | 19,587,648 | 946,594 | 20,534,242 |
| Accounts | 8,063 | 755 | 8,818 |
| Intergovernmental | - | 1,376,036 | 1,376,036 |
| Interfund loans | 591,000 | - | 591,000 |
| Prepayments | 5,169 | - | 5,169 |
| Materials and supplies inventory | 275,515 | - | 275,515 |
| | <u>\$ 25,072,472</u> | <u>\$ 5,278,433</u> | <u>\$ 30,350,905</u> |
| Total assets | | | |
| | <u>\$ 25,072,472</u> | <u>\$ 5,278,433</u> | <u>\$ 30,350,905</u> |
| Liabilities: | | | |
| Accounts payable | \$ 161,284 | \$ 478,298 | \$ 639,582 |
| Accrued wages and benefits | 3,667,783 | 860,624 | 4,528,407 |
| Future retirement obligation | 312,466 | - | 312,466 |
| Pension obligation payable | 809,038 | 120,869 | 929,907 |
| Intergovernmental payable | 289,025 | 53,466 | 342,491 |
| Interfund loan payable | - | 173,000 | 173,000 |
| Deferred revenue | 18,335,885 | 2,133,429 | 20,469,314 |
| | <u>23,575,481</u> | <u>3,819,686</u> | <u>27,395,167</u> |
| Total liabilities | | | |
| | <u>23,575,481</u> | <u>3,819,686</u> | <u>27,395,167</u> |
| Fund Balances: | | | |
| Reserved for encumbrances | 131,832 | 294,139 | 425,971 |
| Reserved for materials and supplies inventories | 275,515 | - | 275,515 |
| Reserved for prepayments | 5,169 | - | 5,169 |
| Reserved for property tax unavailable for appropriation | 1,251,763 | 63,634 | 1,315,397 |
| Reserved for scholarships | - | 21,323 | 21,323 |
| Unreserved, undesignated (deficit), reported in: | | | |
| General fund | (167,288) | - | (167,288) |
| Special revenue funds | - | 296,735 | 296,735 |
| Debt service fund | - | 142,945 | 142,945 |
| Capital projects funds | - | 558,361 | 558,361 |
| Permanent fund | - | 81,610 | 81,610 |
| | <u>1,496,991</u> | <u>1,458,747</u> | <u>2,955,738</u> |
| Total fund balances | | | |
| | <u>1,496,991</u> | <u>1,458,747</u> | <u>2,955,738</u> |
| Total liabilities and fund balances | <u>\$ 25,072,472</u> | <u>\$ 5,278,433</u> | <u>\$ 30,350,905</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

| | | |
|--|--------------|----------------------|
| Total governmental fund balances | | \$ 2,955,738 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 11,070,687 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Taxes | \$ 1,630,676 | |
| Intergovernmental revenue | 1,250,469 | |
| Total | | 2,881,145 |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. The net assets of the internal service fund, including internal balances are: | | 1,055,229 |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. | | (1,873) |
| Unamortized bond issuance costs are not recognized in the funds. | | 17,665 |
| Long-term liabilities, including bonds, loans and capital leases payable are not due and payable in the current period and therefore are not reported in the funds. | | |
| Compensated absences | 295,597 | |
| Future retirement obligation | 2,945,271 | |
| Capital lease obligation | 1,052,785 | |
| General obligation bonds payable | 522,665 | |
| Asbestos abatement loan payable | 92,201 | |
| Total | | (4,908,519) |
| Net assets of governmental activities | | \$ 13,070,072 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------------|---|---|
| Revenues: | | | |
| From local sources: | | | |
| Taxes | \$ 17,782,508 | \$ 850,140 | \$ 18,632,648 |
| Tuition. | 19,003 | - | 19,003 |
| Earnings on investments. | 351,124 | 24,481 | 375,605 |
| Extracurricular. | 10,202 | 247,519 | 257,721 |
| Classroom materials and fees | 57,361 | 175 | 57,536 |
| Other local revenues. | 373,264 | 64,596 | 437,860 |
| Other revenue | 81,817 | - | 81,817 |
| Intergovernmental - state | 16,708,897 | 2,004,608 | 18,713,505 |
| Intergovernmental - federal. | 96,928 | 7,141,363 | 7,238,291 |
| Total revenue | <u>35,481,104</u> | <u>10,332,882</u> | <u>45,813,986</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 15,158,664 | 1,208,080 | 16,366,744 |
| Special. | 5,703,302 | 2,369,319 | 8,072,621 |
| Vocational. | 1,343,902 | 112,634 | 1,456,536 |
| Adult/continuing | - | 144,744 | 144,744 |
| Other. | 130,163 | 1,333,945 | 1,464,108 |
| Support Services: | | | |
| Pupil. | 1,604,591 | 233,245 | 1,837,836 |
| Instructional staff | 1,098,631 | 1,634,237 | 2,732,868 |
| Board of education | 213,960 | 48,913 | 262,873 |
| Administration. | 2,860,653 | 189,546 | 3,050,199 |
| Fiscal | 738,054 | 36,370 | 774,424 |
| Business. | 166,666 | - | 166,666 |
| Operations and maintenance. | 4,046,086 | 4,286 | 4,050,372 |
| Pupil transportation | 1,296,568 | - | 1,296,568 |
| Central. | 435,407 | 287,647 | 723,054 |
| Operation of non-instructional services | 24,810 | 941,991 | 966,801 |
| Extracurricular activities. | 727,855 | 333,032 | 1,060,887 |
| Facilities acquisition and construction | - | 859,839 | 859,839 |
| Capital outlay | 474,690 | - | 474,690 |
| Intergovernmental pass through. | - | 425,781 | 425,781 |
| Debt service: | | | |
| Principal retirement | 233,048 | 251,468 | 484,516 |
| Interest and fiscal charges | 42,654 | 26,700 | 69,354 |
| Total expenditures | <u>36,299,704</u> | <u>10,441,777</u> | <u>46,741,481</u> |
| Deficiency of revenues under expenditures | <u>(818,600)</u> | <u>(108,895)</u> | <u>(927,495)</u> |
| Other financing sources (uses): | | | |
| Transfers in | 40,000 | - | 40,000 |
| Transfers (out) | - | (40,000) | (40,000) |
| Capital lease transaction | 474,690 | - | 474,690 |
| Sale of capital assets | 5,055 | - | 5,055 |
| Total other financing sources (uses) | <u>519,745</u> | <u>(40,000)</u> | <u>479,745</u> |
| Net change in fund balances | (298,855) | (148,895) | (447,750) |
| Fund balances at beginning of year | 1,771,982 | 1,607,642 | 3,379,624 |
| Increase in reserve for inventory. | 23,864 | - | 23,864 |
| Fund balances at end of year. | <u>\$ 1,496,991</u> | <u>\$ 1,458,747</u> | <u>\$ 2,955,738</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | | |
|---|------------|---------------------|
| Net change in fund balances - total governmental funds | | \$ (447,750) |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$611,289) exceeds capital outlays (\$469,269) in the current period. | | (142,020) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. | | (24,783) |
| Governmental funds report expenditures for inventory when purchased, however, in the statement of activities, they are reported as an expense when consumed. | | 23,864 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | | |
| Taxes | \$ 557,653 | |
| Intergovernmental revenue | (82,258) | |
| Total | 475,395 | |
| Proceeds of capital lease transactions are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets. | | (474,690) |
| Deferred charges are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. | | (6,559) |
| Premiums on debt issuances are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. | | 13,869 |
| Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. | | (7,310) |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | | 484,516 |
| Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. | | 704 |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds: | | |
| Compensated absences | 10,003 | |
| Future retirement obligation | (63,814) | |
| Total | (53,811) | |
| The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including internal balances is allocated among the governmental activities. | | (488,169) |
| Change in net assets of governmental activities | | \$ (646,744) |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Actual</u> |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 18,328,271 | \$ 18,164,019 | \$ 18,162,708 | \$ (1,311) |
| Tuition | 19,176 | 19,004 | 19,003 | (1) |
| Earnings on investments | 354,325 | 351,149 | 351,124 | (25) |
| Extracurricular | 10,291 | 10,199 | 10,198 | (1) |
| Classroom materials and fees | 58,200 | 57,678 | 57,674 | (4) |
| Other local revenues | 432,327 | 428,453 | 428,422 | (31) |
| Other revenue | 82,563 | 81,823 | 81,817 | (6) |
| Intergovernmental - state | 16,861,205 | 16,710,101 | 16,708,895 | (1,206) |
| Intergovernmental - federal | 125,803 | 124,676 | 124,667 | (9) |
| Total revenue | <u>36,272,161</u> | <u>35,947,102</u> | <u>35,944,508</u> | <u>(2,594)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 15,607,831 | 15,474,573 | 15,162,935 | 311,638 |
| Special | 5,771,449 | 5,874,829 | 5,795,348 | 79,481 |
| Vocational | 1,524,341 | 1,415,092 | 1,369,656 | 45,436 |
| Other | - | 118,100 | 107,621 | 10,479 |
| Support services: | | | | |
| Pupil | 1,758,918 | 1,686,862 | 1,638,519 | 48,343 |
| Instructional staff | 1,263,567 | 1,193,508 | 1,106,039 | 87,469 |
| Board of education | 276,219 | 306,219 | 240,285 | 65,934 |
| Administration | 3,060,156 | 2,976,156 | 2,900,891 | 75,265 |
| Fiscal | 758,941 | 767,643 | 740,914 | 26,729 |
| Business | 179,402 | 187,402 | 166,508 | 20,894 |
| Operations and maintenance | 4,315,776 | 4,306,576 | 4,151,498 | 155,078 |
| Pupil transportation | 1,384,961 | 1,434,421 | 1,380,003 | 54,418 |
| Central | 767,596 | 806,096 | 792,809 | 13,287 |
| Operation of non-instructional services | - | 25,200 | 24,810 | 390 |
| Extracurricular activities | 772,655 | 764,619 | 685,462 | 79,157 |
| Total expenditures | <u>37,441,812</u> | <u>37,337,296</u> | <u>36,263,298</u> | <u>1,073,998</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,169,651)</u> | <u>(1,390,194)</u> | <u>(318,790)</u> | <u>1,071,404</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | 2,392 | 2,370 | 2,370 | - |
| Transfers in | 40,365 | 40,003 | 40,000 | (3) |
| Transfers (out) | (25,000) | (25,000) | - | 25,000 |
| Advances in | 329,981 | 327,024 | 327,000 | (24) |
| Advances (out) | (1,100) | - | (591,000) | (591,000) |
| Sale of capital assets | 5,101 | 5,055 | 5,055 | - |
| Total other financing sources (uses) | <u>351,739</u> | <u>349,452</u> | <u>(216,575)</u> | <u>(566,027)</u> |
| Net change in fund balance | (817,912) | (1,040,742) | (535,365) | 505,377 |
| Fund balance at beginning of year | 4,363,765 | 4,363,765 | 4,363,765 | - |
| Prior year encumbrances appropriated | 406,232 | 406,232 | 406,232 | - |
| Fund balance at end of year | <u>\$ 3,952,085</u> | <u>\$ 3,729,255</u> | <u>\$ 4,234,632</u> | <u>\$ 505,377</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2006

| | Business-Type Activities - Nonmajor Enterprise Funds | Governmental Activities - Internal Service Fund |
|---|---|--|
| Assets: | | |
| Current assets: | | |
| Equity in pooled cash and cash equivalents. | \$ 226,145 | \$ 1,466,129 |
| Receivables: | | |
| Accounts. | 22,772 | - |
| Intergovernmental | 171,939 | - |
| Prepayments | 2,770 | - |
| Materials and supplies inventory | 20,020 | - |
| Total current assets | <u>443,646</u> | <u>1,466,129</u> |
| Noncurrent assets: | | |
| Capital assets, net. | <u>130,010</u> | - |
| Total assets | <u>573,656</u> | <u>1,466,129</u> |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable. | 9,591 | - |
| Accrued wages and benefits | 159,571 | - |
| Pension obligation payable. | 81,202 | - |
| Interfund loan payable | 418,000 | - |
| Intergovernmental payable | 10,579 | - |
| Compensated absences. | 6,401 | - |
| Claims payable | - | 443,712 |
| Total current liabilities | <u>685,344</u> | <u>443,712</u> |
| Noncurrent liabilities: | | |
| Future retirement obligation | <u>105,265</u> | - |
| Total liabilities | <u>790,609</u> | <u>443,712</u> |
| Net assets: | | |
| Invested in capital assets | 130,010 | - |
| Unrestricted (deficit) | <u>(346,963)</u> | <u>1,022,417</u> |
| Total net assets (deficit) | <u>(216,953)</u> | <u>\$ 1,022,417</u> |
| Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds. | <u>(32,812)</u> | |
| Net assets of business-type activities | <u>\$ (249,765)</u> | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Business-Type Activities - Nonmajor Enterprise Funds | Governmental Activities - Internal Service Fund |
|---|---|--|
| Operating revenues: | | |
| Tuition and fees. | \$ 399,145 | \$ - |
| Sales/charges for services. | 637,528 | 4,845,217 |
| Other | 208,474 | - |
| Total operating revenues. | 1,245,147 | 4,845,217 |
| Operating expenses: | | |
| Personal services | 1,828,736 | - |
| Purchased services. | 103,939 | 4,789,745 |
| Materials and supplies. | 1,012,522 | - |
| Depreciation. | 9,231 | - |
| Other | - | 660,585 |
| Total operating expenses | 2,954,428 | 5,450,330 |
| Operating loss | (1,709,281) | (605,113) |
| Nonoperating revenues: | | |
| Federal donated commodities. | 97,406 | - |
| Interest revenue. | - | 65,316 |
| Grants and subsidies | 1,340,522 | - |
| Total nonoperating revenues. | 1,437,928 | 65,316 |
| Change in net assets | (271,353) | (539,797) |
| Net assets at beginning of year. | 54,400 | 1,562,214 |
| Net assets (deficit) at end of year. | (216,953) | \$ 1,022,417 |
| Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds. | (51,628) | |
| Net change in net assets of business-type activities | \$ (322,981) | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Business-Type Activities - Nonmajor Enterprise Funds | Governmental Activities - Internal Service Fund |
|---|---|--|
| Cash flows from operating activities: | | |
| Cash received from tuition and fees | \$ 407,042 | \$ - |
| Cash received from sales/charges for services. | 631,221 | 4,845,217 |
| Cash received from other operations. | 265,608 | - |
| Cash payments for personal services | (1,818,570) | - |
| Cash payments for purchased services. | (101,671) | (4,955,126) |
| Cash payments for materials and supplies. | (911,621) | - |
| Cash payments for other expenses. | - | (660,585) |
| | <hr/> | <hr/> |
| Net cash used in operating activities | (1,527,991) | (770,494) |
| | <hr/> | <hr/> |
| Cash flows from noncapital financing activities: | | |
| Cash received from grants and subsidies | 1,329,703 | - |
| Cash received from transfers in. | - | - |
| Cash received from interfund loans. | 418,000 | - |
| Cash used in repayment of interfund loans | (236,400) | - |
| | <hr/> | <hr/> |
| Net cash provided by noncapital financing activities | 1,511,303 | - |
| | <hr/> | <hr/> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of capital assets. | (29,220) | - |
| | <hr/> | <hr/> |
| Net cash used in capital and related financing activities | (29,220) | - |
| | <hr/> | <hr/> |
| Cash flows from investing activities: | | |
| Interest received | - | 65,316 |
| | <hr/> | <hr/> |
| Net cash provided by investing activities. | - | 65,316 |
| | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents | (45,908) | (705,178) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at beginning of year . . | 272,053 | 2,171,307 |
| Cash and cash equivalents at end of year | <u>\$ 226,145</u> | <u>\$ 1,466,129</u> |

(Continued)

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

STATEMENT OF CASH FLOWS - (CONTINUED)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Business-Type Activities - Nonmajor Enterprise Funds | Governmental Activities - Internal Service Fund |
|---|---|--|
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (1,709,281) | \$ (605,113) |
| Adjustments: | | |
| Depreciation | 9,231 | - |
| Federal donated commodities. | 97,406 | - |
| Changes in assets and liabilities: | | |
| Decrease in accounts receivable | 58,724 | - |
| Increase in materials and supplies inventory. | (173) | - |
| Increase in prepayments | (22) | - |
| Increase in accounts payable. | 5,879 | - |
| Increase in accrued wages and benefits | 21,738 | - |
| Increase in pension obligation payable | 717 | - |
| Increase in intergovernmental payable. | 3,351 | - |
| Increase in compensated absences payable | 172 | - |
| Decrease in future retirement obligation | (15,733) | - |
| Decrease in claims payable. | - | (165,381) |
| | - | (165,381) |
| Net cash used in operating activities | \$ (1,527,991) | \$ (770,494) |
| Noncash investing, capital and financing activities | | |
| Federal donated commodities. | \$ 97,406 | \$ - |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

| | Private-Purpose Trust | Agency |
|---|----------------------------------|---------------|
| Assets: | | |
| Equity in pooled cash and cash equivalents | \$ 2,507,888 | \$ 85,881 |
| Investments. | 4,376,070 | - |
| Receivables: | | |
| Taxes | - | 348,202 |
| Accounts. | - | 683 |
| Accrued interest | 5,949 | - |
| Total assets. | 6,889,907 | \$ 434,766 |
| Liabilities: | | |
| Accounts payable. | - | \$ 2,234 |
| Intergovernmental payable | - | 350,462 |
| Due to students | - | 82,070 |
| Total liabilities | - | \$ 434,766 |
| Net Assets: | | |
| Held in trust for scholarships | 6,889,907 | |
| Total net assets | \$ 6,889,907 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Private-Purpose Trust |
|---|----------------------------------|
| Additions: | |
| Interest | \$ 227,746 |
| Gifts and contributions. | 519,515 |
| | 747,261 |
| Deductions: | |
| Scholarships awarded | 187,341 |
| | 559,920 |
| Change in net assets | 559,920 |
| Net assets at beginning of year. | 6,329,987 |
| Net assets at end of year | \$ 6,889,907 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The District ranks as the 99th largest by total enrollment among the 615 public school districts in the state. It currently operates 8 elementary schools, 2 alternative schools, 2 junior high schools, and 1 comprehensive high school. The District employs 175 non-certified employees, 360 certified employees, 11 full-time adult education instructors and 30 administrators, to provide services to approximately 4,109 students in grades K through 12, more than 5,000 adult education students, and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activity and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The government has elected not to follow subsequent private-sector guidance. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". When applying GASB Statement No. 14 and GASB Statement No. 39, management has considered all potential component units. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits or provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Based upon the application of this criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATION

Northern Ohio Educational Computer Association (NOECA)

The District is a participant in the Northern Ohio Educational Computer Association (NOECA), which is a computer consortium. NOECA is an association of 41 public school districts formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The NOECA Board of Directors consists of two representatives from each county in which participating school districts are located, the chairman of each of the operating committees, and a representative from the fiscal agent. The District paid \$104,927 to NOECA in fiscal year 2006 for services provided. Financial information can be obtained from Betty Schwiefert, who serves as Controller, 2900 South Columbus Avenue, Sandusky, Ohio 44870.

RELATED ORGANIZATION

Sandusky Public Library

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

PUBLIC ENTITY RISK POOL

Workers' Compensation

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

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

B. Fund Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's nonmajor proprietary funds:

Enterprise Funds - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District's nonmajor enterprise funds account for food service and adult education operations.

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

FIDUCIARY FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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 on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

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

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

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

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as donated commodities revenue.

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

E. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2006 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Erie County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2006.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.)

Board adopted appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations at the legal level of control.

5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions within a fund must be approved by the Board of Education.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2006.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end (not already recorded in accounts payable) are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

F. Cash and Investments

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

During fiscal year 2006, investments were limited to U.S. savings bonds, shares of common stock, a repurchase agreement, federal agency securities, investments in the State Treasury Asset Reserve of Ohio (STAR Ohio) and open-ended mutual funds.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2006. 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 share price which is the price the investment could be sold for on June 30, 2006.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2006 amounted to \$351,124, which includes \$124,073 assigned from other District funds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with a gift of stock to its private-purpose trust fund. No public funds were used to acquire the stock. At the time the common stock was endowed to the District its value was \$3,373,011. Due to changes in fair market value, at June 30, 2006, the common stock has increased in value by \$1,003,059. The amount of common stock available for expenditure is reported in net assets available in trust for scholarships on the statement of fiduciary net assets. A committee has been created to authorize the spending of the investment income.

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

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

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. On the fund financials statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food and purchased food that are held for resale and are expensed when used.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> | <u>Business-Type Activities Estimated Lives</u> |
|------------------------|--|---|
| Land improvements | 20 years | N/A |
| Buildings/improvements | 25 - 50 years | N/A |
| Furniture/equipment | 5 - 20 years | 5 - 20 years |
| Vehicles | 6 - 10 years | N/A |

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal loans.

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16 “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is based on a policy whereby an employee is compensated for sixty five (65) days of severance pay regardless of the employee's sick leave balance. This liability exists for employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future and is reported as a component of “future retirement obligation” in the basic financial statements.

The District has entered into a First Opportunity Retirement Incentive (FORI) whereby, upon election, an employee reaching their first year of retirement eligibility (with a minimum age of 60 years or 30 or more years of service) is entitled to receive an additional 30 days of severance pay or 12% of their unused sick leave balance, whichever is greater. The corresponding liability for the FORI has been recorded for employees who have elected to retire under the terms of the FORI and is reported as a component of “future retirement obligation” in the governmental fund balance sheet and as a component of long-term liabilities in the statement of net assets. The FORI is reported as a component of “future retirement obligation” in the governmental fund balance sheet and statement of net assets. Amounts for FORI represent liabilities at June 30, 2006 on the fund financial statements.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2006, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, prepayments, property taxes unavailable for appropriation, and scholarships. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2006, net assets restricted by enabling legislation were \$850,798 in the statement of net assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset on the fund financial statements.

O. Parochial Schools

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

P. Sandusky Public Library

The Sandusky Public Library (the "Library") is a private not for profit organization governed by a board of trustees. The Library provides the community with various educational and literary resources. The District serves as the taxing authority for the Library, but has no ongoing financial responsibility. The District does not appoint a voting majority of the Board and is not involved in the management or operations of the Library. The fiduciary responsibility of collecting and disbursing tax monies for the Library is reflected in an agency fund for financial reporting purposes.

Q. Estimates

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are tuition for adult education classes, sales for food service and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Interfund Activity

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles

For fiscal year 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of these GASB Statements did not have an effect on the fund balances/net assets of the District as previously reported at June 30, 2005.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2006 included the following individual fund deficits:

| | Deficit |
|--------------------------------------|----------|
| <u>Nonmajor Governmental Funds</u> | |
| Ohio Reads | \$ 1,774 |
| Poverty Aid | 13,199 |
| Adult Basic Education | 19,655 |
| Title VI-B | 125,526 |
| Title I | 155,003 |
| Drug Free | 1,262 |
| Improving Teacher Quality | 57,386 |
| <u>Nonmajor Enterprise Funds</u> | |
| Food Service | 191,002 |
| Adult Education | 25,951 |

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

A. Deposits with Financial Institutions

At June 30, 2006, the carrying amount of all District deposits was \$567,405, exclusive of the \$2,285,000 repurchase agreement included in investments below. As of June 30, 2006, \$500,641 of the District's bank balance of \$612,061 was exposed to custodial risk as discussed below, while \$111,420 was covered by Federal Deposit Insurance Corporation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the District's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2006, the District had the following investments and maturities:

| <u>Investment type</u> | <u>Balance at Fair Value</u> | <u>Investment Maturities</u> | | | |
|------------------------|----------------------------------|------------------------------|---------------------------|----------------------------|----------------------------|
| | | <u>6 months or less</u> | <u>7 to 12 months</u> | <u>13 to 18 months</u> | <u>19 to 24 months</u> |
| Repurchase Agreement | \$ 2,285,000 | \$ 2,285,000 | \$ - | \$ - | \$ - |
| U.S. Savings Bonds | 41,500 | 41,500 | - | - | - |
| STAR Ohio | 8,799,153 | 8,799,153 | - | - | - |
| Mutual Funds | 153,110 | 153,110 | - | - | - |
| Stock | 4,376,070 | - | - | - | - |
| | <u>\$ 15,654,833</u> | <u>\$ 11,278,763</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The District's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%. Ohio law requires that depositories must collateralize deposits.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The District's mutual funds carry a rating of AAAM by Standard & Poor's. No load money market mutual funds must have the highest credit rating issued by national raters. The District's stocks were rated ranging from AAA to B+, Aaa to B1, and AAA to BB by Standard & Poor's, Moody's Investor Services, and Fitch Ratings, respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the District at June 30, 2006:

| <u>Investment type</u> | <u>Fair Value</u> | <u>% of Total</u> |
|------------------------|----------------------|-------------------|
| Repurchase Agreement | \$ 2,285,000 | 14.60 |
| U.S. Savings Bonds | 41,500 | 0.27 |
| STAR Ohio | 8,799,153 | 56.20 |
| Mutual Funds | 153,110 | 0.98 |
| Stock | 4,376,070 | 27.95 |
| | <u>\$ 15,654,833</u> | <u>100.00</u> |

D. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2006:

| <u>Cash and Investments per footnote</u> | |
|---|----------------------|
| Carrying amount of deposits | \$ 567,405 |
| Investments | 15,654,833 |
| Total | <u>\$ 16,222,238</u> |
| <u>Cash and investments per Statement of Net Assets</u> | |
| Governmental activities | \$ 9,026,254 |
| Business type activities | 226,145 |
| Private-purpose trust funds | 6,883,958 |
| Agency funds | 85,881 |
| Total | <u>\$ 16,222,238</u> |

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2006, as reported on the fund statements:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|-------------------|
| General Fund | Nonmajor Governmental Funds | \$ 173,000 |
| | Nonmajor Enterprise Funds | <u>418,000</u> |
| Total | | <u>\$ 591,000</u> |

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund transfers for the year ended June 30, 2006, consisted of the following, as reported on the fund statements:

| | |
|---------------------------------|-----------|
| Transfers to General fund from: | |
| Nonmajor Governmental funds | \$ 40,000 |

The primary purpose of the transfer was to correct the posting of grant monies.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Erie County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006 was \$1,251,763 in the general fund, \$22,726 in the debt service fund and \$40,908 in the capital projects funds. These amounts have been recorded as revenue. The amount available as an advance at June 30, 2005 was \$1,631,962 in the general fund, \$25,303 in the debt service fund, and \$44,087 in the capital projects funds.

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

The assessed values upon which the fiscal year 2006 taxes were collected are:

| | 2005 Second Half Collections | | 2006 First Half Collections | |
|---|---------------------------------|----------------|--------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/residential and other real estate | \$ 424,339,140 | 82.92 | \$ 423,965,430 | 84.48 |
| Public utility personal | 16,654,580 | 3.25 | 16,151,090 | 3.22 |
| Tangible personal property | <u>70,733,492</u> | <u>13.83</u> | <u>61,717,130</u> | <u>12.30</u> |
| Total | <u>\$ 511,727,212</u> | <u>100.00</u> | <u>\$ 501,833,650</u> | <u>100.00</u> |
| Tax rate per \$1,000 of assessed valuation | \$ 71.35 | | \$ 71.35 | |

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 consisted of taxes, accounts (billings for user charged services and student fees), internal loans and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 7 - RECEIVABLES - (Continued)

| | |
|---------------------------------|----------------------|
| Governmental Activities | |
| Taxes - current and delinquent | \$ 20,534,242 |
| Accounts | 8,818 |
| Intergovernmental | 1,376,036 |
| Internal loans | 450,812 |
| Business-Type Activities | |
| Accounts | 22,772 |
| Intergovernmental | <u>171,939</u> |
| Total receivables | <u>\$ 22,564,619</u> |

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

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

| | Balance <u>June 30, 2005</u> | <u>Additions</u> | <u>Deductions</u> | Balance <u>June 30, 2006</u> |
|--|---------------------------------|---------------------|--------------------|---------------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,280,969 | \$ - | \$ - | \$ 2,280,969 |
| Total capital assets, not being depreciated | <u>2,280,969</u> | <u>-</u> | <u>-</u> | <u>2,280,969</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 192,255 | 15,710 | - | 207,965 |
| Building/improvements | 14,548,018 | 311,687 | - | 14,859,705 |
| Furniture/equipment | 2,207,521 | 107,859 | (33,792) | 2,281,588 |
| Vehicles | <u>2,196,107</u> | <u>34,013</u> | <u>(154,712)</u> | <u>2,075,408</u> |
| Total capital assets, being depreciated | <u>19,143,901</u> | <u>469,269</u> | <u>(188,504)</u> | <u>19,424,666</u> |
| Less: accumulated depreciation | | | | |
| Land improvements | (54,231) | (9,005) | - | (63,236) |
| Building/improvements | (7,859,747) | (299,040) | - | (8,158,787) |
| Furniture/equipment | (1,175,455) | (129,841) | 24,481 | (1,280,815) |
| Vehicles | <u>(1,097,947)</u> | <u>(173,403)</u> | <u>139,240</u> | <u>(1,132,110)</u> |
| Total accumulated depreciation | <u>(10,187,380)</u> | <u>(611,289)</u> | <u>163,721</u> | <u>(10,634,948)</u> |
| Governmental activities capital assets, net | <u>\$ 11,237,490</u> | <u>\$ (142,020)</u> | <u>\$ (24,783)</u> | <u>\$ 11,070,687</u> |
| Business-Type Activities | | | | |
| Capital assets, being depreciated: | | | | |
| Furniture/equipment | \$ 289,568 | \$ 29,220 | \$ - | \$ 318,788 |
| Less: accumulated depreciation | <u>(179,547)</u> | <u>(9,231)</u> | <u>-</u> | <u>(188,778)</u> |
| Business-type activities capital assets, net | <u>\$ 110,021</u> | <u>\$ 19,989</u> | <u>\$ -</u> | <u>\$ 130,010</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 8 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

| | |
|---|-------------------|
| Instruction: | |
| Regular | \$ 145,598 |
| Special | 10,251 |
| Vocational | 39,786 |
| Support Services: | |
| Pupil | 12,496 |
| Instructional staff | 7,524 |
| Administration | 11,763 |
| Fiscal | 45 |
| Operations and maintenance of plant | 48,744 |
| Pupil transportation | 177,163 |
| Central | 28,335 |
| Operation of non-instructional services | 29,356 |
| Extracurricular activities | <u>100,228</u> |
| Total depreciation expense | <u>\$ 611,289</u> |

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

During a prior fiscal year, the District entered into capitalized leases for fiber optic and telephone equipment. During fiscal year 2006 the District entered into a capitalized lease for computer equipment. These lease agreements meet the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of building improvements and equipment have been capitalized in the amount of \$746,516 and \$322,443, respectively. These amounts represent the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2006 for building improvements and equipment was \$261,281 and \$112,855, respectively, leaving a current book value of \$485,235 and \$209,588, respectively. Computer equipment in the amount of \$474,690 has not been capitalized since the assets individually do not meet the District's capitalization threshold. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2006 totaled \$233,048 paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under capital lease and the present value of the future minimum lease payments as of June 30, 2006:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

| <u>Fiscal Year Ending June 30,</u> | <u>Amount</u> |
|------------------------------------|--------------------|
| 2007 | \$ 275,702 |
| 2008 | 275,702 |
| 2009 | 275,702 |
| 2010 | 121,509 |
| 2011 | 94,797 |
| 2012 - 2013 | <u>142,195</u> |
| Total minimum lease payments | 1,185,607 |
| Less amount representing interest | <u>(132,822)</u> |
| Total | <u>\$1,052,785</u> |

NOTE 10 - LONG-TERM OBLIGATIONS

- A. On March 3, 2003, the District issued general obligation bonds (Series 2003 School Improvement Refunding Bonds) to currently refund the callable portion of the Series 1991 School Improvement General Obligation Bonds (principal \$1,395,000; interest rate 7.088%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest bonds, par value \$1,090,000. The annual interest rate on the bonds is 4.450%.

The refunding bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from a current 0.60 mill bonded debt tax levy.

The following is a description of the District's bonds outstanding as of June 30, 2006:

| <u>Purpose</u> | <u>Interest Rate</u> | <u>Issue Date</u> | Loan | | <u>Additions</u> | <u>Reductions</u> | <u>Outstanding June 30, 2006</u> |
|--------------------------------------|----------------------|-------------------|----------------------|----------------------------------|------------------|-------------------|----------------------------------|
| | | | <u>Maturity Date</u> | <u>Outstanding June 30, 2005</u> | | | |
| Elementary building additions - 2003 | 4.450% | 03/03/03 | 12/01/08 | \$ 695,000 | \$ - | \$ (190,000) | \$ 505,000 |

- B. In 1988, the District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project at Sandusky High School. The loan is interest free as long as the District remains current on repayment. Payments relating to the loan are recorded as expenditures in the debt service fund. The following schedule describes the loan:

| <u>Purpose</u> | <u>Interest Rate</u> | <u>Issue Date</u> | Loan | | <u>Reductions</u> | <u>Outstanding June 30, 2006</u> |
|--------------------|----------------------|-------------------|----------------------|----------------------------------|-------------------|----------------------------------|
| | | | <u>Maturity Date</u> | <u>Outstanding June 30, 2005</u> | | |
| Asbestos Abatement | None | 03/01/88 | 07/31/08 | \$ 153,669 | \$ (61,468) | \$ 92,201 |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- C. The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds and the EPA loan:

| Year Ending <u>June 30</u> | Principal on <u>Bonds/EPA Loan</u> | Interest on <u>Bonds/EPA Loan</u> | <u>Total</u> |
|-------------------------------|---------------------------------------|--------------------------------------|-------------------|
| 2007 | \$ 246,468 | \$ 18,356 | \$ 264,824 |
| 2008 | 215,733 | 10,124 | 225,857 |
| 2009 | <u>135,000</u> | <u>3,004</u> | <u>138,004</u> |
| Total | <u>\$ 597,201</u> | <u>\$ 31,484</u> | <u>\$ 628,685</u> |

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

| | Balance <u>June 30, 2005</u> | <u>Increase</u> | <u>Decrease</u> | Balance <u>June 30, 2006</u> | Amounts Due in <u>One Year</u> |
|--|---------------------------------|---------------------|-----------------------|---------------------------------|--------------------------------------|
| Governmental Activities | | | | | |
| Future retirement obligation | \$ 3,320,336 | \$ 397,552 | \$ (460,151) | \$ 3,257,737 | \$ 312,466 |
| Compensated absences payable | 305,600 | 159,677 | (169,680) | 295,597 | 295,597 |
| General obligation bonds payable | 695,000 | - | (190,000) | 505,000 | 185,000 |
| Asbestos loan payable | 153,669 | - | (61,468) | 92,201 | 61,468 |
| Capital lease obligation | <u>811,143</u> | <u>474,690</u> | <u>(233,048)</u> | <u>1,052,785</u> | <u>230,440</u> |
| Total governmental activities long-term liabilities | <u>\$ 5,285,748</u> | <u>\$ 1,031,919</u> | <u>\$ (1,114,347)</u> | 5,203,320 | <u>\$ 1,084,971</u> |
| Less: Unamortized deferred charge on refunding | | | | (15,853) | |
| Add: Unamortized premium of refunding | | | | <u>33,518</u> | |
| Total on statement of net assets | | | | <u>\$ 5,220,985</u> | |
| Business-Type Activities | | | | | |
| Compensated absences payable | \$ 6,229 | \$ 6,681 | \$ (6,509) | \$ 6,401 | \$ 6,401 |
| Future retirement obligation | <u>120,998</u> | <u>3,907</u> | <u>(19,640)</u> | <u>105,265</u> | <u>-</u> |
| Total business-type activities long-term liabilities | <u>\$ 127,227</u> | <u>\$ 10,588</u> | <u>\$ (26,149)</u> | <u>\$ 111,666</u> | <u>\$ 6,401</u> |

Compensated absences and the future retirement obligation will be paid from the fund from which the employee is paid. The payments will be made from the general, nonmajor special revenue, food service and adult education funds. Further detail on the future retirement obligation is provided in Note 2.J.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2006 are a voted debt margin of \$44,825,700 (including available funds of \$165,671) and an unvoted debt margin of \$501,834.

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2006, the District has contracted with Indiana Insurance Company to provide insurance coverage in the following amounts:

| <u>Limits of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|------------------------------|-----------------|-------------------|
| General liability: | | |
| Each occurrence | \$ 1,000,000 | \$ 1,000 |
| Aggregate | 2,000,000 | 0 |
| Fleet: | | |
| Comprehensive/collision | 1,000,000 | 250/500 |
| Umbrella liability and fleet | 3,000,000 | 10,000 |
| Building and contents | 81,318,217 | 10,000 |
| Boiler and machinery | | |

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

B. Health Benefits

The District has established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$125,000 for each health benefits claim. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability of \$443,712 reported in the basic financial statements at June 30, 2006, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the current and previous fiscal year are as follows:

| <u>Fiscal Year</u> | <u>Beginning Balance</u> | <u>Current Year Claims</u> | <u>Claims Payments</u> | <u>Ending Balance</u> |
|------------------------|------------------------------|--------------------------------|----------------------------|---------------------------|
| 2005-2006 | \$ 609,093 | \$ 4,789,745 | \$ (4,955,126) | \$ 443,712 |
| 2004-2005 | 611,310 | 3,671,439 | (3,673,656) | 609,093 |

C. Workers' Compensation Rating Program

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

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 12 - PENSION PLANS - (Continued)

The District's required contribution for pension obligations to SERS for fiscal years ended 2006, 2005, and 2004 were \$537,198, \$525,547, and \$474,381; 43.47 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$303,670 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090 or by visiting the STRS Ohio website at www.strsohio.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 12 - PENSION PLANS - (Continued)

The District's required contributions for fund pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$2,800,057, \$2,576,779 and \$2,566,308; 83.77 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$454,517 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2006 were \$11,553 made by the District and \$36,999 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2006, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$215,389 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.3 billion. For the fiscal year ended June 30, 2005 (the latest information available), net health care costs paid by STRS were \$254.780 million and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, a decrease of 0.01 percent from fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, District paid \$274,414 to fund health care benefits, including the surcharge.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178.221 million. At June 30, 2005 (the latest information available), SERS had net assets available for payment of health care benefits of \$267.5 million, which is about 168 percent of next years projected net health care costs of \$158.776 million. On the basis of actuarial projections, the allocated contributions will be insufficient in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. SERS has 58,123 participants currently receiving health care benefits.

NOTE 14 - 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 and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP) and Actual presented 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:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

| Net Change in Fund Balance | <u>General Fund</u> |
|---|---------------------|
| Budget basis | \$ (535,365) |
| Net adjustment for revenue accruals | (463,404) |
| Net adjustment for expenditure accruals | (406,851) |
| Net adjustment for other sources/uses | 736,320 |
| Adjustment for encumbrances | <u>370,445</u> |
| GAAP basis | <u>\$ (298,855)</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2006, the reserve activity was as follows:

| | <u>Textbooks</u> | <u>Capital Acquisition</u> |
|--|---------------------|--------------------------------|
| Set-aside cash balance as of June 30, 2005 | \$ (438,183) | \$ - |
| Current year set-aside requirement | 616,450 | 616,450 |
| Current year offsets | - | (580,625) |
| Qualifying disbursements | <u>(773,576)</u> | <u>(134,732)</u> |
| Total | <u>\$ (595,309)</u> | <u>\$ (98,907)</u> |
| Balance carried forward to FY 2007 | <u>(595,309)</u> | <u>\$ -</u> |

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

General Fund

The general fund is used to account for resources traditionally associated with a school district which are not legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Special Trust

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

Public School Support

Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grant

Sections 5705.09 and 5705.13, Revised Code

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

District Managed Student Activity

Section 3313.062

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

Auxiliary Services (NPSS)

AM SUB H.B. 291

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

Post Secondary Vocational Education

Current Budget Bill
appropriation line item 200-514

A fund provided to account for receipts and expenditures incurred in providing opportunities for adults.

Teacher Development

Current Budget Bill
appropriation line item 200-527

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Management Information Systems

Am Sub H B 111

A fund used to account for funds associated with the state-wide requirements of the Education Management System (EMIS).

Current Budget Bill

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Entry Year Programs Current Budget Bill
appropriation line item 200-410

A fund used to implement entry-year programs.

Disadvantaged Pupil Impact Aid Current Budget Bill

A fund used to account for monies received for disadvantaged pupil impact aid.

Poverty Aid Current Budget Bill, Revised Code 3317.029

A fund used to account for monies appropriated for poverty based assistance as well as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention, and community outreach.

Data Communications Section 5705.09, Revised Code

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Section 5705.09, Revised Code

A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Grant Current Budget Bill
appropriation line item 200-566 and 200-455

A fund intended to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention Current Budget Bill
appropriation line item 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Education Enhancement Current Budget Bill
appropriation line item 200-545

A fund used to account for the Vocational Education Enhancements that expand the number of students enrolled in tech prep programs, enable students to develop career plans and replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Alternative Education Grant Current Budget Bill
appropriation line item 200-520

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

Able/Jobs Grant State of Ohio (4P1 200-629)

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

Adult Basic Education P L Law 91-230, Title III

This fund accounts for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

Title VI-B Education; of the Handicapped Act, P L 91-230

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education Carl D. Perkins Vocational Education Act
of 1984, Public Law 98-524

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

Basic Educational Opportunity Grant Higher Education amendments of
1972, Title IV, part A, section 411;
Public Law 92-318; 20 USC 1070a.

Provision of funds to assist in making available the benefits of post-secondary education to qualified students.

Title I P L 97-35; Title I ESEA 1965

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

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Title V

P L 97-35; ESEA 1965

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug-Free School Grant

Catalog of Federal Domestic Assistance #84-166

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

EHA Preschool Grant

Education of the Handicapped Act, Amendments, P.L. 99-457
Catalog of Federal Domestic Assistance #84.173

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

Improving Teacher Quality

Catalog of Federal Domestic Assistance #84.340

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

Youth Involvement

Head Start - Follow Through Act, P.L. 93-644
Title V, Part B; 42 U.S.C. 2929

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Gifted Education

A fund provided to account for research and demonstration projects and other purposes as established under the Gifted Pupil Program.

Nonmajor Debt Service Fund

A fund provided for the retirement of serial bonds and short term loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans, are paid into this fund. The District maintains only one debt service fund, therefore, combining statements and schedules are not required.

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

GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Capital Projects Funds

Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement

Section 5705.10, Revised Code

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

Replacement

Section 3314.11, Revised Code

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

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Nonmajor Permanent Fund

A fund used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 18,328,271 | \$ 18,164,019 | \$ 18,162,708 | \$ (1,311) |
| Tuition | 19,176 | 19,004 | 19,003 | (1) |
| Earnings on investments | 354,325 | 351,149 | 351,124 | (25) |
| Extracurricular | 10,291 | 10,199 | 10,198 | (1) |
| Classroom materials and fees | 58,200 | 57,678 | 57,674 | (4) |
| Other local revenues | 432,327 | 428,453 | 428,422 | (31) |
| Other revenue | 82,563 | 81,823 | 81,817 | (6) |
| Intergovernmental-state | 16,861,205 | 16,710,101 | 16,708,895 | (1,206) |
| Intergovernmental-federal | 125,803 | 124,676 | 124,667 | (9) |
| Total revenues | <u>36,272,161</u> | <u>35,947,102</u> | <u>35,944,508</u> | <u>(2,594)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 10,669,550 | 10,422,855 | 10,278,873 | 143,982 |
| Fringe benefits | 3,627,447 | 3,511,878 | 3,456,584 | 55,294 |
| Purchased services | 764,556 | 758,337 | 717,828 | 40,509 |
| Supplies | 428,875 | 682,169 | 632,076 | 50,093 |
| Capital outlay | 117,403 | 99,334 | 77,574 | 21,760 |
| Total instruction-regular | <u>15,607,831</u> | <u>15,474,573</u> | <u>15,162,935</u> | <u>311,638</u> |
| Instruction-special | | | | |
| Salaries and wages | 2,687,100 | 2,572,000 | 2,544,629 | 27,371 |
| Fringe benefits | 986,100 | 972,480 | 944,089 | 28,391 |
| Purchased services | 1,473,224 | 1,638,224 | 1,634,375 | 3,849 |
| Supplies | 25,025 | 40,025 | 21,590 | 18,435 |
| Capital outlay | 5,000 | 4,100 | 2,665 | 1,435 |
| Dues and fees | 595,000 | 648,000 | 648,000 | - |
| Total instruction-special | <u>5,771,449</u> | <u>5,874,829</u> | <u>5,795,348</u> | <u>79,481</u> |
| Instruction-vocational | | | | |
| Salaries and wages | 993,500 | 882,950 | 869,275 | 13,675 |
| Fringe benefits | 279,900 | 280,900 | 274,409 | 6,491 |
| Purchased services | 22,895 | 27,896 | 19,663 | 8,233 |
| Supplies | 176,050 | 181,351 | 172,407 | 8,944 |
| Capital outlay | 51,996 | 41,995 | 33,902 | 8,093 |
| Total instruction-vocational | <u>1,524,341</u> | <u>1,415,092</u> | <u>1,369,656</u> | <u>45,436</u> |
| Instruction-other | | | | |
| Salaries and wages | - | 118,100 | 107,621 | 10,479 |
| Total instruction-other | <u>-</u> | <u>118,100</u> | <u>107,621</u> | <u>10,479</u> |
| Support services-pupil | | | | |
| Salaries and wages | 1,263,000 | 1,202,300 | 1,186,944 | 15,356 |
| Fringe benefits | 399,700 | 388,700 | 371,699 | 17,001 |
| Purchased services | 79,608 | 79,608 | 75,346 | 4,262 |
| Supplies | 11,610 | 13,254 | 4,530 | 8,724 |
| Capital outlay | 5,000 | 3,000 | - | 3,000 |
| Total support services-pupil | <u>1,758,918</u> | <u>1,686,862</u> | <u>1,638,519</u> | <u>48,343</u> |

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Support services-instructional staff | | | | |
| Salaries and wages | \$ 601,000 | \$ 586,500 | \$ 571,759 | \$ 14,741 |
| Fringe benefits | 286,276 | 274,687 | 262,322 | 12,365 |
| Purchased services | 128,083 | 128,083 | 111,797 | 16,286 |
| Supplies | 145,888 | 108,918 | 83,492 | 25,426 |
| Capital outlay | 11,000 | 9,000 | - | 9,000 |
| Dues and fees | 91,320 | 86,320 | 76,669 | 9,651 |
| Total support services-instructional staff | <u>1,263,567</u> | <u>1,193,508</u> | <u>1,106,039</u> | <u>87,469</u> |
| Support services-board of education | | | | |
| Salaries and wages | 18,600 | 18,600 | 10,945 | 7,655 |
| Fringe benefits | 1,500 | 1,500 | 305 | 1,195 |
| Purchased services | 181,304 | 211,304 | 166,299 | 45,005 |
| Supplies | 600 | 600 | 443 | 157 |
| Dues and fees | 74,215 | 74,215 | 62,293 | 11,922 |
| Total support services-board of education | <u>276,219</u> | <u>306,219</u> | <u>240,285</u> | <u>65,934</u> |
| Support services-administration | | | | |
| Salaries and wages | 2,097,000 | 2,066,300 | 2,046,911 | 19,389 |
| Fringe benefits | 906,156 | 855,756 | 827,249 | 28,507 |
| Purchased services | 24,300 | 21,300 | 15,941 | 5,359 |
| Supplies | 16,000 | 17,500 | 7,405 | 10,095 |
| Capital outlay | 14,000 | 12,500 | 2,330 | 10,170 |
| Dues and fees | 2,700 | 2,800 | 1,055 | 1,745 |
| Total support services-administration. | <u>3,060,156</u> | <u>2,976,156</u> | <u>2,900,891</u> | <u>75,265</u> |
| Support services-fiscal | | | | |
| Salaries and wages | 220,500 | 216,500 | 212,706 | 3,794 |
| Fringe benefits | 102,900 | 101,900 | 94,881 | 7,019 |
| Purchased services | 27,641 | 27,641 | 23,346 | 4,295 |
| Supplies | 3,000 | 3,500 | 2,713 | 787 |
| Capital outlay | 1,000 | 1,102 | 542 | 560 |
| Dues and fees | 403,900 | 417,000 | 406,726 | 10,274 |
| Total support services-fiscal | <u>758,941</u> | <u>767,643</u> | <u>740,914</u> | <u>26,729</u> |
| Support services-business | | | | |
| Salaries and wages | 84,000 | 83,000 | 80,298 | 2,702 |
| Fringe benefits | 40,900 | 39,900 | 36,195 | 3,705 |
| Purchased services | 49,502 | 56,002 | 41,567 | 14,435 |
| Supplies | 5,000 | 8,500 | 8,448 | 52 |
| Total support services-business | <u>179,402</u> | <u>187,402</u> | <u>166,508</u> | <u>20,894</u> |

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Support services-operations and maintenance | | | | |
| Salaries and wages | \$ 1,641,400 | \$ 1,636,900 | \$ 1,595,736 | \$ 41,164 |
| Fringe benefits | 675,961 | 650,261 | 638,254 | 12,007 |
| Purchased services | 1,822,891 | 1,840,891 | 1,742,042 | 98,849 |
| Supplies | 159,911 | 168,911 | 168,282 | 629 |
| Capital outlay | 15,613 | 9,613 | 7,184 | 2,429 |
| Total support services-operations and maintenance | <u>4,315,776</u> | <u>4,306,576</u> | <u>4,151,498</u> | <u>155,078</u> |
| Support services-pupil transportation | | | | |
| Salaries and wages | 774,600 | 796,100 | 778,430 | 17,670 |
| Fringe benefits | 353,900 | 346,860 | 336,027 | 10,833 |
| Purchased services | 26,351 | 26,351 | 10,919 | 15,432 |
| Supplies | 138,110 | 161,110 | 154,483 | 6,627 |
| Capital outlay | 2,000 | 74,000 | 71,669 | 2,331 |
| Dues and fees | 90,000 | 30,000 | 28,475 | 1,525 |
| Total support services-pupil transportation | <u>1,384,961</u> | <u>1,434,421</u> | <u>1,380,003</u> | <u>54,418</u> |
| Support services-central | | | | |
| Salaries and wages | 142,800 | 166,800 | 162,608 | 4,192 |
| Fringe benefits | 55,040 | 68,140 | 61,957 | 6,183 |
| Purchased services | 475,258 | 487,658 | 487,302 | 356 |
| Supplies | 66,993 | 57,393 | 56,912 | 481 |
| Capital outlay | 27,505 | 26,105 | 24,030 | 2,075 |
| Total support services-central | <u>767,596</u> | <u>806,096</u> | <u>792,809</u> | <u>13,287</u> |
| Operation of non-instructional services | | | | |
| Capital outlay | - | 25,200 | 24,810 | 390 |
| Total operation of non-instructional services | <u>-</u> | <u>25,200</u> | <u>24,810</u> | <u>390</u> |
| Extracurricular activities | | | | |
| Salaries and wages | 618,900 | 610,900 | 554,117 | 56,783 |
| Fringe benefits | 126,900 | 125,000 | 106,834 | 18,166 |
| Purchased services | 23,530 | 24,894 | 22,854 | 2,040 |
| Supplies | 1,325 | 1,825 | 1,657 | 168 |
| Capital outlay | 2,000 | 2,000 | - | 2,000 |
| Total extracurricular activities | <u>772,655</u> | <u>764,619</u> | <u>685,462</u> | <u>79,157</u> |
| Total expenditures | <u>37,441,812</u> | <u>37,337,296</u> | <u>36,263,298</u> | <u>1,073,998</u> |
| Excess of revenues over (under) expenditures | <u>(1,169,651)</u> | <u>(1,390,194)</u> | <u>(318,790)</u> | <u>1,071,404</u> |

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | \$ 2,392 | \$ 2,370 | \$ 2,370 | \$ - |
| Transfers in | 40,365 | 40,003 | 40,000 | (3) |
| Transfers (out). | (25,000) | (25,000) | - | 25,000 |
| Advances in | 329,981 | 327,024 | 327,000 | (24) |
| Advances (out). | (1,100) | - | (591,000) | (591,000) |
| Sale of capital assets | 5,101 | 5,055 | 5,055 | - |
| Total other financing sources (uses) | <u>351,739</u> | <u>349,452</u> | <u>(216,575)</u> | <u>(566,027)</u> |
| Net change in fund balance | (817,912) | (1,040,742) | (535,365) | 505,377 |
| Fund balance at beginning of year | 4,363,765 | 4,363,765 | 4,363,765 | - |
| Prior year encumbrances appropriated | 406,232 | 406,232 | 406,232 | - |
| Fund balance at end of year. | <u>\$ 3,952,085</u> | <u>\$ 3,729,255</u> | <u>\$ 4,234,632</u> | <u>\$ 505,377</u> |

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund |
|---|---|---|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. . . . | \$ 1,725,038 | \$ 142,945 | \$ 984,132 | \$ 102,933 |
| Receivables: | | | | |
| Taxes | - | 314,613 | 631,981 | - |
| Accounts | 755 | - | - | - |
| Intergovernmental | 1,376,036 | - | - | - |
| Total assets. | <u>\$ 3,101,829</u> | <u>\$ 457,558</u> | <u>\$ 1,616,113</u> | <u>\$ 102,933</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 191,762 | \$ - | \$ 286,536 | \$ - |
| Accrued wages and benefits | 860,624 | - | - | - |
| Pension obligation payable. | 120,869 | - | - | - |
| Intergovernmental payable | 53,466 | - | - | - |
| Interfund loan payable | 173,000 | - | - | - |
| Deferred revenue. | 1,250,469 | 291,887 | 591,073 | - |
| Total liabilities. | <u>2,650,190</u> | <u>291,887</u> | <u>877,609</u> | <u>-</u> |
| Fund Balances: | | | | |
| Reserved for encumbrances. | 154,904 | - | 139,235 | - |
| Reserved for property tax unavailable for appropriation. | - | 22,726 | 40,908 | - |
| Reserved for scholarships | - | - | - | 21,323 |
| Unreserved, undesignated, reported in: | | | | |
| Special revenue funds | 296,735 | - | - | - |
| Debt service fund | - | 142,945 | - | - |
| Capital projects funds | - | - | 558,361 | - |
| Permanent fund. | - | - | - | 81,610 |
| Total fund balances. | <u>451,639</u> | <u>165,671</u> | <u>738,504</u> | <u>102,933</u> |
| Total liabilities and fund balances | <u>\$ 3,101,829</u> | <u>\$ 457,558</u> | <u>\$ 1,616,113</u> | <u>\$ 102,933</u> |

**Total
Nonmajor
Governmental
Funds**

\$ 2,955,048
946,594
755
1,376,036
\$ 5,278,433

\$ 478,298
860,624
120,869
53,466
173,000
2,133,429

3,819,686

294,139
63,634
21,323
296,735
142,945
558,361
81,610

1,458,747

\$ 5,278,433

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Nonmajor Special Revenue Funds</u> | <u>Nonmajor Debt Service Fund</u> | <u>Nonmajor Capital Projects Funds</u> | <u>Nonmajor Permanent Fund</u> |
|---|---|---|--|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ - | \$ 272,694 | \$ 577,446 | \$ - |
| Earnings on investments | 21,027 | - | - | 3,454 |
| Extracurricular | 247,519 | - | - | - |
| Classroom materials and fees | 175 | - | - | - |
| Other local revenues | 59,409 | - | 5,011 | 176 |
| Intergovernmental - state | 1,905,846 | 30,475 | 68,287 | - |
| Intergovernmental - federal | 7,141,363 | - | - | - |
| | <u>9,375,339</u> | <u>303,169</u> | <u>650,744</u> | <u>3,630</u> |
| Total revenue | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 1,208,080 | - | - | - |
| Special | 2,369,319 | - | - | - |
| Vocational | 112,634 | - | - | - |
| Adult/continuing | 144,744 | - | - | - |
| Other | 1,333,945 | - | - | - |
| Support services: | | | | |
| Pupil | 233,245 | - | - | - |
| Instructional staff | 1,634,237 | - | - | - |
| Board of education | 48,913 | - | - | - |
| Administration | 189,546 | - | - | - |
| Fiscal | 19,810 | 5,365 | 11,195 | - |
| Operations and maintenance | 4,286 | - | - | - |
| Central | 287,647 | - | - | - |
| Operation of non-instructional services | 941,991 | - | - | - |
| Extracurricular activities | 333,032 | - | - | - |
| Facilities acquisition and construction | 2,549 | - | 857,290 | - |
| Intergovernmental pass through | 425,781 | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | 251,468 | - | - |
| Interest and fiscal charges | - | 26,700 | - | - |
| | <u>9,289,759</u> | <u>283,533</u> | <u>868,485</u> | <u>-</u> |
| Total expenditures | | | | |
| Excess of revenues over (under) expenditures | <u>85,580</u> | <u>19,636</u> | <u>(217,741)</u> | <u>3,630</u> |
| Other financing (uses): | | | | |
| Transfers (out) | (40,000) | - | - | - |
| | <u>(40,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing (uses) | | | | |
| Net change in fund balances | 45,580 | 19,636 | (217,741) | 3,630 |
| Fund balances at beginning of year | <u>406,059</u> | <u>146,035</u> | <u>956,245</u> | <u>99,303</u> |
| Fund balances at end of year | <u>\$ 451,639</u> | <u>\$ 165,671</u> | <u>\$ 738,504</u> | <u>\$ 102,933</u> |

**Total
Nonmajor
Governmental
Funds**

| | |
|----|------------|
| \$ | 850,140 |
| | 24,481 |
| | 247,519 |
| | 175 |
| | 64,596 |
| | 2,004,608 |
| | 7,141,363 |
| | 10,332,882 |

| |
|-----------|
| 1,208,080 |
| 2,369,319 |
| 112,634 |
| 144,744 |
| 1,333,945 |

| |
|-----------|
| 233,245 |
| 1,634,237 |
| 48,913 |
| 189,546 |
| 36,370 |
| 4,286 |
| 287,647 |
| 941,991 |
| 333,032 |
| 859,839 |
| 425,781 |

| |
|---------|
| 251,468 |
| 26,700 |

| |
|------------|
| 10,441,777 |
|------------|

| |
|-----------|
| (108,895) |
|-----------|

| |
|----------|
| (40,000) |
|----------|

| |
|----------|
| (40,000) |
|----------|

| |
|-----------|
| (148,895) |
|-----------|

| |
|-----------|
| 1,607,642 |
|-----------|

| | |
|----|-----------|
| \$ | 1,458,747 |
|----|-----------|

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

| | Special Trust | Public School Support | Other Grant | District Managed Student Activity |
|---|--------------------------|----------------------------------|------------------------|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 391,034 | \$ 104,228 | \$ 16,566 | \$ 77,969 |
| Receivables: | | | | |
| Accounts. | - | 340 | - | 415 |
| Intergovernmental | - | - | - | - |
| Total assets. | <u>\$ 391,034</u> | <u>\$ 104,568</u> | <u>\$ 16,566</u> | <u>\$ 78,384</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ - | \$ 3,763 | \$ - | \$ 19,842 |
| Accrued wages and benefits | - | - | - | - |
| Pension obligation payable. | - | - | - | - |
| Intergovernmental payable | - | - | - | - |
| Interfund loan payable | - | - | - | 54,000 |
| Deferred revenue. | - | - | - | - |
| Total liabilities. | - | 3,763 | - | 73,842 |
| Fund Balances: | | | | |
| Reserved for encumbrances. | - | 961 | - | 22,102 |
| Unreserved, undesignated, reported in: | | | | |
| Special revenue funds | 391,034 | 99,844 | 16,566 | (17,560) |
| Total fund balances (deficits). | 391,034 | 100,805 | 16,566 | 4,542 |
| Total liabilities and fund balances | <u>\$ 391,034</u> | <u>\$ 104,568</u> | <u>\$ 16,566</u> | <u>\$ 78,384</u> |

| <u>Auxiliary Services</u> | <u>Management Information Systems</u> | <u>Poverty Aid</u> | <u>Data Communications</u> | <u>SchoolNet Professional Development</u> | <u>Ohio Reads Grant</u> |
|---------------------------|---------------------------------------|--------------------|----------------------------|---|-------------------------|
| \$ 97,430 | \$ 22,423 | \$ 247,733 | \$ 5,724 | \$ 11,640 | \$ 1,257 |
| - | - | - | - | - | - |
| - | - | - | - | 9,989 | 1,774 |
| <u>\$ 97,430</u> | <u>\$ 22,423</u> | <u>\$ 247,733</u> | <u>\$ 5,724</u> | <u>\$ 21,629</u> | <u>\$ 3,031</u> |
| \$ 20,480 | \$ 10,990 | \$ - | \$ - | \$ - | \$ 1,031 |
| 31,672 | - | 217,676 | - | - | - |
| 4,486 | - | 31,850 | - | - | - |
| 11,322 | - | 11,406 | - | - | - |
| - | - | - | - | - | 2,000 |
| - | - | - | - | 4,994 | 1,774 |
| <u>67,960</u> | <u>10,990</u> | <u>260,932</u> | <u>-</u> | <u>4,994</u> | <u>4,805</u> |
| 7,729 | 10,605 | - | - | 300 | 20 |
| <u>21,741</u> | <u>828</u> | <u>(13,199)</u> | <u>5,724</u> | <u>16,335</u> | <u>(1,794)</u> |
| <u>29,470</u> | <u>11,433</u> | <u>(13,199)</u> | <u>5,724</u> | <u>16,635</u> | <u>(1,774)</u> |
| <u>\$ 97,430</u> | <u>\$ 22,423</u> | <u>\$ 247,733</u> | <u>\$ 5,724</u> | <u>\$ 21,629</u> | <u>\$ 3,031</u> |

-- Continued

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2006

| | <u>Able/Jobs Grant</u> | <u>Adult Basic Education</u> | <u>Title VI-B</u> | <u>Vocational Education</u> |
|---|----------------------------|----------------------------------|-------------------|---------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 52,584 | \$ 5,509 | \$ 48,154 | \$ 22,610 |
| Receivables: | | | | |
| Accounts. | - | - | - | - |
| Intergovernmental | - | 17,287 | 126,296 | 4,317 |
| Total assets. | <u>\$ 52,584</u> | <u>\$ 22,796</u> | <u>\$ 174,450</u> | <u>\$ 26,927</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 1,289 | \$ 5,034 | \$ 18,070 | \$ 10,973 |
| Accrued wages and benefits | - | 9,040 | 128,895 | 2,072 |
| Pension obligation payable. | - | 2,374 | 20,819 | 1,856 |
| Intergovernmental payable | - | 716 | 5,896 | 497 |
| Interfund loan payable | - | 8,000 | - | 4,000 |
| Deferred revenue. | - | 17,287 | 126,296 | 4,317 |
| Total liabilities. | <u>1,289</u> | <u>42,451</u> | <u>299,976</u> | <u>23,715</u> |
| Fund Balances: | | | | |
| Reserved for encumbrances. | 851 | 139 | 6,757 | 8,694 |
| Unreserved, undesignated, reported in: | | | | |
| Special revenue funds | 50,444 | (19,794) | (132,283) | (5,482) |
| Total fund balances (deficits). | <u>51,295</u> | <u>(19,655)</u> | <u>(125,526)</u> | <u>3,212</u> |
| Total liabilities and fund balances | <u>\$ 52,584</u> | <u>\$ 22,796</u> | <u>\$ 174,450</u> | <u>\$ 26,927</u> |

| <u>Title I</u> | <u>Title V</u> | <u>Drug-Free School Grant</u> | <u>EHA Preschool Grant</u> | <u>Improving Teacher Quality</u> | <u>Youth Involvement</u> |
|-------------------|-----------------|---------------------------------------|------------------------------------|--|------------------------------|
| \$ 159,364 | \$ 1,708 | \$ 6,507 | \$ 11,044 | \$ 26,174 | \$ 415,380 |
| - | - | - | - | - | - |
| <u>140,620</u> | <u>-</u> | <u>5,216</u> | <u>-</u> | <u>52,009</u> | <u>1,018,528</u> |
| <u>\$ 299,984</u> | <u>\$ 1,708</u> | <u>\$ 11,723</u> | <u>\$ 11,044</u> | <u>\$ 78,183</u> | <u>\$ 1,433,908</u> |
| \$ 29,608 | \$ 248 | \$ 1,507 | \$ - | \$ - | \$ 68,927 |
| 230,724 | - | 138 | 4,836 | 72,497 | 163,074 |
| 23,580 | - | 1,122 | 1,885 | 7,362 | 25,535 |
| 10,455 | - | 2 | 190 | 3,701 | 9,281 |
| 20,000 | - | 5,000 | - | - | 80,000 |
| <u>140,620</u> | <u>-</u> | <u>5,216</u> | <u>-</u> | <u>52,009</u> | <u>897,956</u> |
| <u>454,987</u> | <u>248</u> | <u>12,985</u> | <u>6,911</u> | <u>135,569</u> | <u>1,244,773</u> |
| 1,518 | 2 | 1,288 | 1,169 | - | 92,769 |
| <u>(156,521)</u> | <u>1,458</u> | <u>(2,550)</u> | <u>2,964</u> | <u>(57,386)</u> | <u>96,366</u> |
| <u>(155,003)</u> | <u>1,460</u> | <u>(1,262)</u> | <u>4,133</u> | <u>(57,386)</u> | <u>189,135</u> |
| <u>\$ 299,984</u> | <u>\$ 1,708</u> | <u>\$ 11,723</u> | <u>\$ 11,044</u> | <u>\$ 78,183</u> | <u>\$ 1,433,908</u> |

- - Continued

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2006

| | <u>Total Nonmajor Special Revenue Funds</u> |
|---|--|
| Assets: | |
| Equity in pooled cash and cash equivalents. | \$ 1,725,038 |
| Receivables: | |
| Accounts. | 755 |
| Intergovernmental | <u>1,376,036</u> |
| Total assets. | <u><u>\$ 3,101,829</u></u> |
| Liabilities: | |
| Accounts payable. | \$ 191,762 |
| Accrued wages and benefits | 860,624 |
| Pension obligation payable. | 120,869 |
| Intergovernmental payable | 53,466 |
| Interfund loan payable | 173,000 |
| Deferred revenue. | <u>1,250,469</u> |
| Total liabilities. | <u>2,650,190</u> |
| Fund Balances: | |
| Reserved for encumbrances. | 154,904 |
| Unreserved, undesignated, reported in: | |
| Special revenue funds | <u>296,735</u> |
| Total fund balances (deficits). | <u>451,639</u> |
| Total liabilities and fund balances | <u><u>\$ 3,101,829</u></u> |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Special Trust</u> | <u>Public School Support</u> | <u>Other Grant</u> | <u>District Managed Student Activity</u> |
|--|--------------------------|----------------------------------|------------------------|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 16,014 | \$ - | \$ - | \$ - |
| Extracurricular | - | 59,088 | - | 188,431 |
| Classroom materials and fees | - | - | - | 175 |
| Other local revenues | 702 | 7,215 | 7,532 | 43,960 |
| Intergovernmental - state | - | - | - | - |
| Intergovernmental - federal | - | - | - | - |
| Total revenue | <u>16,716</u> | <u>66,303</u> | <u>7,532</u> | <u>232,566</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | 1,785 | - |
| Special | - | - | - | - |
| Vocational | - | - | - | - |
| Adult/continuing | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | - | - | - | - |
| Board of education | - | - | - | - |
| Administration | - | - | - | - |
| Fiscal | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services | - | - | 12,384 | - |
| Extracurricular activities | - | 77,638 | - | 243,816 |
| Facilities acquisition and construction | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| Total expenditures | <u>-</u> | <u>77,638</u> | <u>14,169</u> | <u>243,816</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>16,716</u> | <u>(11,335)</u> | <u>(6,637)</u> | <u>(11,250)</u> |
| Other financing (uses): | | | | |
| Transfers (out) | <u>(40,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing (uses) | <u>(40,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (23,284) | (11,335) | (6,637) | (11,250) |
| Fund balances at beginning of year | <u>414,318</u> | <u>112,140</u> | <u>23,203</u> | <u>15,792</u> |
| Fund balances at end of year | <u>\$ 391,034</u> | <u>\$ 100,805</u> | <u>\$ 16,566</u> | <u>\$ 4,542</u> |

| <u>Auxiliary Services</u> | <u>Teacher Development</u> | <u>Management Information Systems</u> | <u>Entry Year Programs</u> | <u>Poverty Aid</u> | <u>Data Communications</u> |
|---------------------------|----------------------------|---------------------------------------|----------------------------|--------------------|----------------------------|
| \$ 5,013 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 443,045 | - | 14,304 | 15,650 | 1,324,856 | 33,000 |
| - | - | - | - | - | - |
| <u>448,058</u> | <u>-</u> | <u>14,304</u> | <u>15,650</u> | <u>1,324,856</u> | <u>33,000</u> |
| - | 7,316 | - | 14,400 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 1,333,945 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 1,250 | - | - |
| - | - | 19,810 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 27,276 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 425,781 | - | - | - | - | - |
| <u>425,781</u> | <u>7,316</u> | <u>19,810</u> | <u>15,650</u> | <u>1,333,945</u> | <u>27,276</u> |
| <u>22,277</u> | <u>(7,316)</u> | <u>(5,506)</u> | <u>-</u> | <u>(9,089)</u> | <u>5,724</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 22,277 | (7,316) | (5,506) | - | (9,089) | 5,724 |
| 7,193 | 7,316 | 16,939 | - | (4,110) | - |
| <u>\$ 29,470</u> | <u>\$ -</u> | <u>\$ 11,433</u> | <u>\$ -</u> | <u>\$ (13,199)</u> | <u>\$ 5,724</u> |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>SchoolNet Professional Development</u> | <u>Ohio Reads Grant</u> | <u>Summer Intervention</u> | <u>Vocational Education Enhancement</u> |
|--|---|-----------------------------|--------------------------------|---|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ - | \$ - |
| Extracurricular | - | - | - | - |
| Classroom materials and fees | - | - | - | - |
| Other local revenues | - | - | - | - |
| Intergovernmental - state | 18,417 | 19,145 | 12,922 | 2,988 |
| Intergovernmental - federal | - | - | - | - |
| Total revenue. | <u>18,417</u> | <u>19,145</u> | <u>12,922</u> | <u>2,988</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | 22,220 | - | - |
| Special | - | - | - | - |
| Vocational | - | - | - | 3,149 |
| Adult/continuing | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | 6,043 | - | - | - |
| Board of education | - | - | - | - |
| Administration | - | - | - | - |
| Fiscal | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| Total expenditures | <u>6,043</u> | <u>22,220</u> | <u>-</u> | <u>3,149</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>12,374</u> | <u>(3,075)</u> | <u>12,922</u> | <u>(161)</u> |
| Other financing (uses): | | | | |
| Transfers (out) | - | - | - | - |
| Total other financing (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 12,374 | (3,075) | 12,922 | (161) |
| Fund balances at beginning of year | <u>4,261</u> | <u>1,301</u> | <u>(12,922)</u> | <u>161</u> |
| Fund balances at end of year | <u>\$ 16,635</u> | <u>\$ (1,774)</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>Alternative Education Grant</u> | <u>Able/Jobs Grant</u> | <u>Adult Basic Education</u> | <u>Title VI-B</u> | <u>Vocational Education</u> | <u>Educational Opportunity Grant</u> |
|--|----------------------------|----------------------------------|---------------------|---------------------------------|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 7,777 | 13,742 | - | - | - |
| - | - | 132,036 | 1,125,168 | 197,309 | 113,870 |
| - | <u>7,777</u> | <u>145,778</u> | <u>1,125,168</u> | <u>197,309</u> | <u>113,870</u> |
| 1,918 | 8,599 | - | - | - | - |
| - | - | - | 622,801 | - | - |
| - | - | - | - | 109,485 | - |
| - | - | 144,744 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 154,565 | - | - |
| - | - | 8,757 | 125,096 | 96,055 | - |
| - | - | - | - | - | - |
| - | - | 565 | 153,129 | 1,750 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 1,451 | 79,266 | - | 113,870 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,918</u> | <u>8,599</u> | <u>155,517</u> | <u>1,134,857</u> | <u>207,290</u> | <u>113,870</u> |
| <u>(1,918)</u> | <u>(822)</u> | <u>(9,739)</u> | <u>(9,689)</u> | <u>(9,981)</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (1,918) | (822) | (9,739) | (9,689) | (9,981) | - |
| <u>1,918</u> | <u>52,117</u> | <u>(9,916)</u> | <u>(115,837)</u> | <u>13,193</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ 51,295</u> | <u>\$ (19,655)</u> | <u>\$ (125,526)</u> | <u>\$ 3,212</u> | <u>\$ -</u> |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Title I</u> | <u>Title V</u> | <u>Drug-Free School Grant</u> | <u>EHA Preschool Grant</u> |
|--|---------------------|-----------------|---------------------------------------|------------------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ - | \$ - |
| Extracurricular | - | - | - | - |
| Classroom materials and fees | - | - | - | - |
| Other local revenues | - | - | - | - |
| Intergovernmental - state | - | - | - | - |
| Intergovernmental - federal | 1,833,206 | 13,873 | 22,823 | 57,671 |
| Total revenue. | <u>1,833,206</u> | <u>13,873</u> | <u>22,823</u> | <u>57,671</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | 27,898 | - |
| Special | 1,258,768 | 10,442 | - | 15,255 |
| Vocational | - | - | - | - |
| Adult/continuing | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | 77,223 | - | - | 1,457 |
| Instructional staff | 400,022 | - | - | 29,437 |
| Board of education | - | - | - | - |
| Administration | 27,364 | - | - | 5,488 |
| Fiscal | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services | 46,398 | 2,090 | - | - |
| Extracurricular activities | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| Total expenditures | <u>1,809,775</u> | <u>12,532</u> | <u>27,898</u> | <u>51,637</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>23,431</u> | <u>1,341</u> | <u>(5,075)</u> | <u>6,034</u> |
| Other financing (uses): | | | | |
| Transfers (out) | - | - | - | - |
| Total other financing (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 23,431 | 1,341 | (5,075) | 6,034 |
| Fund balances at beginning of year | <u>(178,434)</u> | <u>119</u> | <u>3,813</u> | <u>(1,901)</u> |
| Fund balances at end of year | <u>\$ (155,003)</u> | <u>\$ 1,460</u> | <u>\$ (1,262)</u> | <u>\$ 4,133</u> |

| <u>Improving Teacher Quality</u> | <u>Youth Involvement</u> | <u>Gifted Education</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|--|------------------------------|-----------------------------|---|
| \$ - | \$ - | \$ - | \$ 21,027 |
| - | - | - | 247,519 |
| - | - | - | 175 |
| - | - | - | 59,409 |
| - | - | - | 1,905,846 |
| <u>416,579</u> | <u>3,228,828</u> | <u>-</u> | <u>7,141,363</u> |
| <u>416,579</u> | <u>3,228,828</u> | <u>-</u> | <u>9,375,339</u> |
| - | 1,123,944 | - | 1,208,080 |
| 461,211 | - | 842 | 2,369,319 |
| - | - | - | 112,634 |
| - | - | - | 144,744 |
| - | - | - | 1,333,945 |
| - | - | - | 233,245 |
| - | 968,827 | - | 1,634,237 |
| - | 48,913 | - | 48,913 |
| - | - | - | 189,546 |
| - | - | - | 19,810 |
| - | 4,286 | - | 4,286 |
| - | 260,371 | - | 287,647 |
| - | 686,532 | - | 941,991 |
| - | 11,578 | - | 333,032 |
| - | 2,549 | - | 2,549 |
| - | - | - | 425,781 |
| <u>461,211</u> | <u>3,107,000</u> | <u>842</u> | <u>9,289,759</u> |
| <u>(44,632)</u> | <u>121,828</u> | <u>(842)</u> | <u>85,580</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(40,000)</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(40,000)</u> |
| (44,632) | 121,828 | (842) | 45,580 |
| <u>(12,754)</u> | <u>67,307</u> | <u>842</u> | <u>406,059</u> |
| <u>\$ (57,386)</u> | <u>\$ 189,135</u> | <u>\$ -</u> | <u>\$ 451,639</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 11,400 | \$ 14,605 | \$ 16,014 | \$ 1,409 |
| Other local revenues | 850 | 702 | 702 | - |
| Total revenues. | <u>12,250</u> | <u>15,307</u> | <u>16,716</u> | <u>1,409</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-business | | | | |
| Supplies | 2,300 | - | - | - |
| Other. | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total support services-business | <u>12,300</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Extracurricular activities | | | | |
| Supplies | 500 | - | - | - |
| Capital outlay | 7,000 | - | - | - |
| Other | <u>3,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total extracurricular activities. | <u>10,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Facilities acquisition and construction | | | | |
| Capital outlay | <u>30,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total facilities acquisition and construction | <u>30,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>52,800</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(40,550)</u> | <u>15,307</u> | <u>16,716</u> | <u>1,409</u> |
| Other financing (uses): | | | | |
| Transfers (out). | <u>(50,000)</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>-</u> |
| Total other financing (uses) | <u>(50,000)</u> | <u>(40,000)</u> | <u>(40,000)</u> | <u>-</u> |
| Net change in fund balance. | (90,550) | (24,693) | (23,284) | 1,409 |
| Fund balance at beginning of year | 414,318 | 414,318 | 414,318 | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year. | <u>\$ 323,768</u> | <u>\$ 389,625</u> | <u>\$ 391,034</u> | <u>\$ 1,409</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Extracurricular | \$ 106,897 | \$ 58,529 | \$ 58,859 | \$ 330 |
| Other local revenues | 13,103 | 7,175 | 7,215 | 40 |
| Total revenues | <u>120,000</u> | <u>65,704</u> | <u>66,074</u> | <u>370</u> |
| Expenditures: | | | | |
| Support services-pupil | | | | |
| Supplies | 40 | - | - | - |
| Total support services-pupil | <u>40</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Extracurricular activities | | | | |
| Purchased services | 76,644 | 40,974 | 40,974 | - |
| Supplies | 38,131 | 23,796 | 23,796 | - |
| Capital outlay | 7,880 | 2,381 | 2,381 | - |
| Other | 19,508 | 12,243 | 12,243 | - |
| Total extracurricular activities. | <u>142,163</u> | <u>79,394</u> | <u>79,394</u> | <u>-</u> |
| Total expenditures | <u>142,203</u> | <u>79,394</u> | <u>79,394</u> | <u>-</u> |
| Net change in fund balance | (22,203) | (13,690) | (13,320) | 370 |
| Fund balance at beginning of year | 101,691 | 101,691 | 101,691 | - |
| Prior year encumbrances appropriated . . | 11,133 | 11,133 | 11,133 | - |
| Fund balance at end of year. | <u>\$ 90,621</u> | <u>\$ 99,134</u> | <u>\$ 99,504</u> | <u>\$ 370</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenues | \$ 50,000 | \$ 7,695 | \$ 7,695 | \$ - |
| Total revenues | <u>50,000</u> | <u>7,695</u> | <u>7,695</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Supplies | 8,073 | 800 | 436 | 364 |
| Capital outlay | 1,880 | 3,913 | 3,063 | 850 |
| Total instruction-regular | <u>9,953</u> | <u>4,713</u> | <u>3,499</u> | <u>1,214</u> |
| Instruction-vocational | | | | |
| Supplies | 20 | 25 | - | 25 |
| Capital outlay | 730 | 733 | - | 733 |
| Total instruction-vocational | <u>750</u> | <u>758</u> | <u>-</u> | <u>758</u> |
| Operation of non-instructional services | | | | |
| Purchased services | 24,149 | 10,788 | 10,018 | 770 |
| Supplies | 2,830 | 3,298 | 2,474 | 824 |
| Total operation of non-instructional services | <u>26,979</u> | <u>14,086</u> | <u>12,492</u> | <u>1,594</u> |
| Total expenditures | <u>37,682</u> | <u>19,557</u> | <u>15,991</u> | <u>3,566</u> |
| Excess of revenues over (under) expenditures | <u>12,318</u> | <u>(11,862)</u> | <u>(8,296)</u> | <u>3,566</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | (540) | (163) | (163) | - |
| Total other financing (uses) | <u>(540)</u> | <u>(163)</u> | <u>(163)</u> | <u>-</u> |
| Net change in fund balance | 11,778 | (12,025) | (8,459) | 3,566 |
| Fund balance at beginning of year | 23,393 | 23,393 | 23,393 | - |
| Prior year encumbrances appropriated . . | 1,632 | 1,632 | 1,632 | - |
| Fund balance at end of year | <u>\$ 36,803</u> | <u>\$ 13,000</u> | <u>\$ 16,566</u> | <u>\$ 3,566</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Extracurricular | \$ 181,106 | \$ 188,893 | \$ 188,952 | \$ 59 |
| Other local revenues | 42,136 | 43,947 | 43,961 | 14 |
| Total revenues | <u>223,242</u> | <u>232,840</u> | <u>232,913</u> | <u>73</u> |
| Expenditures: | | | | |
| Extracurricular activities | | | | |
| Purchased services | 103,328 | 111,196 | 109,872 | 1,324 |
| Supplies | 61,523 | 58,964 | 58,964 | - |
| Capital outlay | 64,644 | 63,531 | 63,531 | - |
| Other | 82,796 | 37,991 | 37,991 | - |
| Total extracurricular activities | <u>312,291</u> | <u>271,682</u> | <u>270,358</u> | <u>1,324</u> |
| Total expenditures | <u>312,291</u> | <u>271,682</u> | <u>270,358</u> | <u>1,324</u> |
| Excess of revenues over (under) expenditures | <u>(89,049)</u> | <u>(38,842)</u> | <u>(37,445)</u> | <u>1,397</u> |
| Other financing sources (uses): | | | | |
| Advances in | 51,758 | 53,983 | 54,000 | 17 |
| Advances (out) | - | - | (55,500) | (55,500) |
| Total other financing sources (uses) | <u>51,758</u> | <u>53,983</u> | <u>(1,500)</u> | <u>(55,483)</u> |
| Net change in fund balance | (37,291) | 15,141 | (38,945) | (54,086) |
| Fund balance at beginning of year | 45,319 | 45,319 | 45,319 | - |
| Prior year encumbrances appropriated | 29,651 | 29,651 | 29,651 | - |
| Fund balance at end of year | <u>\$ 37,679</u> | <u>\$ 90,111</u> | <u>\$ 36,025</u> | <u>\$ (54,086)</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILLARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 5,573 | \$ 4,380 | \$ 5,012 | \$ 632 |
| Intergovernmental-state | 494,427 | 444,681 | 444,681 | - |
| Total revenues | <u>500,000</u> | <u>449,061</u> | <u>449,693</u> | <u>632</u> |
| Expenditures: | | | | |
| Operation of non-instructional services | | | | |
| Salaries and wages | 186,760 | 168,783 | 148,592 | 20,191 |
| Fringe benefits | 57,280 | 58,327 | 46,882 | 11,445 |
| Purchased services | 184,169 | 173,700 | 172,135 | 1,565 |
| Supplies | 90,441 | 81,556 | 79,212 | 2,344 |
| Capital outlay | 36,350 | 4,200 | 2,760 | 1,440 |
| Total operation of non-instructional services | <u>555,000</u> | <u>486,566</u> | <u>449,581</u> | <u>36,985</u> |
| Total expenditures | <u>555,000</u> | <u>486,566</u> | <u>449,581</u> | <u>36,985</u> |
| Excess of revenues over (under) expenditures | <u>(55,000)</u> | <u>(37,505)</u> | <u>112</u> | <u>37,617</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | - | (1,636) | (1,636) | - |
| Transfers (out) | <u>(22,860)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing (uses) | <u>(22,860)</u> | <u>(1,636)</u> | <u>(1,636)</u> | <u>-</u> |
| Net change in fund balance | (77,860) | (39,141) | (1,524) | 37,617 |
| Fund balance at beginning of year | 39,621 | 39,621 | 39,621 | - |
| Prior year encumbrances appropriated . . | 21,280 | 21,280 | 21,280 | - |
| Fund balance at end of year | <u>\$ (16,959)</u> | <u>\$ 21,760</u> | <u>\$ 59,377</u> | <u>\$ 37,617</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POST SECONDARY VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 15,000 | \$ - | \$ - | \$ - |
| Total revenues | <u>15,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>15,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | (240) | - | - | - |
| Total other financing (uses) | <u>(240)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 14,760 | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 14,760</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEACHER DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 30,000 | \$ 2,000 | \$ - | \$ (2,000) |
| Total revenues | <u>30,000</u> | <u>2,000</u> | <u>-</u> | <u>(2,000)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 3,250 | - | - | - |
| Fringe benefits | 460 | - | - | - |
| Purchased services | 8,924 | 1,196 | 1,196 | - |
| Supplies | 10,429 | - | - | - |
| Total instruction-regular | <u>23,063</u> | <u>1,196</u> | <u>1,196</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Purchased services | 10,800 | - | - | - |
| Total support services-instructional staff | <u>10,800</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>33,863</u> | <u>1,196</u> | <u>1,196</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(3,863)</u> | <u>804</u> | <u>(1,196)</u> | <u>(2,000)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | - | (7,316) | (7,316) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(7,316)</u> | <u>(7,316)</u> | <u>-</u> |
| Net change in fund balance | (3,863) | (6,512) | (8,512) | (2,000) |
| Fund balance at beginning of year | 6,729 | 6,729 | 6,729 | - |
| Prior year encumbrances appropriated | 1,783 | 1,783 | 1,783 | - |
| Fund balance at end of year | <u>\$ 4,649</u> | <u>\$ 2,000</u> | <u>\$ -</u> | <u>\$ (2,000)</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 18,000 | \$ 14,304 | \$ 14,304 | \$ - |
| Total revenues | <u>18,000</u> | <u>14,304</u> | <u>14,304</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-fiscal | | | | |
| Salaries and wages | 3,000 | 3,000 | 3,000 | - |
| Fringe benefits | 420 | 420 | 420 | - |
| Supplies | 1,800 | 1,200 | 1,200 | - |
| Capital outlay | 19,880 | 25,795 | 25,795 | - |
| Total support services-fiscal | <u>25,100</u> | <u>30,415</u> | <u>30,415</u> | <u>-</u> |
| Total expenditures | <u>25,100</u> | <u>30,415</u> | <u>30,415</u> | <u>-</u> |
| Net change in fund balance | (7,100) | (16,111) | (16,111) | - |
| Fund balance at beginning of year | 16,939 | 16,939 | 16,939 | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 9,839</u> | <u>\$ 828</u> | <u>\$ 828</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 8,000 | \$ 15,650 | \$ 15,650 | \$ - |
| Total revenues | <u>8,000</u> | <u>15,650</u> | <u>15,650</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 6,000 | 12,600 | 12,600 | - |
| Fringe benefits | <u>600</u> | <u>1,800</u> | <u>1,800</u> | <u>-</u> |
| Total instruction-regular. | <u>6,600</u> | <u>14,400</u> | <u>14,400</u> | <u>-</u> |
| Support services-administration | | | | |
| Salaries and wages | - | 1,250 | 1,250 | - |
| Total support services-administration. | <u>-</u> | <u>1,250</u> | <u>1,250</u> | <u>-</u> |
| Total expenditures | <u>6,600</u> | <u>15,650</u> | <u>15,650</u> | <u>-</u> |
| Net change in fund balance | 1,400 | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year. | <u>\$ 1,400</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 1,324,857 | \$ - | \$ - | \$ - |
| Total revenues | <u>1,324,857</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 1,360,940 | 209,066 | 209,066 | - |
| Fringe benefits | 209,720 | 31,568 | 31,568 | - |
| Supplies | 650 | - | - | - |
| Total instruction-regular | <u>1,571,310</u> | <u>240,634</u> | <u>240,634</u> | <u>-</u> |
| Total expenditures | <u>1,571,310</u> | <u>240,634</u> | <u>240,634</u> | <u>-</u> |
| Net change in fund balance | (246,453) | (240,634) | (240,634) | - |
| Fund balance at beginning of year | 240,634 | 240,634 | 240,634 | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ (5,819)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POVERTY AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ - | \$ 1,324,856 | \$ 1,324,856 | \$ - |
| Total revenues. | <u>-</u> | <u>1,324,856</u> | <u>1,324,856</u> | <u>-</u> |
| Expenditures: | | | | |
| Instruction-other | | | | |
| Salaries and wages | - | 1,151,171 | 933,862 | 217,309 |
| Fringe benefits | - | 173,685 | 143,261 | 30,424 |
| Total instruction-other. | <u>-</u> | <u>1,324,856</u> | <u>1,077,123</u> | <u>247,733</u> |
| Total expenditures | <u>-</u> | <u>1,324,856</u> | <u>1,077,123</u> | <u>247,733</u> |
| Excess of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>247,733</u> | <u>247,733</u> |
| Net change in fund balance. | - | - | 247,733 | 247,733 |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 247,733</u> | <u>\$ 247,733</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 35,000 | \$ 33,000 | \$ 33,000 | \$ - |
| Total revenues | <u>35,000</u> | <u>33,000</u> | <u>33,000</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-central | | | | |
| Purchased services | 33,000 | 33,000 | 27,276 | 5,724 |
| Total support services-central | <u>33,000</u> | <u>33,000</u> | <u>27,276</u> | <u>5,724</u> |
| Total expenditures | <u>33,000</u> | <u>33,000</u> | <u>27,276</u> | <u>5,724</u> |
| Net change in fund balance | 2,000 | - | 5,724 | 5,724 |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 2,000</u> | <u>\$ -</u> | <u>\$ 5,724</u> | <u>\$ 5,724</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 5,000 | \$ 13,914 | \$ 13,914 | \$ - |
| Total revenues | <u>5,000</u> | <u>13,914</u> | <u>13,914</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Purchased services | - | 1,978 | - | 1,978 |
| Total instruction-regular | <u>-</u> | <u>1,978</u> | <u>-</u> | <u>1,978</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 3,530 | 3,200 | 3,200 | - |
| Fringe benefits | 740 | 570 | 570 | - |
| Purchased services | - | 3,000 | 2,395 | 605 |
| Supplies | <u>-</u> | <u>925</u> | <u>178</u> | <u>747</u> |
| Total support services-instructional staff | <u>4,270</u> | <u>7,695</u> | <u>6,343</u> | <u>1,352</u> |
| Total expenditures | <u>4,270</u> | <u>9,673</u> | <u>6,343</u> | <u>3,330</u> |
| Excess of revenues over (under) expenditures | <u>730</u> | <u>4,241</u> | <u>7,571</u> | <u>3,330</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | - | (492) | (492) | - |
| Total other financing (uses) | <u>-</u> | <u>(492)</u> | <u>(492)</u> | <u>-</u> |
| Net change in fund balance | 730 | 3,749 | 7,079 | 3,330 |
| Fund balance at beginning of year | 4,261 | 4,261 | 4,261 | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 4,991</u> | <u>\$ 8,010</u> | <u>\$ 11,340</u> | <u>\$ 3,330</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 18,218 | \$ 20,447 | \$ 20,447 | \$ - |
| Total revenues | <u>18,218</u> | <u>20,447</u> | <u>20,447</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | - | 4,931 | 4,931 | - |
| Fringe benefits | - | 761 | 761 | - |
| Purchased services | 6,000 | 4,000 | 4,000 | - |
| Supplies | 13,512 | 12,817 | 12,817 | - |
| Total instruction-regular | <u>19,512</u> | <u>22,509</u> | <u>22,509</u> | <u>-</u> |
| Total expenditures | <u>19,512</u> | <u>22,509</u> | <u>22,509</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(1,294)</u> | <u>(2,062)</u> | <u>(2,062)</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (1,040) | (1,302) | (1,302) | - |
| Advances in | 1,782 | - | 2,000 | 2,000 |
| Total other financing sources (uses) | <u>742</u> | <u>(1,302)</u> | <u>698</u> | <u>-</u> |
| Net change in fund balance | (552) | (3,364) | (1,364) | 2,000 |
| Fund balance at beginning of year | 1,308 | 1,308 | 1,308 | - |
| Prior year encumbrances appropriated | 262 | 262 | 262 | - |
| Fund balance at end of year | <u>\$ 1,018</u> | <u>\$ (1,794)</u> | <u>\$ 206</u> | <u>\$ 2,000</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 125,000 | \$ 10,862 | \$ 10,862 | \$ - |
| Total revenues | <u>125,000</u> | <u>10,862</u> | <u>10,862</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 58,090 | 12,949 | 12,949 | - |
| Fringe benefits | 14,110 | 3,293 | 3,293 | - |
| Supplies | 41,380 | - | - | - |
| Total instruction-regular | <u>113,580</u> | <u>16,242</u> | <u>16,242</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 2,100 | - | - | - |
| Fringe benefits | 290 | - | - | - |
| Purchased services | 21,500 | - | - | - |
| Supplies | 60 | - | - | - |
| Total support services-instructional staff | <u>23,950</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>137,530</u> | <u>16,242</u> | <u>16,242</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(12,530)</u> | <u>(5,380)</u> | <u>(5,380)</u> | <u>-</u> |
| Other financing (uses): | | | | |
| Refund of prior year (receipts) | <u>(13,390)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing (uses) | <u>(13,390)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (25,920) | (5,380) | (5,380) | - |
| Fund balance at beginning of year | 5,380 | 5,380 | 5,380 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year | <u>\$ (20,540)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION ENHANCEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 20,000 | \$ 3,149 | \$ 3,149 | \$ - |
| Total revenues | <u>20,000</u> | <u>3,149</u> | <u>3,149</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-vocational | | | | |
| Salaries and wages | 2,000 | - | - | - |
| Fringe benefits | 280 | - | - | - |
| Purchased services | 3,000 | - | - | - |
| Supplies | 3,760 | - | - | - |
| Capital outlay | 8,100 | 3,149 | 3,149 | - |
| Total expenditures | <u>17,140</u> | <u>3,149</u> | <u>3,149</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>2,860</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | (10) | (161) | (161) | - |
| Total other financing (uses) | <u>(10)</u> | <u>(161)</u> | <u>(161)</u> | <u>-</u> |
| Net change in fund balance. | 2,850 | (161) | (161) | - |
| Fund balance at beginning of year | 161 | 161 | 161 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year. | <u>\$ 3,011</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALTERNATIVE EDUCATION GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 75,000 | \$ - | \$ - | \$ - |
| Total revenues. | <u>75,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 37,910 | 6,712 | 6,712 | - |
| Fringe benefits | <u>21,540</u> | <u>2,833</u> | <u>2,833</u> | <u>-</u> |
| Total instruction-regular. | <u>59,450</u> | <u>9,545</u> | <u>9,545</u> | <u>-</u> |
| Total expenditures | <u>59,450</u> | <u>9,545</u> | <u>9,545</u> | <u>-</u> |
| Excess of revenues over (under) expenditures. | <u>15,550</u> | <u>(9,545)</u> | <u>(9,545)</u> | <u>-</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | <u>-</u> | <u>(1,936)</u> | <u>(1,936)</u> | <u>-</u> |
| Total other financing (uses). | <u>-</u> | <u>(1,936)</u> | <u>(1,936)</u> | <u>-</u> |
| Net change in fund balance | 15,550 | (11,481) | (11,481) | - |
| Fund balance at beginning of year | 11,481 | 11,481 | 11,481 | - |
| Prior year encumbrances appropriated . . | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 27,031</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ABLE/JOBS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 50,000 | \$ 7,777 | \$ 7,777 | \$ - |
| Total revenues | <u>50,000</u> | <u>7,777</u> | <u>7,777</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 7,530 | 7,526 | - | 7,526 |
| Purchased services | 26,580 | 21,845 | 102 | 21,743 |
| Supplies | 14,930 | 14,303 | 1,067 | 13,236 |
| Capital outlay | 5,380 | 13,046 | 6,985 | 6,061 |
| Other | 3,470 | 3,174 | 1,296 | 1,878 |
| Total instruction-regular | <u>57,890</u> | <u>59,894</u> | <u>9,450</u> | <u>50,444</u> |
| Support services-central | | | | |
| Purchased services | 3,930 | - | - | - |
| Total support services-central | <u>3,930</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>61,820</u> | <u>59,894</u> | <u>9,450</u> | <u>50,444</u> |
| Net change in fund balance | (11,820) | (52,117) | (1,673) | 50,444 |
| Fund balance at beginning of year | 52,117 | 52,117 | 52,117 | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 40,297</u> | <u>\$ -</u> | <u>\$ 50,444</u> | <u>\$ 50,444</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 14,132 | \$ 15,154 | \$ 13,741 | \$ (1,413) |
| Intergovernmental-federal | 135,868 | 145,700 | 132,122 | (13,578) |
| Total revenues | <u>150,000</u> | <u>160,854</u> | <u>145,863</u> | <u>(14,991)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-adult/continuing | | | | |
| Salaries and wages | 105,520 | 94,840 | 94,840 | - |
| Fringe benefits | 26,760 | 23,896 | 23,896 | - |
| Supplies | 1,700 | 18,679 | 18,679 | - |
| Capital outlay | - | 246 | 246 | - |
| Total instruction-adult/continuing | <u>133,980</u> | <u>137,661</u> | <u>137,661</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 3,970 | 6,049 | 6,049 | - |
| Fringe benefits | 950 | 880 | 880 | - |
| Purchased services | 3,590 | 2,599 | 2,599 | - |
| Supplies | 255 | 97 | 97 | - |
| Dues and fees | 1,101 | 310 | 310 | - |
| Total support services-instructional staff | <u>9,866</u> | <u>9,935</u> | <u>9,935</u> | <u>-</u> |
| Support services-administration | | | | |
| Salaries and wages | 1,270 | 500 | 500 | - |
| Fringe benefits | 170 | 70 | 70 | - |
| Total support services-administration | <u>1,440</u> | <u>570</u> | <u>570</u> | <u>-</u> |
| Operation of non-instructional services | | | | |
| Supplies | - | 1,527 | 1,528 | (1) |
| Total operation of non-instructional services | <u>-</u> | <u>1,527</u> | <u>1,528</u> | <u>(1)</u> |
| Total expenditures | <u>145,286</u> | <u>149,693</u> | <u>149,694</u> | <u>(1)</u> |
| Excess of revenues over (under) expenditures | <u>4,714</u> | <u>11,161</u> | <u>(3,831)</u> | <u>(14,992)</u> |
| Other financing sources (uses): | | | | |
| Transfers (out) | (6,780) | - | - | - |
| Advances in | - | - | 8,000 | 8,000 |
| Advances (out) | - | - | (5,100) | (5,100) |
| Refund of prior year's (receipts) | - | (86) | (86) | - |
| Total other financing sources (uses) | <u>(6,780)</u> | <u>(86)</u> | <u>2,814</u> | <u>2,900</u> |
| Net change in fund balance | (2,066) | 11,075 | (1,017) | (12,092) |
| Fund balance at beginning of year | 87 | 87 | 87 | - |
| Prior year encumbrances appropriated | 1,266 | 1,266 | 1,266 | - |
| Fund balance at end of year | \$ (713) | \$ 12,428 | \$ 336 | \$ (12,092) |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 900,000 | \$ 1,125,168 | \$ 1,125,168 | \$ - |
| Total revenues | <u>900,000</u> | <u>1,125,168</u> | <u>1,125,168</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-special | | | | |
| Salaries and wages | 202,950 | 295,536 | 295,536 | - |
| Fringe benefits | 61,810 | 96,606 | 96,606 | - |
| Purchased services | 2,520 | 2,448 | 2,448 | - |
| Supplies | 166,130 | 103,750 | 103,750 | - |
| Capital outlay | 17,370 | 108,919 | 108,919 | - |
| Total instruction-special | <u>450,780</u> | <u>607,259</u> | <u>607,259</u> | <u>-</u> |
| Support services-pupil | | | | |
| Salaries and wages | 39,740 | 44,861 | 44,861 | - |
| Fringe benefits | 13,470 | 14,789 | 14,789 | - |
| Purchased services | 84,386 | 84,824 | 84,824 | - |
| Supplies | 6,733 | 5,910 | 5,910 | - |
| Capital outlay | - | 2,585 | 2,585 | - |
| Total support services-pupil | <u>144,329</u> | <u>152,969</u> | <u>152,969</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 76,350 | 76,447 | 76,447 | - |
| Fringe benefits | 48,760 | 51,595 | 51,595 | - |
| Purchased services | 10 | 496 | 496 | - |
| Total support services-instructional staff | <u>125,120</u> | <u>128,538</u> | <u>128,538</u> | <u>-</u> |
| Support services-administration | | | | |
| Salaries and wages | 92,820 | 101,193 | 101,193 | - |
| Fringe benefits | 47,240 | 49,043 | 49,043 | - |
| Purchased services | 140 | 506 | 506 | - |
| Supplies | 680 | 1,446 | 1,446 | - |
| Capital outlay | 70 | - | - | - |
| Total support services-administration | <u>140,950</u> | <u>152,188</u> | <u>152,188</u> | <u>-</u> |
| Operation of non-instructional services | | | | |
| Salaries and wages | 58,130 | 58,425 | 58,425 | - |
| Fringe benefits | 19,980 | 20,485 | 20,485 | - |
| Purchased services | 20 | - | - | - |
| Supplies | 240 | 220 | 220 | - |
| Capital outlay | 40 | - | - | - |
| Total operation of non-instructional services | <u>78,410</u> | <u>79,130</u> | <u>79,130</u> | <u>-</u> |
| Total expenditures | <u>939,589</u> | <u>1,120,084</u> | <u>1,120,084</u> | <u>-</u> |

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Net change in fund balance. | \$ (39,589) | \$ 5,084 | \$ 5,084 | \$ - |
| Fund balance at beginning of year | 184 | 184 | 184 | - |
| Prior year encumbrances appropriated . . | 18,059 | 18,059 | 18,059 | - |
| Fund balance at end of year. | <u>\$ (21,346)</u> | <u>\$ 23,327</u> | <u>\$ 23,327</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 171,590 | \$ 231,686 | \$ 201,291 | \$ (30,395) |
| Total revenues | <u>171,590</u> | <u>231,686</u> | <u>201,291</u> | <u>(30,395)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-vocational | | | | |
| Salaries and wages | 3,620 | - | - | - |
| Fringe benefits | 580 | - | - | - |
| Purchased services | 5,619 | 1,510 | 1,510 | - |
| Supplies | 9,686 | 30,739 | 30,739 | - |
| Capital outlay | 69,532 | 90,706 | 90,706 | - |
| Total instruction-vocational | <u>89,037</u> | <u>122,955</u> | <u>122,955</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 60,510 | 53,776 | 53,776 | - |
| Fringe benefits | 13,860 | 13,880 | 13,880 | - |
| Purchased services | 19,078 | 27,838 | 27,838 | - |
| Supplies | 1,220 | 1,500 | 1,500 | - |
| Total support services-instructional staff | <u>94,668</u> | <u>96,994</u> | <u>96,994</u> | <u>-</u> |
| Support services-administration | | | | |
| Salaries and wages | 1,490 | 1,743 | 1,743 | - |
| Fringe benefits | 240 | - | - | - |
| Total support services-administration | <u>1,730</u> | <u>1,743</u> | <u>1,743</u> | <u>-</u> |
| Support services-operations and maintenance | | | | |
| Supplies | 19,260 | 7,583 | 7,583 | - |
| Total support services-operations and maintenance | <u>19,260</u> | <u>7,583</u> | <u>7,583</u> | <u>-</u> |
| Total expenditures | <u>204,695</u> | <u>229,275</u> | <u>229,275</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(33,105)</u> | <u>2,411</u> | <u>(27,984)</u> | <u>(30,395)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (180) | (3,983) | (3,983) | - |
| Advances in | 3,410 | 4,604 | 4,000 | (604) |
| Total other financing sources (uses) | <u>3,230</u> | <u>621</u> | <u>17</u> | <u>(604)</u> |
| Net change in fund balance | (29,875) | 3,032 | (27,967) | (30,999) |
| Fund balance at beginning of year | 1,505 | 1,505 | 1,505 | - |
| Prior year encumbrances appropriated | 29,405 | 29,405 | 29,405 | - |
| Fund balance at end of year | <u>\$ 1,035</u> | <u>\$ 33,942</u> | <u>\$ 2,943</u> | <u>\$ (30,999)</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BASIC EDUCATIONAL OPPORUNITY GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 50,000 | \$ 113,870 | \$ 113,870 | \$ - |
| Total revenues | <u>50,000</u> | <u>113,870</u> | <u>113,870</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Operation of non-instructional services | | | | |
| Purchased services | 39,350 | 93,891 | 93,891 | - |
| Other | <u>-</u> | <u>19,979</u> | <u>19,979</u> | <u>-</u> |
| Total operation of non-instructional services | <u>39,350</u> | <u>113,870</u> | <u>113,870</u> | <u>-</u> |
| Total expenditures | <u>39,350</u> | <u>113,870</u> | <u>113,870</u> | <u>-</u> |
| Net change in fund balance | 10,650 | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u><u>\$ 10,650</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 1,681,653 | \$ 1,833,206 | \$ 1,833,206 | \$ - |
| Total revenues | <u>1,681,653</u> | <u>1,833,206</u> | <u>1,833,206</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-special | | | | |
| Salaries and wages | 853,760 | 905,656 | 905,656 | - |
| Fringe benefits | 287,870 | 306,127 | 306,127 | - |
| Purchased services | 6,192 | 9,957 | 9,957 | - |
| Supplies | 143,803 | 68,345 | 68,345 | - |
| Capital outlay | 27,650 | 10,593 | 10,593 | - |
| Total instruction-special | <u>1,319,275</u> | <u>1,300,678</u> | <u>1,300,678</u> | <u>-</u> |
| Support services-pupil | | | | |
| Salaries and wages | 46,290 | 58,484 | 58,484 | - |
| Fringe benefits | 12,590 | 15,737 | 15,737 | - |
| Total support services-pupil | <u>58,880</u> | <u>74,221</u> | <u>74,221</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 26,180 | 29,852 | 29,852 | - |
| Fringe benefits | 6,670 | 18,343 | 18,343 | - |
| Purchased services | 102,620 | 326,554 | 326,554 | - |
| Total support services-instructional staff | <u>135,470</u> | <u>374,749</u> | <u>374,749</u> | <u>-</u> |
| Support services-administration | | | | |
| Salaries and wages | 46,100 | 16,977 | 16,977 | - |
| Fringe benefits | 16,750 | 6,833 | 6,833 | - |
| Purchased services | 7,800 | 8,676 | 8,676 | - |
| Supplies | 420 | - | - | - |
| Capital outlay | 2,000 | - | - | - |
| Total support services-administration | <u>73,070</u> | <u>32,486</u> | <u>32,486</u> | <u>-</u> |
| Operation of non-instructional services | | | | |
| Salaries and wages | 20,660 | 22,696 | 22,696 | - |
| Fringe benefits | 9,580 | 10,188 | 10,188 | - |
| Supplies | 10,850 | 13,198 | 13,198 | - |
| Capital outlay | 240 | - | - | - |
| Total operation of non-instructional services | <u>41,330</u> | <u>46,082</u> | <u>46,082</u> | <u>-</u> |
| Total expenditures | <u>1,628,025</u> | <u>1,828,216</u> | <u>1,828,216</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>53,628</u> | <u>4,990</u> | <u>4,990</u> | <u>-</u> |

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Other financing sources: | | | | |
| Advances in | \$ 18,347 | \$ - | \$ 20,000 | \$ 20,000 |
| Total other financing sources | <u>18,347</u> | <u>-</u> | <u>20,000</u> | <u>20,000</u> |
| Net change in fund balance | 71,975 | 4,990 | 24,990 | 20,000 |
| Fund balance at beginning of year | 80,523 | 80,523 | 80,523 | - |
| Prior year encumbrances appropriated . . | 22,725 | 22,725 | 22,725 | - |
| Fund balance at end of year. | <u>\$ 175,223</u> | <u>\$ 108,238</u> | <u>\$ 128,238</u> | <u>\$ 20,000</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 50,000 | \$ 13,992 | \$ 13,992 | \$ - |
| Total revenues | <u>50,000</u> | <u>13,992</u> | <u>13,992</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Supplies | 3,850 | - | - | - |
| Capital outlay | 660 | - | - | - |
| Total instruction-regular | <u>4,510</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Instruction-special | | | | |
| Supplies | 19,700 | 10,444 | 10,444 | - |
| Total instruction-special | <u>19,700</u> | <u>10,444</u> | <u>10,444</u> | <u>-</u> |
| Operation of non-instructional services | | | | |
| Purchased services | 6,860 | 2,740 | 2,740 | - |
| Total operation of non-instructional services | <u>6,860</u> | <u>2,740</u> | <u>2,740</u> | <u>-</u> |
| Total expenditures | <u>31,070</u> | <u>13,184</u> | <u>13,184</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>18,930</u> | <u>808</u> | <u>808</u> | <u>-</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | (110) | (119) | (119) | - |
| Total other financing (uses) | <u>(110)</u> | <u>(119)</u> | <u>(119)</u> | <u>-</u> |
| Net change in fund balance | 18,820 | 689 | 689 | - |
| Fund balance at beginning of year | 119 | 119 | 119 | - |
| Prior year encumbrances appropriated | 650 | 650 | 650 | - |
| Fund balance at end of year | <u>\$ 19,589</u> | <u>\$ 1,458</u> | <u>\$ 1,458</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 36,913 | \$ 24,275 | \$ 22,822 | \$ (1,453) |
| Total revenues | <u>36,913</u> | <u>24,275</u> | <u>22,822</u> | <u>(1,453)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 7,080 | 7,783 | 7,783 | - |
| Fringe benefits | 1,010 | 1,134 | 1,134 | - |
| Purchased services | 8,810 | 10,501 | 10,501 | - |
| Supplies | 16,263 | 9,874 | 9,874 | - |
| Capital outlay | 13,820 | - | - | - |
| Total instruction-regular | <u>46,983</u> | <u>29,292</u> | <u>29,292</u> | <u>-</u> |
| Total expenditures | <u>46,983</u> | <u>29,292</u> | <u>29,292</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(10,070)</u> | <u>(5,017)</u> | <u>(6,470)</u> | <u>(1,453)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (190) | - | - | - |
| Advances in | 8,087 | 5,318 | 5,000 | (318) |
| Total other financing sources (uses) | <u>7,897</u> | <u>5,318</u> | <u>5,000</u> | <u>(318)</u> |
| Net change in fund balance | (2,173) | 301 | (1,470) | (1,771) |
| Fund balance at beginning of year | 3,809 | 3,809 | 3,809 | - |
| Prior year encumbrances appropriated | 1,373 | 1,373 | 1,373 | - |
| Fund balance at end of year | <u>\$ 3,009</u> | <u>\$ 5,483</u> | <u>\$ 3,712</u> | <u>\$ (1,771)</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 50,000 | \$ 50,877 | \$ 57,670 | \$ 6,793 |
| Total revenues | <u>50,000</u> | <u>50,877</u> | <u>57,670</u> | <u>6,793</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-special | | | | |
| Salaries and wages | - | 513 | 513 | - |
| Fringe benefits | - | 72 | 72 | - |
| Purchased services | 3,355 | 1,215 | 1,215 | - |
| Supplies | 5,347 | 7,633 | 7,633 | - |
| Capital outlay | 880 | 7,243 | 7,243 | - |
| Total instruction-special | <u>9,582</u> | <u>16,676</u> | <u>16,676</u> | <u>-</u> |
| Support services-pupil | | | | |
| Supplies | 392 | 1,456 | 1,456 | - |
| Total support services-pupil | <u>392</u> | <u>1,456</u> | <u>1,456</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 19,380 | 19,857 | 19,857 | - |
| Fringe benefits | 9,320 | 9,407 | 9,407 | - |
| Purchased services | 30 | - | - | - |
| Total support services-instructional staff | <u>28,730</u> | <u>29,264</u> | <u>29,264</u> | <u>-</u> |
| Support services-administration | | | | |
| Salaries and wages | 5,500 | 4,042 | 4,042 | - |
| Fringe benefits | 780 | 601 | 601 | - |
| Supplies | 40 | 172 | 172 | - |
| Total support services-administration | <u>6,320</u> | <u>4,815</u> | <u>4,815</u> | <u>-</u> |
| Total expenditures | <u>45,024</u> | <u>52,211</u> | <u>52,211</u> | <u>-</u> |
| Net change in fund balance | 4,976 | (1,334) | 5,459 | 6,793 |
| Fund balance at beginning of year | 3,912 | 3,912 | 3,912 | - |
| Prior year encumbrances appropriated | 504 | 504 | 504 | - |
| Fund balance at end of year | <u>\$ 9,392</u> | <u>\$ 3,082</u> | <u>\$ 9,875</u> | <u>\$ 6,793</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 400,000 | \$ 416,579 | \$ 416,579 | \$ - |
| Total revenues | <u>400,000</u> | <u>416,579</u> | <u>416,579</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-special | | | | |
| Salaries and wages | 244,240 | 323,346 | 323,346 | - |
| Fringe benefits | <u>86,770</u> | <u>119,276</u> | <u>119,276</u> | <u>-</u> |
| Total instruction-special | <u>331,010</u> | <u>442,622</u> | <u>442,622</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Purchased services | <u>22,710</u> | <u>2,653</u> | <u>2,653</u> | <u>-</u> |
| Total support services-instructional staff | <u>22,710</u> | <u>2,653</u> | <u>2,653</u> | <u>-</u> |
| Total expenditures | <u>353,720</u> | <u>445,275</u> | <u>445,275</u> | <u>-</u> |
| Net change in fund balance | 46,280 | (28,696) | (28,696) | - |
| Fund balance at beginning of year | 51,280 | 51,280 | 51,280 | - |
| Prior year encumbrances appropriated . . | 3,590 | 3,590 | 3,590 | - |
| Fund balance at end of year | <u>\$ 101,150</u> | <u>\$ 26,174</u> | <u>\$ 26,174</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH INVOLVEMENT GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 1,152,184 | \$ 3,209,775 | \$ 3,209,775 | \$ - |
| Total revenues | <u>1,152,184</u> | <u>3,209,775</u> | <u>3,209,775</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | - | 115,754 | 115,754 | - |
| Fringe benefits | - | 6,387 | 6,387 | - |
| Purchased services | - | 4,463 | 4,463 | - |
| Supplies | - | 852,785 | 852,785 | - |
| Capital outlay | - | 175,632 | 175,632 | - |
| Total instruction-regular | <u>-</u> | <u>1,155,021</u> | <u>1,155,021</u> | <u>-</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 29,600 | 368,062 | 368,062 | - |
| Fringe benefits | 8,330 | 117,676 | 117,676 | - |
| Purchased services | 6,148 | 162,444 | 162,444 | - |
| Supplies | - | 84,896 | 84,896 | - |
| Capital outlay | 5,990 | 111,377 | 111,377 | - |
| Total support services-instructional staff | <u>50,068</u> | <u>844,455</u> | <u>844,455</u> | <u>-</u> |
| Support services-administration | | | | |
| Purchased services | - | 52,113 | 52,113 | - |
| Total support services-administration | <u>-</u> | <u>52,113</u> | <u>52,113</u> | <u>-</u> |
| Support services-operations and maintenance | | | | |
| Purchased services | - | 4,286 | 4,286 | - |
| Total support services-operations and maintenance | <u>-</u> | <u>4,286</u> | <u>4,286</u> | <u>-</u> |
| Support services-central | | | | |
| Salaries and wages | - | 164,426 | 164,426 | - |
| Fringe benefits | - | 46,493 | 46,493 | - |
| Total support services-central | <u>-</u> | <u>210,919</u> | <u>210,919</u> | <u>-</u> |
| Operation of non-instructional services | | | | |
| Salaries and wages | 51,300 | 170,864 | 170,864 | - |
| Fringe benefits | 11,420 | 42,560 | 42,560 | - |
| Purchased services | 48,998 | 434,607 | 434,607 | - |
| Supplies | 22,952 | 59,248 | 59,248 | - |
| Capital outlay | 21,078 | 66,625 | 66,625 | - |
| Total operation of non-instructional services | <u>155,748</u> | <u>773,904</u> | <u>773,904</u> | <u>-</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
YOUTH INVOLVEMENT GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Facilities acquisition and construction | | | | |
| Purchased services. | \$ - | \$ 2,548 | \$ 2,548 | \$ - |
| Total facilities acquisition and construction. | - | 2,548 | 2,548 | - |
| Total expenditures | <u>205,816</u> | <u>3,043,246</u> | <u>3,043,246</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>946,368</u> | <u>166,529</u> | <u>166,529</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 19,099 | 53,205 | 53,205 | - |
| Transfers (out). | (5,290) | (53,205) | (53,205) | - |
| Advances in | 28,717 | - | 80,000 | 80,000 |
| Advances (out). | - | - | (30,000) | (30,000) |
| Refund of prior year's (receipts) | - | (1,520) | (1,520) | - |
| Total other financing sources (uses) | <u>42,526</u> | <u>(1,520)</u> | <u>48,480</u> | <u>50,000</u> |
| Net change in fund balance | 988,894 | 165,009 | 215,009 | 50,000 |
| Fund balance at beginning of year | 2,679 | 2,679 | 2,679 | - |
| Prior year encumbrances appropriated . . | 35,606 | 35,606 | 35,606 | - |
| Fund balance at end of year. | <u>\$ 1,027,179</u> | <u>\$ 203,294</u> | <u>\$ 253,294</u> | <u>\$ 50,000</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GIFTED EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 15,000 | \$ 6,500 | \$ - | \$ (6,500) |
| Total revenues | <u>15,000</u> | <u>6,500</u> | <u>-</u> | <u>(6,500)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-special | | | | |
| Purchased services | 30 | - | - | - |
| Supplies | <u>16,113</u> | <u>5,981</u> | <u>5,981</u> | <u>-</u> |
| Total instruction-special | <u>16,143</u> | <u>5,981</u> | <u>5,981</u> | <u>-</u> |
| Total expenditures | <u>16,143</u> | <u>5,981</u> | <u>5,981</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>(1,143)</u> | <u>519</u> | <u>(5,981)</u> | <u>(6,500)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | - | (841) | (841) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(841)</u> | <u>(841)</u> | <u>-</u> |
| Net change in fund balance | (1,143) | (322) | (6,822) | (6,500) |
| Fund balance at beginning of year | 339 | 339 | 339 | - |
| Prior year encumbrances appropriated | <u>6,483</u> | <u>6,483</u> | <u>6,483</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 5,679</u> | <u>\$ 6,500</u> | <u>\$ -</u> | <u>\$ (6,500)</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 277,300 | \$ 275,271 | \$ 275,271 | \$ - |
| Intergovernmental-state | 30,700 | 30,475 | 30,475 | - |
| Total revenues | <u>308,000</u> | <u>305,746</u> | <u>305,746</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-fiscal | | | | |
| Other | 6,200 | 5,700 | 5,365 | 335 |
| Total support services-fiscal | <u>6,200</u> | <u>5,700</u> | <u>5,365</u> | <u>335</u> |
| Debt service: | | | | |
| Principal retirement | 251,468 | 251,468 | 251,468 | - |
| Interest and fiscal charges | 26,700 | 26,700 | 26,700 | - |
| Total debt service | <u>278,168</u> | <u>278,168</u> | <u>278,168</u> | <u>-</u> |
| Total expenditures | <u>284,368</u> | <u>283,868</u> | <u>283,533</u> | <u>335</u> |
| Net change in fund balance | 23,632 | 21,878 | 22,213 | 335 |
| Fund balance at beginning of year | 120,732 | 120,732 | 120,732 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year | <u>\$ 144,364</u> | <u>\$ 142,610</u> | <u>\$ 142,945</u> | <u>\$ 335</u> |

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Permanent Improvement | Replacement | Total Nonmajor Capital Projects Funds |
|--|----------------------------------|--------------------|--|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 957,459 | \$ 26,673 | \$ 984,132 |
| Receivables: | | | |
| Taxes | 631,981 | - | 631,981 |
| Total assets. | \$ 1,589,440 | \$ 26,673 | \$ 1,616,113 |
| Liabilities: | | | |
| Accounts payable. | \$ 286,536 | \$ - | \$ 286,536 |
| Deferred revenue. | 591,073 | - | 591,073 |
| Total liabilities. | 877,609 | - | 877,609 |
| Fund Balances: | | | |
| Reserved for encumbrances | 139,235 | - | 139,235 |
| Reserved for property tax unavailable for appropriation | 40,908 | - | 40,908 |
| Unreserved, undesignated, reported in: Capital projects | 531,688 | 26,673 | 558,361 |
| Total fund balances | 711,831 | 26,673 | 738,504 |
| Total liabilities and fund balances | \$ 1,589,440 | \$ 26,673 | \$ 1,616,113 |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Permanent Improvement | Replacement | Total Nonmajor Capital Projects Funds |
|---|----------------------------------|--------------------|--|
| Revenues: | | | |
| From local sources: | | | |
| Taxes | \$ 577,446 | \$ - | \$ 577,446 |
| Other local revenues | 5,011 | - | 5,011 |
| Intergovernmental - state | 68,287 | - | 68,287 |
| Total revenue | 650,744 | - | 650,744 |
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Fiscal | 11,195 | - | 11,195 |
| Facilities acquisition and construction | 857,290 | - | 857,290 |
| Total expenditures | 868,485 | - | 868,485 |
| Net change in fund balances | (217,741) | - | (217,741) |
| Fund balances at beginning of year | 929,572 | 26,673 | 956,245 |
| Fund balances at end of year | \$ 711,831 | \$ 26,673 | \$ 738,504 |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 617,097 | \$ 580,625 | \$ 580,625 | \$ - |
| Other revenue | 5,326 | 5,011 | 5,011 | - |
| Intergovernmental-state | 72,577 | 68,287 | 68,287 | - |
| Total revenues. | <u>695,000</u> | <u>653,923</u> | <u>653,923</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-fiscal | | | | |
| Other | 12,250 | 11,450 | 11,195 | 255 |
| Total support services-fiscal | <u>12,250</u> | <u>11,450</u> | <u>11,195</u> | <u>255</u> |
| Facilities acquisition and construction | | | | |
| Purchased services | 850,227 | 861,228 | 860,465 | 763 |
| Supplies | 50,273 | 7,273 | 7,070 | 203 |
| Capital outlay | 106,250 | 156,250 | 153,447 | 2,803 |
| Total facilities acquisition and construction. | <u>1,006,750</u> | <u>1,024,751</u> | <u>1,020,982</u> | <u>3,769</u> |
| Total expenditures | <u>1,019,000</u> | <u>1,036,201</u> | <u>1,032,177</u> | <u>4,024</u> |
| Net change in fund balance | (324,000) | (382,278) | (378,254) | 4,024 |
| Fund balance at beginning of year | 556,192 | 556,192 | 556,192 | - |
| Prior year encumbrances appropriated | 356,750 | 356,750 | 356,750 | - |
| Fund balance at end of year. | <u>\$ 588,942</u> | <u>\$ 530,664</u> | <u>\$ 534,688</u> | <u>\$ 4,024</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Facilities acquisition and construction | | | | |
| Capital outlay | \$ 25,000 | \$ - | \$ - | \$ - |
| Total facilities acquisition and construction. | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (25,000) | - | - | - |
| Fund balance at beginning of year | 26,673 | 26,673 | 26,673 | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year. | <u>\$ 1,673</u> | <u>\$ 26,673</u> | <u>\$ 26,673</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 10,000 | \$ - | \$ - | \$ - |
| Total revenues | <u>10,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Capital outlay | 88,280 | - | - | - |
| Total instruction-regular | <u>88,280</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>88,280</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (78,280) | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ (78,280)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 4,500 | \$ 3,204 | \$ 3,454 | \$ 250 |
| Other local revenues | 5,000 | 338 | 176 | (162) |
| Total revenues | <u>9,500</u> | <u>3,542</u> | <u>3,630</u> | <u>88</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-business | | | | |
| Other | 9,000 | - | - | - |
| Total support services-business | <u>9,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>9,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 500 | 3,542 | 3,630 | 88 |
| Fund balance at beginning of year | 99,303 | 99,303 | 99,303 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year | <u>\$ 99,803</u> | <u>\$ 102,845</u> | <u>\$ 102,933</u> | <u>\$ 88</u> |

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
PROPRIETARY FUND DESCRIPTIONS

Nonmajor Enterprise Funds

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered quickly through user charges. This fund can also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Food Service Fund

Section 3313.81, Revised Code

A fund which is used to account for all revenues and expenditures related to food service operations.

Adult Education

Section 5705.12, Revised Code

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

Nonmajor Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Employee Benefits Self Insurance

Section 5705.09, Revised Code

A fund used to account for a self-insurance program which provides medical, dental and vision benefits to employees.

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

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2006

| | Food Service | Adult Education | Total Nonmajor Enterprise Funds |
|--|-------------------------|----------------------------|--|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 2,659 | \$ 223,486 | \$ 226,145 |
| Receivables: | | | |
| Accounts. | 6,940 | 15,832 | 22,772 |
| Intergovernmental | 170,319 | 1,620 | 171,939 |
| Prepayments | 2,770 | - | 2,770 |
| Materials and supplies inventory | 20,020 | - | 20,020 |
| Total current assets | 202,708 | 240,938 | 443,646 |
| Noncurrent assets: | | | |
| Capital assets, net. | 115,435 | 14,575 | 130,010 |
| Total assets | 318,143 | 255,513 | 573,656 |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable. | 151 | 9,440 | 9,591 |
| Accrued wages and benefits | 113,708 | 45,863 | 159,571 |
| Pension obligation payable. | 61,569 | 19,633 | 81,202 |
| Interfund loan payable | 223,000 | 195,000 | 418,000 |
| Intergovernmental payable | 5,452 | 5,127 | 10,579 |
| Compensated absences. | - | 6,401 | 6,401 |
| Total current liabilities | 403,880 | 281,464 | 685,344 |
| Noncurrent liabilities: | | | |
| Future retirement obligation | 105,265 | - | 105,265 |
| Total liabilities | 509,145 | 281,464 | 790,609 |
| Net assets: | | | |
| Invested in capital assets | 115,435 | 14,575 | 130,010 |
| Unrestricted (deficit) | (306,437) | (40,526) | (346,963) |
| Total net assets (deficit) | \$ (191,002) | \$ (25,951) | \$ (216,953) |

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

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Food Service | Adult Education | Total Nonmajor Enterprise Funds |
|--|-------------------------|----------------------------|--|
| Operating revenues: | | | |
| Tuition and fees | \$ - | \$ 399,145 | \$ 399,145 |
| Sales/charges for services | 637,528 | - | 637,528 |
| Other | 17,826 | 190,648 | 208,474 |
| | <u>655,354</u> | <u>589,793</u> | <u>1,245,147</u> |
| Operating expenses: | | | |
| Personal services | 931,117 | 897,619 | 1,828,736 |
| Purchased services | 8,845 | 95,094 | 103,939 |
| Materials and supplies | 900,433 | 112,089 | 1,012,522 |
| Depreciation | 7,517 | 1,714 | 9,231 |
| | <u>1,847,912</u> | <u>1,106,516</u> | <u>2,954,428</u> |
| Operating loss | <u>(1,192,558)</u> | <u>(516,723)</u> | <u>(1,709,281)</u> |
| Nonoperating revenues: | | | |
| Federal donated commodities | 97,406 | - | 97,406 |
| Grants and subsidies | 1,115,348 | 225,174 | 1,340,522 |
| | <u>1,212,754</u> | <u>225,174</u> | <u>1,437,928</u> |
| Change in net assets | 20,196 | (291,549) | (271,353) |
| Net assets (deficit) at beginning of year . . | <u>(211,198)</u> | <u>265,598</u> | <u>54,400</u> |
| Net assets (deficit) at end of year | <u>\$ (191,002)</u> | <u>\$ (25,951)</u> | <u>\$ (216,953)</u> |

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

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Food Service | Adult Education | Total Nonmajor Enterprise Funds |
|---|-------------------------|----------------------------|--|
| Cash flows from operating activities: | | | |
| Cash received from tuition and fees | \$ - | \$ 407,042 | \$ 407,042 |
| Cash received from sales/charges for services. | 631,221 | - | 631,221 |
| Cash received from other operations | 17,826 | 247,782 | 265,608 |
| Cash payments for personal services | (958,876) | (859,694) | (1,818,570) |
| Cash payments for purchased services. | (8,867) | (92,804) | (101,671) |
| Cash payments for materials and supplies. | (803,268) | (108,353) | (911,621) |
| Net cash used in operating activities | (1,121,964) | (406,027) | (1,527,991) |
| Cash flows from noncapital financing activities: | | | |
| Cash received from grants and subsidies | 1,104,979 | 224,724 | 1,329,703 |
| Cash received from interfund loans. | 223,000 | 195,000 | 418,000 |
| Cash used in repayment of interfund loans | (176,500) | (59,900) | (236,400) |
| Net cash provided by noncapital financing activities | 1,151,479 | 359,824 | 1,511,303 |
| Cash flows from capital and related financing activities: | | | |
| Acquisition of capital assets. | (29,220) | - | (29,220) |
| Net cash used in capital and related financing activities | (29,220) | - | (29,220) |
| Net increase (decrease) in cash and cash equivalents. | 295 | (46,203) | (45,908) |
| Cash and cash equivalents at beginning of year | 2,364 | 269,689 | 272,053 |
| Cash and cash equivalents at end of year. | \$ 2,659 | \$ 223,486 | \$ 226,145 |
| Reconciliation of operating loss to net cash used in operating activities: | | | |
| Operating loss | \$ (1,192,558) | \$ (516,723) | \$ (1,709,281) |
| Adjustments: | | | |
| Depreciation | 7,517 | 1,714 | 9,231 |
| Federal donated commodities. | 97,406 | - | 97,406 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | (6,307) | 65,031 | 58,724 |
| Increase in materials and supplies inventory | (173) | - | (173) |
| Increase in prepayments | (22) | - | (22) |
| Increase (decrease) in accounts payable | (68) | 5,947 | 5,879 |
| Increase (decrease) in accrued wages and benefits | (11,051) | 32,789 | 21,738 |
| Increase (decrease) in pension obligation payable | (2,019) | 2,736 | 717 |
| Increase in intergovernmental payable | 1,044 | 2,307 | 3,351 |
| Increase in compensated absences payable. | - | 172 | 172 |
| Decrease in future retirement obligation | (15,733) | - | (15,733) |
| Net cash used in operating activities. | \$ (1,121,964) | \$ (406,027) | \$ (1,527,991) |
| Noncash investing, capital and financing activities | | | |
| Federal donated commodities. | \$ 97,406 | \$ - | \$ 97,406 |

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Operating revenues: | | | | |
| Sales/charges for services | \$ 606,629 | \$ 630,729 | \$ 631,221 | \$ 492 |
| Other operating revenues | 17,131 | 17,812 | 17,826 | 14 |
| Total operating revenues | <u>623,760</u> | <u>648,541</u> | <u>649,047</u> | <u>506</u> |
| Operating expenses: | | | | |
| Salaries and wages | 661,200 | 648,620 | 648,620 | - |
| Fringe benefits | 342,850 | 310,256 | 310,256 | - |
| Purchased services | 16,050 | 9,392 | 9,392 | - |
| Materials and supplies | 785,386 | 832,488 | 832,488 | - |
| Capital outlay | 1,500 | - | - | - |
| Total operating expenses | <u>1,806,986</u> | <u>1,800,756</u> | <u>1,800,756</u> | <u>-</u> |
| Operating loss | <u>(1,183,226)</u> | <u>(1,152,215)</u> | <u>(1,151,709)</u> | <u>506</u> |
| Nonoperating revenues: | | | | |
| Operating grants | 1,061,928 | 1,104,119 | 1,104,979 | 860 |
| Total nonoperating revenues | <u>1,061,928</u> | <u>1,104,119</u> | <u>1,104,979</u> | <u>860</u> |
| Net loss before advances/transfers | <u>(121,298)</u> | <u>(48,096)</u> | <u>(46,730)</u> | <u>1,366</u> |
| Advances/transfers: | | | | |
| Advances in | 214,312 | 222,826 | 223,000 | 174 |
| Advances (out) | - | - | (176,500) | (176,500) |
| Total advances/transfers-net | <u>214,312</u> | <u>222,826</u> | <u>46,500</u> | <u>(176,326)</u> |
| Net change in fund balance | 93,014 | 174,730 | (230) | (174,960) |
| Fund balance at beginning of year | 2,028 | 2,028 | 2,028 | - |
| Prior year encumbrances appropriated | 336 | 336 | 336 | - |
| Fund balance at end of year | <u>\$ 95,378</u> | <u>\$ 177,094</u> | <u>\$ 2,134</u> | <u>\$ (174,960)</u> |

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Operating revenues: | | | | |
| Tuition and fees | \$ 340,374 | \$ 362,437 | \$ 365,855 | \$ 3,418 |
| Classroom materials and fees | 38,318 | 40,802 | 41,187 | 385 |
| Other operating revenues | 230,525 | 245,468 | 247,782 | 2,314 |
| Total operating revenues | <u>609,217</u> | <u>648,707</u> | <u>654,824</u> | <u>6,117</u> |
| Operating expenses: | | | | |
| Salaries and wages | 564,050 | 750,348 | 700,007 | 50,341 |
| Fringe benefits | 137,323 | 172,246 | 159,686 | 12,560 |
| Purchased services | 99,121 | 108,240 | 100,921 | 7,319 |
| Materials and supplies | 67,158 | 95,643 | 93,623 | 2,020 |
| Capital outlay | 20,870 | 18,181 | 18,181 | - |
| Total operating expenses | <u>888,522</u> | <u>1,144,658</u> | <u>1,072,418</u> | <u>72,240</u> |
| Operating loss | <u>(279,305)</u> | <u>(495,951)</u> | <u>(417,594)</u> | <u>78,357</u> |
| Nonoperating revenues: | | | | |
| Operating grants | 209,072 | 222,624 | 224,723 | 2,099 |
| Total nonoperating revenues | <u>209,072</u> | <u>222,624</u> | <u>224,723</u> | <u>2,099</u> |
| Net loss before advances/transfers | <u>(70,233)</u> | <u>(273,327)</u> | <u>(192,871)</u> | <u>80,456</u> |
| Advances/transfers: | | | | |
| Refund of prior year expenditure | 292 | 311 | 314 | 3 |
| Transfers (out) | (180,880) | - | - | - |
| Advances in | 181,419 | 193,178 | 195,000 | 1,822 |
| Advances (out) | - | - | (59,900) | (59,900) |
| Total advances/transfers-net | <u>831</u> | <u>193,489</u> | <u>135,414</u> | <u>(58,075)</u> |
| Net change in fund balance | <u>(69,402)</u> | <u>(79,838)</u> | <u>(57,457)</u> | <u>22,381</u> |
| Fund balance at beginning of year | <u>257,897</u> | <u>257,897</u> | <u>257,897</u> | <u>-</u> |
| Prior year encumbrances appropriated | <u>11,792</u> | <u>11,792</u> | <u>11,792</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 200,287</u> | <u>\$ 189,851</u> | <u>\$ 212,232</u> | <u>\$ 22,381</u> |

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Operating revenues: | | | | |
| Other operating revenues | 4,736,154 | 4,839,701 | 4,845,218 | 5,517 |
| Total operating revenues | <u>4,736,154</u> | <u>4,839,701</u> | <u>4,845,218</u> | <u>5,517</u> |
| Operating expenses: | | | | |
| Purchased services | 4,079,620 | 5,379,620 | 4,976,343 | 403,277 |
| Other operating expenses | 1,000,000 | 700,000 | 660,585 | 39,415 |
| Total operating expenses | <u>5,079,620</u> | <u>6,079,620</u> | <u>5,636,928</u> | <u>442,692</u> |
| Operating loss. | <u>(343,466)</u> | <u>(1,239,919)</u> | <u>(791,710)</u> | <u>448,209</u> |
| Nonoperating revenues: | | | | |
| Interest revenue | 63,846 | 65,242 | 65,316 | 74 |
| Total nonoperating revenues | <u>63,846</u> | <u>65,242</u> | <u>65,316</u> | <u>74</u> |
| Net change in fund balance | (279,620) | (1,174,677) | (726,394) | 448,283 |
| Fund balance at beginning of year | 2,137,557 | 2,137,557 | 2,137,557 | - |
| Prior year encumbrances appropriated | 33,750 | 33,750 | 33,750 | - |
| Fund balance at end of year. | <u>\$ 1,891,687</u> | <u>\$ 996,630</u> | <u>\$ 1,444,913</u> | <u>\$ 448,283</u> |

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results

Private-Purpose Trust Funds

Endowment Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The income from such a fund may be expended, but the principal must remain intact.

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

Student Managed Activity

Section 3315.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor. There are 160 student managed activity groups

District Agency

Section 5705.12, Revised Code

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

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

| | Private Purpose Trust | Agency | Totals |
|---|----------------------------------|---------------|---------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 2,507,888 | \$ 85,881 | \$ 2,593,769 |
| Investments | 4,376,070 | | 4,376,070 |
| Receivables | | | |
| Taxes. | - | 348,202 | 348,202 |
| Accounts | - | 683 | 683 |
| Accrued interest | 5,949 | - | 5,949 |
| Total assets | 6,889,907 | 434,766 | 7,324,673 |
| Liabilities: | | | |
| Accounts payable | - | 2,234 | 2,234 |
| Intergovernmental payable | - | 350,462 | 350,462 |
| Due to students | - | 82,070 | 82,070 |
| Total liabilities. | - | \$ 434,766 | 434,766 |
| Net Assets: | | | |
| Held in trust for scholarships | 6,889,907 | | 6,889,907 |
| Total net assets | \$ 6,889,907 | | \$ 6,889,907 |

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2006

| | Endowment Fund | Scholarship Trust Fund | Total |
|---|---------------------------|-----------------------------------|--------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 1,959,381 | \$ 548,507 | \$ 2,507,888 |
| Investments | 4,376,070 | - | 4,376,070 |
| Accrued interest | 5,949 | - | 5,949 |
| Total assets | 6,341,400 | 548,507 | 6,889,907 |
| Net Assets: | | | |
| Held in trust for scholarships | 6,341,400 | 548,507 | 6,889,907 |
| Total net assets | \$ 6,341,400 | \$ 548,507 | \$ 6,889,907 |

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

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Endowment Fund</u> | <u>Scholarship Trust Fund</u> | <u>Total</u> |
|--|---------------------------------|-----------------------------------|---------------------------------|
| Additions: | | | |
| Interest | \$ 207,030 | \$ 20,716 | \$ 227,746 |
| Gifts and contributions. | 443,368 | 76,147 | 519,515 |
| | <hr/> | <hr/> | <hr/> |
| Total additions | 650,398 | 96,863 | 747,261 |
| Deductions: | | | |
| Scholarships awarded | 131,773 | 55,568 | 187,341 |
| | <hr/> | <hr/> | <hr/> |
| Change in net assets | 518,625 | 41,295 | 559,920 |
| Net assets at beginning of year | <hr/> 5,822,775 <hr/> | <hr/> 507,212 <hr/> | <hr/> 6,329,987 <hr/> |
| Net assets at end of year. | <hr/> \$ 6,341,400 <hr/> | <hr/> \$ 548,507 <hr/> | <hr/> \$ 6,889,907 <hr/> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENDOWMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 184,775 | \$ 198,035 | \$ 205,484 | \$ 7,449 |
| Gifts and contributions | 237,200 | 11,273 | 443,368 | 432,095 |
| Total revenues | <u>421,975</u> | <u>209,308</u> | <u>648,852</u> | <u>439,544</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-business | | | | |
| Other | 206,158 | 130,444 | 130,444 | - |
| Total support services-business | <u>206,158</u> | <u>130,444</u> | <u>130,444</u> | <u>-</u> |
| Extracurricular activities | | | | |
| Other | - | 320 | 320 | - |
| Total extracurricular activities | <u>-</u> | <u>320</u> | <u>320</u> | <u>-</u> |
| Intergovernmental pass-through | | | | |
| Other | - | 1,008 | 1,008 | - |
| Total intergovernmental pass-through | <u>-</u> | <u>1,008</u> | <u>1,008</u> | <u>-</u> |
| Total expenditures | <u>206,158</u> | <u>131,772</u> | <u>131,772</u> | <u>-</u> |
| Net change in fund balance | 215,817 | 77,536 | 517,080 | 439,544 |
| Fund balance at beginning of year | 5,818,371 | 5,818,371 | 5,818,371 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year | <u>\$ 6,034,188</u> | <u>\$ 5,895,907</u> | <u>\$ 6,335,451</u> | <u>\$ 439,544</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 11,415 | \$ 18,504 | \$ 20,716 | \$ 2,212 |
| Other local revenues | 102,741 | 76,147 | 76,147 | - |
| Total revenues | <u>114,156</u> | <u>94,651</u> | <u>96,863</u> | <u>2,212</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-business | | | | |
| Purchased services | 1,700 | 900 | 900 | - |
| Other | 28,600 | 12,961 | 12,961 | - |
| Total support services-business | <u>30,300</u> | <u>13,861</u> | <u>13,861</u> | <u>-</u> |
| Extracurricular activities | | | | |
| Other | 52,105 | 41,707 | 41,707 | - |
| Total extracurricular activities | <u>52,105</u> | <u>41,707</u> | <u>41,707</u> | <u>-</u> |
| Total expenditures | <u>82,405</u> | <u>55,568</u> | <u>55,568</u> | <u>-</u> |
| Net change in fund balance | 31,751 | 39,083 | 41,295 | 2,212 |
| Fund balance at beginning of year | 507,212 | 507,212 | 507,212 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year | <u>\$ 538,963</u> | <u>\$ 546,295</u> | <u>\$ 548,507</u> | <u>\$ 2,212</u> |

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2006

| | <u>Beginning Balance July 1, 2005</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance June 30, 2006</u> |
|--|---|-------------------|-------------------|---|
| District Agency | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 2,983 | \$ 346,815 | \$ 347,538 | \$ 2,260 |
| Receivables | | | | |
| Taxes. | 322,150 | 348,202 | 322,150 | 348,202 |
| Total assets | <u>\$ 325,133</u> | <u>\$ 695,017</u> | <u>\$ 669,688</u> | <u>\$ 350,462</u> |
| Liabilities: | | | | |
| Intergovernmental payable | \$ 325,133 | \$ 695,017 | \$ 669,688 | \$ 350,462 |
| Total liabilities. | <u>\$ 325,133</u> | <u>\$ 695,017</u> | <u>\$ 669,688</u> | <u>\$ 350,462</u> |
| Student Managed Activity | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 91,793 | \$ 138,516 | \$ 146,688 | \$ 83,621 |
| Receivables | | | | |
| Accounts | 133 | 683 | 133 | 683 |
| Total assets | <u>\$ 91,926</u> | <u>\$ 139,199</u> | <u>\$ 146,821</u> | <u>\$ 84,304</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 1,739 | \$ 2,234 | \$ 1,739 | \$ 2,234 |
| Due to students | 90,187 | 136,965 | 145,082 | 82,070 |
| Total liabilities. | <u>\$ 91,926</u> | <u>\$ 139,199</u> | <u>\$ 146,821</u> | <u>\$ 84,304</u> |
| Total | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 94,776 | \$ 485,331 | \$ 494,226 | \$ 85,881 |
| Receivables | | | | |
| Taxes. | 322,150 | 348,202 | 322,150 | 348,202 |
| Accounts | 133 | 683 | 133 | 683 |
| Total assets | <u>\$ 417,059</u> | <u>\$ 834,216</u> | <u>\$ 816,509</u> | <u>\$ 434,766</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 1,739 | \$ 2,234 | \$ 1,739 | \$ 2,234 |
| Intergovernmental payable | 325,133 | 695,017 | 669,688 | 350,462 |
| Due to students | 90,187 | 136,965 | 145,082 | 82,070 |
| Total liabilities. | <u>\$ 417,059</u> | <u>\$ 834,216</u> | <u>\$ 816,509</u> | <u>\$ 434,766</u> |

STATISTICAL SECTION

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

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | S1-S13 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | S14-S21 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | S22-S25 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | S26-S27 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | S28-S37 |

Sources: This is the District's fourteenth comprehensive annual financial report. Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

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

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | |
| Invested in capital assets, net of related debt | \$ 9,774,216 | \$ 9,577,678 | \$ 9,514,906 | \$ 8,076,773 |
| Restricted | 2,277,541 | 2,460,505 | 1,577,690 | 2,468,545 |
| Unrestricted | 1,018,315 | 1,678,633 | 1,155,888 | 3,315,419 |
| Total governmental activities net assets | <u>13,070,072</u> | <u>13,716,816</u> | <u>12,248,484</u> | <u>13,860,737</u> |
| Business-Type Activities: | | | | |
| Invested in capital assets, net of related debt | 130,010 | 110,021 | 118,279 | 115,191 |
| Unrestricted (deficit) | (379,775) | (36,805) | 69,613 | 151,029 |
| Total governmental activities net assets | <u>(249,765)</u> | <u>73,216</u> | <u>187,892</u> | <u>266,220</u> |
| Primary Government: | | | | |
| Invested in capital assets, net of related debt | 9,904,226 | 9,687,699 | 9,633,185 | 8,191,964 |
| Restricted | 2,277,541 | 2,460,505 | 1,577,690 | 2,468,545 |
| Unrestricted | 638,540 | 1,641,828 | 1,225,501 | 3,466,448 |
| Total net assets - primary government | <u>\$ 12,820,307</u> | <u>\$ 13,790,032</u> | <u>\$ 12,436,376</u> | <u>\$ 14,126,957</u> |

Source: School District financial records.

| <u>2002</u> | <u>2001</u> |
|----------------------|----------------------|
| \$ 7,737,789 | \$ 7,631,409 |
| 3,195,380 | 1,603,196 |
| 3,070,685 | 1,895,271 |
| <u>14,003,854</u> | <u>11,129,876</u> |
| 105,959 | 37,197 |
| <u>(49,663)</u> | <u>(235,638)</u> |
| <u>56,296</u> | <u>(198,441)</u> |
| 7,843,748 | 7,668,606 |
| 3,195,380 | 1,603,196 |
| 3,021,022 | 1,659,633 |
| <u>\$ 14,060,150</u> | <u>\$ 10,931,435</u> |

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

CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| Expenses | 2006 | 2005 | 2004 | 2003 |
|---|-------------------|-------------------|-------------------|-------------------|
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 16,595,278 | \$ 16,693,186 | \$ 16,827,737 | \$ 16,782,965 |
| Special | 8,200,870 | 7,667,920 | 6,614,153 | 6,377,680 |
| Vocational | 1,505,882 | 1,392,174 | 1,270,983 | 1,413,514 |
| Adult/continuing | 144,744 | - | - | - |
| Other instructional | 1,465,312 | 130,949 | 144,899 | 169,770 |
| Support services: | | | | |
| Pupil | 1,892,558 | 1,795,398 | 1,713,629 | 1,699,311 |
| Instructional staff | 2,843,356 | 1,567,099 | 1,596,772 | 1,698,801 |
| Board of education | 262,873 | 290,483 | 200,544 | 202,519 |
| Administration | 3,093,269 | 3,155,898 | 2,899,700 | 3,082,433 |
| Fiscal | 773,037 | 747,826 | 776,412 | 679,525 |
| Business | 171,953 | 163,970 | 149,517 | 245,576 |
| Operations and maintenance | 4,597,967 | 4,278,015 | 4,607,211 | 5,474,006 |
| Pupil transportation | 1,505,074 | 1,424,910 | 1,408,368 | 1,375,321 |
| Central | 1,309,047 | 617,090 | 658,779 | 296,428 |
| Operation of non-instructional services | 994,169 | 365,104 | 189,885 | 217,417 |
| Extracurricular activities | 1,151,621 | 1,091,654 | 1,057,758 | 1,006,609 |
| Intergovernmental pass-through | 425,781 | 475,587 | 483,133 | 501,876 |
| Interest and fiscal charges | 68,650 | 75,913 | 91,145 | 82,383 |
| Total governmental activities expenses | <u>47,001,441</u> | <u>41,933,176</u> | <u>40,690,625</u> | <u>41,306,134</u> |
| Business-Type Activities: | | | | |
| Food Service | 1,889,370 | 1,918,480 | 1,857,460 | 1,753,978 |
| Adult Education | 1,116,686 | 820,179 | 867,829 | 970,572 |
| Total business-type activities expenses | <u>3,006,056</u> | <u>2,738,659</u> | <u>2,725,289</u> | <u>2,724,550</u> |
| Total primary government expenses | <u>50,007,497</u> | <u>44,671,835</u> | <u>43,415,914</u> | <u>44,030,684</u> |

| | <u>2002</u> | <u>2001</u> |
|----|-------------------|-------------------|
| \$ | 16,420,485 | \$ 15,310,959 |
| | 6,152,427 | 5,580,007 |
| | 1,473,087 | 1,581,925 |
| | - | - |
| | 146,898 | 133,531 |
| | 1,484,322 | 1,513,446 |
| | 1,538,623 | 1,712,630 |
| | 187,936 | 169,581 |
| | 2,916,382 | 2,691,724 |
| | 674,661 | 608,555 |
| | 216,076 | 213,928 |
| | 3,743,299 | 3,899,035 |
| | 1,269,200 | 1,207,351 |
| | 146,152 | 1,223,057 |
| | 226,371 | 152,274 |
| | 1,114,411 | 1,087,111 |
| | 454,538 | 513,265 |
| | 106,047 | 119,368 |
| | <u>38,270,915</u> | <u>37,717,747</u> |
| | 1,722,271 | 1,967,634 |
| | 941,647 | 1,091,331 |
| | <u>2,663,918</u> | <u>3,058,965</u> |
| | <u>40,934,833</u> | <u>40,776,712</u> |

--Continued

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

CHANGES IN NET ASSETS - (Continued)
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|-------------------|------------------|------------------|------------------|
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction: | | | | |
| Regular | \$ 84,355 | \$ 110,615 | \$ 110,688 | \$ 148,786 |
| Vocational | 41,557 | 36,023 | 17,363 | 31,507 |
| Other instructional | - | - | 39 | 54 |
| Support services: | | | | |
| Pupil | - | - | 9 | 63 |
| Instructional staff | - | - | - | 2,985 |
| Operations and maintenance | 28,694 | 31,429 | 29,151 | 28,166 |
| Extracurricular activities | 309,071 | 314,422 | 326,083 | 304,763 |
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | 1,237,097 | 1,585,351 | 1,676,653 | 1,527,191 |
| Special | 2,251,673 | 2,107,368 | 1,719,929 | 1,677,193 |
| Vocational | 84,893 | 154,035 | 104,712 | 30,222 |
| Adult/continuing | 124,085 | - | - | - |
| Other | 1,324,856 | - | 159,504 | 164,592 |
| Support services: | | | | |
| Pupil | 224,718 | 176,315 | 107,328 | 242,472 |
| Instructional staff | 1,695,283 | 663,337 | 548,005 | 334,004 |
| Board of education | 54,053 | - | - | - |
| Administration | 185,020 | 221,279 | 143,209 | 124,506 |
| Fiscal | 14,304 | 13,395 | 15,949 | 16,110 |
| Operations and maintenance | 4,736 | 11,774 | 1,167 | - |
| Pupil transportation | - | - | - | 21,235 |
| Central | 320,732 | 34,599 | 36,635 | 45,332 |
| Other non-instructional services | 999,582 | 884,804 | 150,808 | 205,118 |
| Extracurricular activities | 12,795 | - | - | 74,667 |
| Intergovernmental pass-through | 443,045 | 460,726 | 474,829 | 471,584 |
| Capital grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | - | - | - | - |
| Support services: | | | | |
| Instructional staff | - | - | 88,275 | - |
| Operations and maintenance | - | - | - | 451,653 |
| Pupil transportation | - | - | - | - |
| Central | - | - | - | - |
| Total governmental program revenues | <u>9,440,549</u> | <u>6,805,472</u> | <u>5,710,336</u> | <u>5,902,203</u> |
| Business-Type Activities: | | | | |
| Charges for services: | | | | |
| Food Service | 655,354 | 662,188 | 696,928 | 949,670 |
| Adult Education | 589,793 | 575,775 | 626,650 | 695,097 |
| Operating grants and contributions: | | | | |
| Food Service | 1,212,754 | 1,122,402 | 1,070,230 | 980,964 |
| Adult Education | 225,174 | 261,368 | 226,585 | 276,555 |
| Total business-type activities program revenues | <u>2,683,075</u> | <u>2,621,733</u> | <u>2,620,393</u> | <u>2,902,286</u> |
| Total primary government program revenues | <u>12,123,624</u> | <u>9,427,205</u> | <u>8,330,729</u> | <u>8,804,489</u> |

| | <u>2002</u> | | <u>2001</u> |
|----|-------------------|----|------------------|
| \$ | 223,095 | \$ | 65,891 |
| | 36,208 | | 31,123 |
| | - | | - |
| | - | | - |
| | - | | - |
| | 170,000 | | 61,854 |
| | 441,723 | | 449,897 |
| | 1,734,477 | | 1,610,930 |
| | 1,311,357 | | 1,608,920 |
| | 297,059 | | 114,422 |
| | - | | - |
| | 22,396 | | 154,163 |
| | 175,533 | | 124,287 |
| | 352,699 | | 336,291 |
| | - | | - |
| | 127,574 | | 122,333 |
| | 16,158 | | 18,067 |
| | - | | - |
| | 25,433 | | 19,934 |
| | 104,062 | | 90,286 |
| | 154,969 | | 182,748 |
| | 55,548 | | 106,865 |
| | 493,335 | | 477,444 |
| | 65,520 | | 143,387 |
| | - | | - |
| | 1,481,430 | | - |
| | - | | 102,231 |
| | - | | 325,616 |
| | <u>7,288,576</u> | | <u>6,146,689</u> |
| | 803,210 | | 808,575 |
| | 338,387 | | 548,628 |
| | 992,839 | | 930,788 |
| | <u>633,239</u> | | <u>571,689</u> |
| | <u>2,767,675</u> | | <u>2,859,680</u> |
| | <u>10,056,251</u> | | <u>9,006,369</u> |

--Continued

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

CHANGES IN NET ASSETS - (Continued)
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|---------------------|---------------------|-----------------------|---------------------|
| Net (Expense)/Revenue | | | | |
| Governmental Activities | \$ (37,560,892) | \$ (35,127,704) | \$ (34,980,289) | \$ (35,403,931) |
| Business-Type Activities | (322,981) | (116,926) | (104,896) | 177,736 |
| Total primary government net expense | <u>(37,883,873)</u> | <u>(35,244,630)</u> | <u>(35,085,185)</u> | <u>(35,226,195)</u> |
| General Revenues and Other | | | | |
| Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Property taxes levied for: | | | | |
| General purposes | 18,310,310 | 18,066,764 | 15,280,800 | 17,247,472 |
| Debt service | 283,257 | 264,594 | 256,231 | 279,572 |
| Capital projects | 596,734 | 554,784 | 515,487 | 628,736 |
| Grants and entitlements not restricted to specific programs | 16,892,666 | 17,143,794 | 16,932,365 | 16,693,155 |
| Investment earnings | 440,921 | 227,824 | 102,701 | 181,966 |
| Miscellaneous | 390,260 | 340,526 | 305,452 | 262,101 |
| Total governmental activities | <u>36,914,148</u> | <u>36,598,286</u> | <u>33,393,036</u> | <u>35,293,002</u> |
| Transfers | <u>-</u> | <u>(2,250)</u> | <u>(25,000)</u> | <u>(32,188)</u> |
| Business-Type Activities: | | | | |
| Investment earnings | - | - | 1,568 | - |
| Miscellaneous | - | - | - | - |
| Total business-type activities | <u>-</u> | <u>-</u> | <u>1,568</u> | <u>-</u> |
| Transfers | <u>-</u> | <u>2,250</u> | <u>25,000</u> | <u>32,188</u> |
| Change in Net Assets | | | | |
| Governmental activities | (646,744) | 1,468,332 | (1,612,253) | (143,117) |
| Business-type activities | <u>(322,981)</u> | <u>(114,676)</u> | <u>(78,328)</u> | <u>209,924</u> |
| Total primary government | <u>\$ (969,725)</u> | <u>\$ 1,353,656</u> | <u>\$ (1,690,581)</u> | <u>\$ 66,807</u> |

Source: School District financial records.

| <u>2002</u> | <u>2001</u> |
|-----------------|-----------------|
| \$ (30,982,339) | \$ (31,571,058) |
| 103,757 | (199,285) |
| (30,878,582) | (31,770,343) |
| | |
| 16,497,807 | 15,139,082 |
| 267,735 | 283,195 |
| 602,540 | 576,148 |
| 16,209,085 | 15,494,850 |
| 276,677 | 585,070 |
| - | 381,487 |
| 33,853,844 | 32,459,832 |
| (101,352) | (25,000) |
| | |
| - | - |
| 49,628 | 47,963 |
| 49,628 | 47,963 |
| 101,352 | 25,000 |
| | |
| 2,770,153 | 863,774 |
| 254,737 | (126,322) |
| \$ 3,024,890 | \$ 737,452 |

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

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund: | | | | |
| Reserved | \$ 1,664,279 | \$ 1,915,740 | \$ 891,202 | \$ 2,930,724 |
| Unreserved | <u>(167,288)</u> | <u>(143,758)</u> | <u>(715,758)</u> | <u>51,359</u> |
| Total general fund | <u>\$ 1,496,991</u> | <u>\$ 1,771,982</u> | <u>\$ 175,444</u> | <u>\$ 2,982,083</u> |
| All Other Governmental Funds: | | | | |
| Reserved | \$ 379,096 | \$ 503,733 | \$ 547,633 | \$ 661,396 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 296,735 | 324,138 | 439,300 | 229,694 |
| Debt service funds | 142,945 | 120,732 | 107,780 | 135,109 |
| Capital projects funds | 558,361 | 582,865 | 519,727 | 1,465,274 |
| Permanent fund | <u>81,610</u> | <u>76,174</u> | <u>75,649</u> | <u>66,864</u> |
| Total all other governmental funds | <u>\$ 1,458,747</u> | <u>\$ 1,607,642</u> | <u>\$ 1,690,089</u> | <u>\$ 2,558,337</u> |

Source: School District financial records.

| 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| \$ 1,405,980 | \$ 1,738,461 | \$ 2,257,629 | \$ 3,246,570 | \$ 2,710,929 | \$ 1,181,540 |
| 1,352,474 | 30,679 | 57,641 | 107,830 | 386,059 | (1,209,990) |
| <u>\$ 2,758,454</u> | <u>\$ 1,769,140</u> | <u>\$ 2,315,270</u> | <u>\$ 3,354,400</u> | <u>\$ 3,096,988</u> | <u>\$ (28,450)</u> |
| \$ 288,341 | \$ 400,161 | \$ 374,580 | \$ 722,374 | \$ 407,199 | \$ 156,517 |
| 560,210 | 586,273 | 189,087 | 155,645 | 135,782 | 18,591 |
| 258,895 | 289,074 | 331,243 | 321,948 | 316,899 | 286,569 |
| 1,908,654 | 203,680 | 777,522 | 97,268 | 232,736 | 103,762 |
| - | - | - | - | - | - |
| <u>\$ 3,016,100</u> | <u>\$ 1,479,188</u> | <u>\$ 1,672,432</u> | <u>\$ 1,297,235</u> | <u>\$ 1,092,616</u> | <u>\$ 565,439</u> |

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

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---|---------------------|---------------------|-----------------------|---------------------|---------------------|
| Revenues | | | | | |
| From local sources: | | | | | |
| Taxes | \$ 18,632,648 | \$ 19,936,270 | \$ 15,580,501 | \$ 17,901,465 | \$ 17,135,168 |
| Tuition | 19,003 | 16,996 | 14,179 | 15,138 | 53,183 |
| Charges for services | | | | | |
| Earnings on investments | 375,605 | 188,216 | 88,501 | 165,834 | 250,564 |
| Extracurricular | 257,721 | 265,631 | 250,147 | 301,273 | 441,808 |
| Classroom materials and fees | 57,536 | 61,319 | 61,982 | - | - |
| Other local revenues | 437,860 | 470,774 | 511,143 | 1,029,049 | 1,959,907 |
| Other revenue | 81,817 | 71,598 | 4,617 | - | 6,199 |
| Intergovernmental - State | 18,713,505 | 18,993,559 | 18,964,681 | 18,632,833 | 18,270,681 |
| Intergovernmental - Federal | 7,238,291 | 3,716,828 | 3,205,226 | 2,712,806 | 2,685,965 |
| Total revenues | <u>45,813,986</u> | <u>43,721,191</u> | <u>38,680,977</u> | <u>40,758,398</u> | <u>40,803,475</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 16,366,744 | 16,490,009 | 17,166,133 | 16,414,963 | 15,811,739 |
| Special | 8,072,621 | 7,662,198 | 6,669,449 | 6,323,095 | 5,985,367 |
| Vocational | 1,456,536 | 1,391,347 | 1,286,642 | 1,386,612 | 1,453,929 |
| Adult/continuing | 144,744 | 131,595 | 145,696 | 169,924 | 145,869 |
| Other | 1,464,108 | - | - | - | - |
| Support services: | | | | | |
| Pupil | 1,837,836 | 1,797,261 | 1,671,810 | 1,693,620 | 1,541,838 |
| Instructional staff | 2,732,868 | 1,529,453 | 1,605,101 | 1,655,470 | 1,626,416 |
| Board of education | 262,873 | 290,483 | 200,544 | 202,519 | 185,540 |
| Administration | 3,050,199 | 3,085,533 | 2,933,747 | 3,012,020 | 2,830,156 |
| Fiscal | 774,424 | 750,121 | 751,115 | 661,892 | 661,551 |
| Business | 166,666 | 165,455 | 157,280 | 231,606 | 210,522 |
| Operations and maintenance | 4,050,372 | 3,831,026 | 3,988,505 | 3,922,833 | 3,622,467 |
| Pupil transportation | 1,296,568 | 1,428,252 | 1,301,927 | 1,425,327 | 1,280,744 |
| Central | 723,054 | 613,444 | 639,614 | 464,240 | 143,586 |
| Operation of non-instructional services | 966,801 | 325,029 | 154,312 | 164,257 | 243,554 |
| Extracurricular activities | 1,060,887 | 969,105 | 1,040,791 | 1,017,789 | 1,118,394 |
| Intergovernmental pass-through | 425,781 | 475,587 | 483,133 | 501,876 | 454,538 |
| Facilities acquisitions and construction | 859,839 | 577,370 | 1,630,296 | 1,290,770 | 610,757 |
| Capital outlay | 474,690 | - | - | 1,068,959 | - |
| Debt service: | | | | | |
| Principal retirement | 484,516 | 358,226 | 368,346 | 265,648 | 216,468 |
| Interest and fiscal charges | 69,354 | 76,618 | 102,414 | 75,847 | 107,492 |
| Bond issuance expenses | - | - | - | 42,032 | - |
| Total expenditures | <u>46,741,481</u> | <u>41,948,112</u> | <u>42,296,855</u> | <u>41,991,299</u> | <u>38,250,927</u> |
| Excess of revenues over (under) expenditures | (927,495) | 1,773,079 | (3,615,878) | (1,232,901) | 2,552,548 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 40,000 | - | 40,000 | - | 14,000 |
| Transfers (out) | (40,000) | (2,250) | (65,000) | (25,000) | (39,000) |
| Sale of assets | 5,055 | 300 | 1,227 | 3,689 | - |
| Capital lease transaction | 474,690 | - | - | 1,068,959 | - |
| Accrued interest on sale of bonds | - | - | - | 2,156 | - |
| Premium on bonds sold | - | - | - | 79,749 | - |
| Proceeds from sale of bonds | - | - | - | 1,090,000 | - |
| Payment to refunding bond escrow agent | - | - | - | (1,277,717) | - |
| Total other financing sources (uses) | <u>479,745</u> | <u>(1,950)</u> | <u>(23,773)</u> | <u>941,836</u> | <u>(25,000)</u> |
| Net change in fund balances | <u>\$ (447,750)</u> | <u>\$ 1,771,129</u> | <u>\$ (3,639,651)</u> | <u>\$ (291,065)</u> | <u>\$ 2,527,548</u> |
| Debt service as a percentage of noncapital expenditures | 1.05% | 0.85% | 0.87% | 0.75% | 0.57% |

Source: School District financial records.

| | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|----|--------------------|-------------------|-------------------|---------------------|-------------------|
| \$ | 15,861,657 | \$ 15,015,732 | \$ 15,613,834 | \$ 16,781,357 | \$ 14,698,885 |
| | 22,679 | 49,891 | 33,921 | 22,975 | 20,536 |
| | 556,133 | 513,766 | 443,225 | 372,141 | 326,981 |
| | 381,498 | - | - | - | - |
| | - | - | - | - | - |
| | 693,879 | 673,924 | 759,714 | 921,951 | 489,506 |
| | - | - | - | - | 49,989 |
| | 18,287,000 | 17,048,680 | 15,365,467 | 14,066,506 | 12,562,895 |
| | 2,170,854 | 2,223,246 | 2,067,367 | 1,930,368 | 1,330,206 |
| | <u>37,973,700</u> | <u>35,525,239</u> | <u>34,283,528</u> | <u>34,095,298</u> | <u>29,478,998</u> |
| | 15,500,528 | 14,631,441 | 13,578,250 | 12,140,777 | 11,158,006 |
| | 5,824,123 | 5,555,919 | 5,040,353 | 4,397,907 | 4,125,041 |
| | 1,586,067 | 1,513,918 | 1,428,727 | 1,384,891 | 1,301,682 |
| | 143,529 | 139,422 | 220,641 | 138,517 | 150,549 |
| | - | - | - | - | - |
| | 1,430,273 | 1,348,923 | 1,338,776 | 1,169,624 | 1,142,855 |
| | 1,574,427 | 1,533,112 | 1,507,198 | 1,381,490 | 1,255,758 |
| | 168,475 | 170,249 | 138,754 | 105,893 | 126,747 |
| | 2,698,824 | 2,508,181 | 2,277,828 | 2,317,540 | 2,157,651 |
| | 609,743 | 587,700 | 559,741 | 571,127 | 544,706 |
| | 213,822 | 209,849 | 234,341 | 208,783 | 191,589 |
| | 3,911,341 | 3,781,643 | 3,416,041 | 3,116,272 | 2,906,752 |
| | 1,282,627 | 1,234,585 | 1,107,518 | 1,071,800 | 764,678 |
| | 1,225,102 | 414,020 | 181,560 | 235,282 | 52,967 |
| | 180,215 | 140,892 | 87,452 | 516,087 | 668,343 |
| | 1,088,404 | 825,537 | 769,246 | 756,930 | 676,865 |
| | 513,265 | 480,154 | 483,805 | - | - |
| | 722,750 | 730,069 | 1,231,236 | 469,507 | 1,085,505 |
| | - | - | - | - | - |
| | 281,468 | 271,468 | 261,468 | 276,468 | 251,468 |
| | 120,575 | 135,035 | 148,670 | 162,032 | 174,670 |
| | - | - | - | - | - |
| | <u>39,075,558</u> | <u>36,212,117</u> | <u>34,011,605</u> | <u>30,420,927</u> | <u>28,735,832</u> |
| | (1,101,858) | (686,878) | 271,923 | 3,674,371 | 743,166 |
| | 223,184 | 582,166 | 284,272 | - | - |
| | (248,184) | (632,166) | (284,272) | - | - |
| | 3,615 | 2,948 | 123,855 | 275 | 249,754 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | <u>(21,385)</u> | <u>(47,052)</u> | <u>123,855</u> | <u>275</u> | <u>249,754</u> |
| \$ | <u>(1,123,243)</u> | <u>(733,930)</u> | <u>\$ 395,778</u> | <u>\$ 3,674,646</u> | <u>\$ 992,920</u> |
| | 0.72% | 0.75% | 0.77% | 0.91% | 0.88% |

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

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

| Real Property (a) | | | | | | | | |
|----------------------------|-----------------------|----------------|-------------------|-------------------|--------------------|-----------------------|----------------|--|
| Collection Year | Agricultural | Mineral | Industrial | Commercial | Residential | Public Utility | Total | |
| | Assessed Value | | | | | | | |
| 2006 | \$ 168,770 | \$ - | \$ 16,619,430 | \$ 111,821,630 | \$ 293,044,460 | \$ 2,311,140 | \$ 423,965,430 | |
| 2005 | 168,770 | - | 17,028,420 | 114,167,900 | 290,675,360 | 2,298,690 | 424,339,140 | |
| 2004 | 371,230 | - | 16,217,950 | 114,828,820 | 287,832,650 | 2,316,650 | 421,567,300 | |
| 2003 | 212,120 | - | 16,157,600 | 102,606,530 | 240,620,860 | 2,114,720 | 361,711,830 | |
| 2002 | 281,800 | - | 16,435,150 | 100,620,080 | 237,413,710 | 2,408,720 | 357,159,460 | |
| 2001 | 290,240 | - | 16,234,290 | 95,987,320 | 235,271,770 | 2,676,410 | 350,460,030 | |
| 2000 | 294,540 | - | 16,652,350 | 86,399,460 | 212,020,030 | 2,959,910 | 318,326,290 | |
| 1999 | 304,680 | - | 16,469,120 | 86,719,970 | 210,869,500 | 2,727,870 | 317,091,140 | |
| 1998 | 237,240 | - | 16,353,540 | 85,914,160 | 208,942,850 | 2,449,110 | 313,896,900 | |
| 1997 | 218,680 | - | 15,346,330 | 84,104,450 | 180,588,650 | 2,457,740 | 282,715,850 | |

Source: Erie County Auditor's Office

(a) The assessed value of real property is fixed at 35% of true value.

(b) Tangible personal property and public utility tangible property are assessed at varying percentages of true value.

As categories of tangible personal property have not been separated for this table, the maximum assessed rate of 25% of true value is assumed.

| Tangible Personal Property (b) | | | Total | | |
|---|-------------------------------|---------------|---------------------------|-----------------------------------|----------|
| Tangible | Public Utility (b) | Total | Assessed Value | Estimated Actual Value | % |
| Assessed Value | | | | | |
| \$ 61,717,130 | \$ 16,151,090 | \$ 77,868,220 | \$ 501,833,650 | \$ 1,522,802,680 | 32.95% |
| 70,733,492 | 16,654,580 | 87,388,072 | 511,727,212 | 1,561,949,831 | 32.76% |
| 64,275,034 | 17,514,670 | 81,789,704 | 503,357,004 | 1,531,636,816 | 32.86% |
| 70,518,286 | 17,798,430 | 88,316,716 | 450,028,546 | 1,386,729,235 | 32.45% |
| 76,042,536 | 17,532,410 | 93,574,946 | 450,734,406 | 1,394,755,384 | 32.32% |
| 65,521,406 | 23,655,510 | 89,176,916 | 439,636,946 | 1,358,022,035 | 32.37% |
| 64,159,264 | 22,875,100 | 87,034,364 | 405,360,654 | 1,257,641,142 | 32.23% |
| 64,355,718 | 24,844,230 | 89,199,948 | 406,291,088 | 1,262,774,478 | 32.17% |
| 61,487,103 | 26,298,730 | 87,785,833 | 401,682,733 | 1,247,991,618 | 32.19% |
| 60,473,494 | 24,170,500 | 84,643,994 | 367,359,844 | 1,146,335,547 | 32.05% |

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

| Tax Year/ Collection Year | Overlapping Rates | | | Direct Rates | | | | | |
|---------------------------------|-------------------|------|---------|--------------|------|---------|---------|---------|-------|
| | County | City | Library | Voted | | | | Unvoted | Total |
| | | | | General | Bond | Capital | Library | | |
| 2005/2006 | 8.80 | 4.25 | 0.70 | 64.50 | 0.60 | 2.00 | 0.80 | 3.45 | 71.35 |
| 2004/2005 | 8.80 | 4.25 | 0.70 | 64.50 | 0.60 | 2.00 | 0.80 | 3.45 | 71.35 |
| 2003/2004 | 8.80 | 4.25 | 0.70 | 64.50 | 0.60 | 2.00 | 0.80 | 3.45 | 71.35 |
| 2002/2003 | 8.30 | 4.25 | 1.26 | 59.10 | 0.65 | 2.00 | 0.80 | 3.45 | 66.00 |
| 2001/2002 | 8.30 | 4.25 | 1.26 | 59.10 | 0.65 | 2.00 | 0.80 | 3.45 | 66.00 |
| 2000/2001 | 8.30 | 4.25 | 1.26 | 59.10 | 0.65 | 2.00 | 0.80 | 3.45 | 66.00 |
| 1999/2000 | 8.30 | 4.25 | 1.26 | 59.55 | 1.04 | 2.00 | 0.80 | 3.45 | 66.84 |
| 1998/1999 | 8.30 | 4.25 | 1.26 | 59.55 | 1.04 | 2.00 | 0.80 | 3.45 | 66.84 |
| 1997/1998 | 8.30 | 4.25 | - | 59.55 | 1.04 | 2.00 | 0.80 | 3.45 | 66.84 |
| 1996/1997 | 8.30 | 4.25 | - | 59.55 | 1.40 | 2.00 | 0.80 | 3.45 | 67.20 |

Source: Erie County Auditor's Office

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

PRINCIPAL REAL ESTATE PROPERTY TAX PAYERS
DECEMBER 31, 2005 AND DECEMBER 31, 1996

| December 31, 2005 | | | |
|-----------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Cedar Fair | \$ 36,766,670 | 1 | 7.33% |
| Firelands Regional Medical Center | 3,953,130 | 2 | 0.79% |
| S & S Realty | 3,631,900 | 3 | 0.72% |
| Norfolk & Western Railway | 3,369,350 | 4 | 0.67% |
| Fort James Operating Co. | 2,343,600 | 5 | 0.47% |
| Sandusky Foundry & Machine | 2,060,600 | 6 | 0.41% |
| Sandusky Limited | 1,883,140 | 7 | 0.38% |
| Sandusky Housing Trust Ptr. | 1,856,400 | 8 | 0.37% |
| Key Real Estate Ltd. | 1,702,200 | 9 | 0.34% |
| North Bay Real Estate Ltd. | 1,356,490 | 10 | 0.27% |
| Total | \$ 58,923,480 | | \$ 501,833,650 |

| December 31, 1996 | | | |
|------------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Cedar Fair, L.P. | \$ 23,645,220 | 1 | 6.44% |
| J.H.W. Limited Partnership | 3,593,060 | 2 | 0.98% |
| S & S Realty | 2,826,430 | 3 | 0.77% |
| Norfolk & Western Railway Co. | 2,522,950 | 4 | 0.69% |
| Sandusky Foundry & Machine Co. | 2,424,170 | 5 | 0.66% |
| Sandusky Housing Trust L.P. | 1,994,710 | 6 | 0.54% |
| Sandusky Limited | 1,412,870 | 7 | 0.38% |
| Sandusky Plastics, Inc. | 990,010 | 8 | 0.27% |
| Sandusky Bay Kiwanis Senior Center | 891,540 | 9 | 0.24% |
| M.H.D. Corporation | 871,000 | 10 | 0.24% |
| Total | \$ 41,171,960 | | 11.21% |

Source: Erie County Auditor's Office

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

PRINCIPAL PERSONAL PROPERTY TAX PAYERS
DECEMBER 31, 2005 AND DECEMBER 31, 1996

| December 31, 2005 | | | |
|-------------------------------|---------------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Cedar Fair, L.P. | \$ 16,453,030 | 1 | 3.28% |
| Sandusky International, Inc. | 3,630,920 | 2 | 0.72% |
| FMC Technologies, Inc. | 2,563,780 | 3 | 0.51% |
| Sandusky Limited | 2,451,010 | 4 | 0.49% |
| Engineering Chain Division | 2,016,760 | 5 | 0.40% |
| Industrial Nut Corp. | 1,292,750 | 6 | 0.26% |
| Erie County Cablevision, Inc. | 1,214,610 | 7 | 0.24% |
| Thermocolor, LLC | 990,050 | 8 | 0.20% |
| Myers Industries, Inc. | 956,720 | 9 | 0.19% |
| Sandusky OK Inc. | 820,710 | 10 | 0.16% |
| Total | \$ 32,390,340 | | \$ 501,833,650 |

| December 31, 1996 | | | |
|--|---------------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Cedar Fair, L.P. | \$ 11,064,120 | 1 | 3.01% |
| Ohio Edison Company | 10,964,250 | 2 | 2.98% |
| Ohio Bell Telephone Company | 6,282,280 | 3 | 1.71% |
| Sandusky International, Inc. | 5,529,380 | 4 | 1.51% |
| Columbia Gas of Ohio | 5,398,770 | 5 | 1.47% |
| Sandusky Plastics, Inc. | 4,655,170 | 6 | 1.27% |
| Union Chain Division of U.S. Tsubaki, Inc. | 2,172,830 | 7 | 0.59% |
| Dixon Ticonderoga Co. | 2,036,160 | 8 | 0.55% |
| Chesapeake Display & Packaging Co. | 1,475,640 | 9 | 0.40% |
| Sanusky Polymers Incorporated | 1,150,620 | 10 | 0.31% |
| Total | \$ 50,729,220 | | 13.80% |

Source: Erie County Auditor's Office

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

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS**

| Tax Year/ Collection Year | Current Levy | Delinquent Levy | Total Levy | Current Collection | Percent of Current Levy Collected |
|--|-------------------------|----------------------------|-----------------------|-------------------------------|--|
| 2005 | \$ 21,223,829 | \$ 2,211,289 | \$ 23,435,118 | \$ 21,051,418 | 99.19% |
| 2004 | 20,442,705 | 1,734,604 | 22,177,309 | 19,382,866 | 94.82% |
| 2003 | 17,652,495 | 2,105,329 | 19,757,824 | 17,035,565 | 96.51% |
| 2002 | 18,347,729 | 1,674,936 | 20,022,665 | 17,526,738 | 95.53% |
| 2001 | 18,508,626 | 1,922,074 | 20,430,700 | 17,883,528 | 96.62% |
| 2000 | 18,574,729 | 1,485,583 | 20,060,312 | 17,937,542 | 96.57% |
| 1999 | 17,604,120 | 1,394,282 | 18,998,402 | 17,095,970 | 97.11% |
| 1998 | 17,517,698 | 1,582,524 | 19,100,222 | 16,968,166 | 96.86% |
| 1997 | 17,277,660 | 1,165,501 | 18,443,161 | 17,130,573 | 99.15% |
| 1996 | 17,553,553 | 1,215,150 | 18,768,703 | 17,339,352 | 98.78% |

Source: Erie County Auditor's Office

| Delinquent Collection | Total Collection | Total Collection As a Percent of Total Levy |
|----------------------------------|-----------------------------|--|
| \$ 742,785 | \$ 21,794,203 | 93.00% |
| 800,794 | 20,183,660 | 91.01% |
| 704,363 | 17,739,928 | 89.79% |
| 537,681 | 18,064,419 | 90.22% |
| 637,845 | 18,521,373 | 90.65% |
| 499,639 | 18,437,181 | 91.91% |
| 527,908 | 17,623,878 | 92.77% |
| 506,297 | 17,474,463 | 91.49% |
| 426,687 | 17,557,260 | 95.20% |
| 451,143 | 17,790,495 | 94.79% |

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| Fiscal Year | Governmental Activities | | | (a) Total Primary Government | (b) Per Capita | (b) Per ADM |
|------------------------|---|--|---------------------------|---|-------------------------------|----------------------------|
| | General Obligation Bonds | Asbestos Abatement Loan | Capital Leases | | | |
| 2006 | \$ 505,000 | \$ 92,201 | \$1,052,785 | \$ 1,649,986 | \$ 59 | \$ 407 |
| 2005 | 695,000 | 153,669 | 811,143 | 1,659,812 | 60 | 397 |
| 2004 | 885,000 | 215,137 | 917,901 | 2,018,038 | 72 | 473 |
| 2003 | 1,090,000 | 276,605 | 1,019,779 | 2,386,384 | 86 | 555 |
| 2002 | 1,395,000 | 338,073 | - | 1,733,073 | 62 | 395 |
| 2001 | 1,550,000 | 399,541 | - | 1,949,541 | 70 | 428 |
| 2000 | 1,770,000 | 461,009 | - | 2,231,009 | 75 | 477 |
| 1999 | 1,980,000 | 522,477 | - | 2,502,477 | 84 | 546 |
| 1998 | 2,180,000 | 583,945 | - | 2,763,945 | 93 | 592 |
| 1997 | 2,395,000 | 645,413 | - | 3,040,413 | 102 | 647 |

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| Fiscal Year | General Bonded Debt Outstanding | | Percentage of Actual Taxable Value of Property | Per Capita |
|------------------------|---|--------------|---|-----------------------|
| | General Obligation Bonds | Total | | |
| 2006 | \$ 505,000 | \$ 505,000 | 0.03% | \$ 18 |
| 2005 | 695,000 | 695,000 | 0.04% | 25 |
| 2004 | 885,000 | 885,000 | 0.06% | 32 |
| 2003 | 1,090,000 | 1,090,000 | 0.08% | 39 |
| 2002 | 1,395,000 | 1,395,000 | 0.10% | 50 |
| 2001 | 1,550,000 | 1,550,000 | 0.11% | 56 |
| 2000 | 1,770,000 | 1,770,000 | 0.14% | 59 |
| 1999 | 1,980,000 | 1,980,000 | 0.16% | 67 |
| 1998 | 2,180,000 | 2,180,000 | 0.17% | 73 |
| 1997 | 2,395,000 | 2,395,000 | 0.21% | 80 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2006

| <u>Governmental Unit</u> | <u>Assessed Valuation</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|-----------------------------------|-------------------------------|-----------------------------|--|--|
| Direct: | | | | |
| Sandusky City School District | \$ 501,833,650 | \$ 1,649,986 | 100.00% | \$ 1,649,986 |
| | <u>501,833,650</u> | <u>1,649,986</u> | | <u>1,649,986</u> |
| Overlapping: | | | | |
| City of Sandusky (1) | 501,833,650 | 60,903,616 | 100.00% | 60,903,616 |
| Erie County (2) | 1,985,644,060 | 60,051,778 | 25.27% | 15,176,941 |
| Total Overlapping | <u>2,487,477,710</u> | <u>120,955,394</u> | | <u>76,080,557</u> |
| Total direct and overlapping debt | <u>\$ 2,989,311,360</u> | <u>\$ 122,605,380</u> | | <u>\$ 77,730,543</u> |

(1) **Source:** City of Sandusky Finance Department. Includes special assessment debt.

(2) **Source:** Erie County Auditor. Includes special assessment debt.

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

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| Fiscal Year | Voted Debt Limit | Total Debt Applicable to Limit | Debt Service Available Balance | Net Debt Applicable to Limit | Voted Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|--------------------|-------------------------|---------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|---|
| 2006 | \$ 45,165,029 | \$ 505,000 | \$ 165,671 | \$ 339,329 | \$ 44,825,700 | 0.75% |
| 2005 | 46,055,449 | 695,000 | 146,035 | 548,965 | 45,506,484 | 1.19% |
| 2004 | 45,302,130 | 885,000 | 122,236 | 762,764 | 44,539,366 | 1.68% |
| 2003 | 40,502,569 | 1,090,000 | 166,847 | 923,153 | 39,579,416 | 2.28% |
| 2002 | 40,566,097 | 1,395,000 | 274,437 | 1,120,563 | 39,445,534 | 2.76% |
| 2001 | 39,567,325 | 1,550,000 | 307,764 | 1,242,236 | 38,325,089 | 3.14% |
| 2000 | 36,482,459 | 1,770,000 | 374,377 | 1,395,623 | 35,086,836 | 3.83% |
| 1999 | 36,566,198 | 1,980,000 | 368,802 | 1,611,198 | 34,955,000 | 4.41% |
| 1998 | 36,151,446 | 2,180,000 | 377,297 | 1,802,703 | 34,348,743 | 4.99% |
| 1997 | 33,062,386 | 2,395,000 | 314,284 | 2,080,716 | 30,981,670 | 6.29% |

Source: Erie County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| Year | Population (1) | Per Capita Personal Income (2) | Median Family Income (2) | School Enrollment (3) | Unemployment Rates (4) | | |
|-------------|-----------------------|---|---|----------------------------------|-------------------------------|-------------|--------------------------|
| | | | | | Erie County | Ohio | United States |
| 2005 | 27,844 | 18,111 | 37,749 | 4,058 | 6.4% | 5.9% | 5.1% |
| 2004 | 27,844 | 18,111 | 37,749 | 4,186 | 6.5% | 6.2% | 5.5% |
| 2003 | 27,844 | 18,111 | 37,749 | 4,262 | 6.1% | 6.2% | 6.0% |
| 2002 | 27,844 | 18,111 | 37,749 | 4,302 | 5.7% | 5.7% | 5.8% |
| 2001 | 27,844 | 18,111 | 37,749 | 4,386 | 4.7% | 4.4% | 4.7% |
| 2000 | 27,844 | 18,111 | 37,749 | 4,555 | 4.2% | 4.0% | 4.0% |
| 1999 | 29,764 | 11,620 | 28,544 | 4,674 | 4.4% | 4.3% | 4.2% |
| 1998 | 29,764 | 11,620 | 28,544 | 4,582 | 5.0% | 4.3% | 4.5% |
| 1997 | 29,764 | 11,620 | 28,544 | 4,670 | 5.2% | 4.6% | 4.9% |
| 1996 | 29,764 | 11,620 | 28,544 | 4,701 | 5.4% | 5.0% | 5.4% |

(1 & 2) U. S. Census Bureau

(3) District records

(4) Bureau of Labor Statistics, U.S. Department of Labor

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

PRINCIPAL EMPLOYERS
LAST TWO YEARS

| Employer | 2005 | | | 2004 | | |
|----------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Magnum Management Corp. | 6,890 | 1 | 53.00% | 6,583 | 1 | 51.43% |
| Firelands Regional Health System | 1,944 | 2 | 14.95% | 1,979 | 2 | 15.46% |
| Sandusky Board of Education | 853 | 3 | 6.56% | 914 | 3 | 7.14% |
| Erie County | 697 | 4 | 5.36% | 683 | 4 | 5.34% |
| City of Sandusky | 391 | 5 | 3.01% | 399 | 5 | 3.12% |
| Delphi Automotive Systems | 285 | 6 | 2.19% | 286 | 6 | 2.23% |
| The G & C Foundry | 250 | 7 | 1.92% | 150 | 7 | 1.17% |
| FMC Food Tech. | 227 | 8 | 1.75% | 228 | 8 | 1.78% |
| Sandusky Limited | 188 | 9 | 1.45% | 185 | 9 | 1.45% |
| Sandusky Internists, Inc. | 37 | 10 | 0.28% | 26 | 10 | 0.20% |
| Total | 11,762 | | 90.48% | 11,433 | | 89.32% |
| Total City Employment | 13,000 | | | 12,800 | | |

Source: City of Sandusky

Note: Information on principal employers prior to 2004 was not available.

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

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| <u>Type</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Administration: | 30 | 30 | 31 | 31 | 30 | 30 |
| Adult Education: | 11 | 10 | 10 | 11 | 11 | 11 |
| Certificated Staff: | 360 | 346 | 352 | 358 | 358 | 355 |
| Teaching Staff: | | | | | | |
| Preschool | 4 | 4 | 4 | 4 | 4 | 3 |
| Elementary School K-6 | 145 | 138 | 146 | 149 | 149 | 150 |
| Jr. High School 7-8 | 41 | 46 | 49 | 54 | 54 | 54 |
| High School 9-12 | 89 | 88 | 87 | 93 | 94 | 93 |
| Tutors | 45 | 31 | 26 | 26 | 26 | 21 |
| Others | 17 | 20 | 21 | 16 | 14 | 19 |
| Auxiliary Positions: | | | | | | |
| Counselors | 10 | 10 | 10 | 9 | 9 | 9 |
| Speech Therapists | 5 | 5 | 5 | 4 | 5 | 4 |
| Psychologists | 4 | 4 | 4 | 3 | 3 | 2 |
| Support Staff: | 175 | 175 | 191 | 197 | 203 | 202 |
| Secretarial | 34 | 32 | 31 | 32 | 31 | 31 |
| Teacher Aides | 38 | 38 | 48 | 57 | 60 | 59 |
| Cafeteria Workers | 36 | 38 | 39 | 39 | 40 | 41 |
| Custodial | 35 | 36 | 40 | 37 | 40 | 40 |
| Maintenance | 4 | 4 | 4 | 4 | 4 | 4 |
| Bus Driver | 26 | 25 | 27 | 26 | 26 | 25 |
| Mechanics | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | <u>576</u> | <u>561</u> | <u>584</u> | <u>597</u> | <u>602</u> | <u>598</u> |

Source: School District records

| 2000 | 1999 | 1998 | 1997 |
|-------------|-------------|-------------|-------------|
| 33 | 33 | 33 | 34 |
| 10 | 10 | 10 | 10 |
| 354 | 342 | 334 | 335 |
| 3 | 3 | 3 | 3 |
| 152 | 148 | 138 | 137 |
| 53 | 52 | 51 | 52 |
| 92 | 89 | 89 | 89 |
| 20 | 14 | 16 | 17 |
| 18 | 20 | 22 | 23 |
| 9 | 9 | 9 | 8 |
| 5 | 5 | 4 | 4 |
| 2 | 2 | 2 | 2 |
| 204 | 181 | 176 | 173 |
| 33 | 33 | 32 | 30 |
| 58 | 43 | 37 | 36 |
| 40 | 40 | 40 | 40 |
| 40 | 38 | 38 | 37 |
| 4 | 4 | 5 | 5 |
| 27 | 21 | 22 | 23 |
| 2 | 2 | 2 | 2 |
| 601 | 566 | 553 | 552 |

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular and Special | | | | | | | | | | |
| Enrollment (students) | 4,058 | 4,186 | 4,262 | 4,302 | 4,386 | 4,555 | 4,674 | 4,582 | 4,670 | 4,701 |
| Graduates | 222 | 235 | 226 | 220 | 226 | 230 | 290 | 236 | 224 | 226 |
| Support services: | | | | | | | | | | |
| Board of education | | | | | | | | | | |
| Regular meetings per year | 15 | 17 | 16 | 18 | 18 | 18 | 19 | 19 | 22 | 21 |
| Special meetings per year | 5 | 7 | 4 | 27 | 10 | 7 | 5 | 6 | 3 | 12 |
| Administration | | | | | | | | | | |
| Student attendance rate | 94.5 | 96.3 | 97.6 | 94.3 | 94.0 | 91.7 | 98.8 | 94.4 | 87.9 | 94.2 |
| Fiscal | | | | | | | | | | |
| Nonpayroll checks issued | 5,285 | 4,968 | 5,132 | 5,359 | 5,703 | 5,661 | 5,536 | 5,444 | 5,457 | 5,541 |
| Operations and maintenance | | | | | | | | | | |
| Work orders completed | 2,000 | 2,210 | 2,452 | 2,262 | 1,919 | N/A | N/A | N/A | N/A | N/A |
| Square footage maintained | 939,239 | 939,239 | 939,239 | 939,239 | 939,239 | 939,239 | 939,239 | 939,239 | 939,239 | 928,118 |
| Pupil transportation | | | | | | | | | | |
| Avg. students transported daily | 2,070 | 2,132 | 2,753 | 2,711 | 2,684 | 2,366 | 2,130 | 2,018 | 2,582 | 2,925 |
| Food service operations | | | | | | | | | | |
| Meals served to students | 623,447 | 593,701 | 587,303 | 534,960 | 518,247 | 529,618 | 516,365 | 508,798 | 505,015 | 501,231 |

Source: District records

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

**CAPITAL ASSET STATISTICS
LAST SIX FISCAL YEARS**

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | | | |
| Land | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 |
| Land improvements | 144,729 | 138,024 | 146,676 | 155,327 | 163,978 | 172,629 |
| Buildings and improvements | 6,700,918 | 6,688,271 | 6,981,376 | 6,170,418 | 5,474,194 | 5,544,929 |
| Furniture, fixtures and equipment | 1,000,773 | 1,032,066 | 1,063,138 | 708,959 | 490,367 | 534,458 |
| Vehicles | 943,298 | 1,098,160 | 1,060,785 | 1,147,484 | 1,061,354 | 1,047,965 |
| Total Governmental Activities Capital Assets, net | <u>\$11,070,687</u> | <u>\$11,237,490</u> | <u>\$11,532,944</u> | <u>\$10,463,157</u> | <u>\$ 9,470,862</u> | <u>\$ 9,580,950</u> |
| Business-Type Activities: | | | | | | |
| Furniture, fixtures and equipment | 130,010 | 110,021 | 1,183 | 115,191 | 105,959 | 37,197 |
| Total Business-Type Activities Capital Assets, net | <u>\$ 130,010</u> | <u>\$ 110,021</u> | <u>\$ 1,183</u> | <u>\$ 115,191</u> | <u>\$ 105,959</u> | <u>\$ 37,197</u> |
| Primary Government: | | | | | | |
| Land | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 | \$ 2,280,969 |
| Land improvements | 144,729 | 138,024 | 146,676 | 155,327 | 163,978 | 172,629 |
| Buildings and improvements | 6,700,918 | 6,688,271 | 6,981,376 | 6,170,418 | 5,474,194 | 5,544,929 |
| Furniture, fixtures and equipment | 1,130,783 | 1,142,087 | 1,064,321 | 824,150 | 596,326 | 571,655 |
| Vehicles | 943,298 | 1,098,160 | 1,060,785 | 1,147,484 | 1,061,354 | 1,047,965 |
| Total Primary Government Capital Assets, net | <u>\$11,200,697</u> | <u>\$11,347,511</u> | <u>\$11,534,127</u> | <u>\$10,578,348</u> | <u>\$ 9,576,821</u> | <u>\$ 9,618,147</u> |

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

| | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Campbell Elementary (1884/1991) | | | | | | |
| Square feet | 28,860 | 28,860 | 28,860 | 28,860 | 28,860 | 28,860 |
| Capacity (students) | 250 | 250 | 250 | 250 | 250 | 250 |
| Enrollment | - | - | 197 | 195 | 208 | 227 |
| Hancock Elementary (1923/'28/'31/'49/'66) | | | | | | |
| Square feet | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 | 47,223 |
| Capacity (students) | 525 | 525 | 525 | 525 | 525 | 525 |
| Enrollment | 336 | 342 | 344 | 335 | 322 | 305 |
| Madison Elementary (1939/1991) | | | | | | |
| Square feet | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 | 29,937 |
| Capacity (students) | 250 | 250 | 250 | 250 | 250 | 250 |
| Enrollment | 203 | 242 | 220 | 229 | 230 | 257 |
| Mills Elementary (1954/1991) | | | | | | |
| Square feet | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 | 38,605 |
| Capacity (students) | 475 | 475 | 475 | 475 | 475 | 475 |
| Enrollment | 278 | 295 | 301 | 301 | 314 | 313 |
| Monroe Elementary (1894/1903/1991) | | | | | | |
| Square feet | 32,638 | 32,638 | 32,638 | 32,638 | 32,638 | 32,638 |
| Capacity (students) | 325 | 325 | 325 | 325 | 325 | 325 |
| Enrollment | 240 | 243 | 209 | 203 | 196 | 198 |
| Ontario Elementary (1952/1968) | | | | | | |
| Square feet | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 | 42,347 |
| Capacity (students) | 500 | 500 | 500 | 500 | 500 | 500 |
| Enrollment | 344 | 356 | 354 | 345 | 341 | 334 |
| Osborne Elementary (1890/1991) | | | | | | |
| Square feet | 43,842 | 43,842 | 43,842 | 43,842 | 43,842 | 43,842 |
| Capacity (students) | 375 | 375 | 375 | 375 | 375 | 375 |
| Enrollment | 309 | 311 | 289 | 306 | 298 | 321 |
| Venice Heights Elementary (1970) | | | | | | |
| Square feet | 43,740 | 43,740 | 43,740 | 43,740 | 43,740 | 43,740 |
| Capacity (students) | 550 | 550 | 550 | 550 | 550 | 550 |
| Enrollment | 358 | 357 | 324 | 362 | 368 | 350 |
| Adams Jr. High (1867/1914/1977) | | | | | | |
| Square feet | 91,935 | 91,935 | 91,935 | 91,935 | 91,935 | 91,935 |
| Capacity (students) | 500 | 500 | 500 | 500 | 500 | 500 |
| Enrollment | 336 | 285 | 310 | 318 | 303 | 338 |
| Jackson Jr. High (1898/1927/1937) | | | | | | |
| Square feet | 86,994 | 86,994 | 86,994 | 86,994 | 86,994 | 86,994 |
| Capacity (students) | 500 | 500 | 500 | 500 | 500 | 500 |
| Enrollment | 303 | 294 | 316 | 281 | 337 | 340 |
| Sandusky High School (1957/'67/'70/'73) | | | | | | |
| Square feet | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 |
| Capacity (students) | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 |
| Enrollment | 1,184 | 1,220 | 1,238 | 1,288 | 1,290 | 1,275 |
| Barker Alternative School (1874/1924) | | | | | | |
| Square feet | 24,635 | 24,635 | 24,635 | 24,635 | 24,635 | 24,635 |
| Capacity (students) | 175 | 175 | 175 | 175 | 175 | 175 |
| Enrollment | 57 | 35 | 46 | 52 | 46 | 128 |
| Central office (1926) | | | | | | |
| Square feet | 24,488 | 24,488 | 24,488 | 24,488 | 24,488 | 24,488 |
| Transportation and warehouse (Unknown/1998) | | | | | | |
| Square feet | 14,845 | 14,845 | 14,845 | 14,845 | 14,845 | 14,845 |
| Stadium (1935) | | | | | | |
| Square feet | 19,150 | 19,150 | 19,150 | 19,150 | 19,150 | 19,150 |

Source: District records

Note: Year of original construction and subsequent additions are in parentheses.
Capacity is based on an average student/teacher ratio of 25 to 1.

| 2000 | 1999 | 1998 | 1997 |
|-------------|-------------|-------------|-------------|
| 28,860 | 28,860 | 28,860 | 28,860 |
| 250 | 250 | 250 | 250 |
| 233 | 236 | 236 | 219 |
| 47,223 | 47,223 | 47,223 | 47,223 |
| 525 | 525 | 525 | 525 |
| 344 | 353 | 361 | 417 |
| 29,937 | 29,937 | 29,937 | 29,937 |
| 250 | 250 | 250 | 250 |
| 278 | 283 | 279 | 215 |
| 38,605 | 38,605 | 38,605 | 38,605 |
| 475 | 475 | 475 | 475 |
| 322 | 350 | 351 | 361 |
| 32,638 | 32,638 | 32,638 | 32,638 |
| 325 | 325 | 325 | 325 |
| 197 | 217 | 220 | 270 |
| 42,347 | 42,347 | 42,347 | 42,347 |
| 500 | 500 | 500 | 500 |
| 337 | 367 | 367 | 392 |
| 43,842 | 43,842 | 43,842 | 43,842 |
| 375 | 375 | 375 | 375 |
| 316 | 312 | 310 | 263 |
| 43,740 | 43,740 | 43,740 | 43,740 |
| 550 | 550 | 550 | 550 |
| 357 | 368 | 374 | 386 |
| 91,935 | 91,935 | 91,935 | 91,935 |
| 500 | 500 | 500 | 500 |
| 376 | 332 | 339 | 364 |
| 86,994 | 86,994 | 86,994 | 86,994 |
| 500 | 500 | 500 | 500 |
| 335 | 341 | 343 | 363 |
| 370,000 | 370,000 | 370,000 | 370,000 |
| 2,250 | 2,250 | 2,250 | 2,250 |
| 1,370 | 1,317 | 1,340 | 1,346 |
| 24,635 | 24,635 | 24,635 | 24,635 |
| 175 | 175 | 175 | 175 |
| 90 | 38 | 36 | 41 |
| 24,488 | 24,488 | 24,488 | 24,488 |
| 14,845 | 14,845 | 14,845 | 3,724 |
| 19,150 | 19,150 | 19,150 | 19,150 |

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | General Government | | Governmental Activities (2) | | Enrollment |
|-------------|--------------------|----------------|-----------------------------|----------------|------------|
| | Expenditures (1) | Cost per pupil | Expenses (1) | Cost per pupil | |
| 2006 | \$ 46,187,611 | \$ 11,382 | \$ 46,932,791 | \$ 11,565 | 4,058 |
| 2005 | 41,513,267 | 9,917 | 41,857,263 | 9,999 | 4,186 |
| 2004 | 41,826,095 | 9,814 | 40,599,480 | 9,526 | 4,262 |
| 2003 | 41,607,772 | 9,672 | 41,223,751 | 9,582 | 4,302 |
| 2002 | 37,926,967 | 8,647 | 38,164,868 | 8,702 | 4,386 |
| 2001 | 38,673,515 | 8,490 | 37,598,379 | 8,254 | 4,555 |
| 2000 | 35,805,614 | 7,661 | N/A | N/A | 4,674 |
| 1999 | 33,750,137 | 7,366 | N/A | N/A | 4,582 |
| 1998 | 29,982,427 | 6,420 | N/A | N/A | 4,670 |
| 1997 | 28,309,694 | 6,022 | N/A | N/A | 4,701 |

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2001.

| Percent Change | Teaching Staff | Pupil/Teacher Ratio | Student Attendance Percentage | Student Free & Reduced Lunch Percentage |
|-----------------------|-----------------------|----------------------------|--------------------------------------|--|
| -3.06% | 341 | 11.90 | 94.50% | 61.80% |
| -1.78% | 327 | 12.80 | 96.30% | 60.60% |
| -0.93% | 333 | 12.80 | 97.63% | 55.60% |
| -1.92% | 342 | 12.58 | 94.30% | 57.10% |
| -3.71% | 341 | 12.86 | 94.03% | 39.30% |
| -2.55% | 340 | 13.40 | 91.70% | 51.10% |
| 2.01% | 338 | 13.83 | 98.77% | 48.10% |
| -1.88% | 326 | 14.06 | 94.35% | 43.30% |
| -0.66% | 319 | 14.64 | 87.87% | 39.60% |
| 0.00% | 321 | 14.64 | 94.18% | 54.10% |

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

CERTIFICATED STAFF TRAINING
LAST TEN FISCAL YEARS

| Certificated Staff Training | | | | | | | | |
|------------------------------------|----------------|-----------|--------------|--------------|-----------|--------------|--------------|--------------|
| Year | Non-Deg | BA | BA+12 | BA+24 | MA | MA+12 | MA+24 | Total |
| 2006 | - | 52 | 41 | 84 | 102 | 40 | 41 | 360 |
| 2005 | - | 50 | 45 | 75 | 100 | 36 | 40 | 346 |
| 2004 | 1 | 58 | 43 | 88 | 89 | 31 | 42 | 352 |
| 2003 | 1 | 83 | 42 | 96 | 73 | 26 | 37 | 358 |
| 2002 | 1 | 86 | 48 | 104 | 56 | 25 | 38 | 358 |
| 2001 | 1 | 87 | 43 | 110 | 54 | 25 | 35 | 355 |
| 2000 | 1 | 94 | 45 | 113 | 46 | 22 | 33 | 354 |
| 1999 | 1 | 83 | 51 | 112 | 42 | 20 | 33 | 342 |
| 1998 | 2 | 80 | 48 | 110 | 41 | 19 | 34 | 334 |
| 1997 | 2 | 82 | 51 | 102 | 46 | 23 | 29 | 335 |

Source: School District Records

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

TEACHER SALARIES
LAST TEN FISCAL YEARS

| Year | Teacher Salaries | | | State Average |
|-------------|-------------------------|-----------------------------|----------------|--------------------------|
| | BA Min. | Sandusky MA Max. | Average | |
| 2006 | \$30,320 | \$63,672 | \$50,550 | \$51,197 |
| 2005 | 29,580 | 62,118 | 50,073 | 49,342 |
| 2004 | 29,000 | 60,900 | 48,402 | 47,495 |
| 2003 | 28,152 | 59,119 | 44,935 | 45,515 |
| 2002 | 27,332 | 57,397 | 44,156 | 44,266 |
| 2001 | 26,281 | 55,190 | 45,384 | 42,892 |
| 2000 | 25,392 | 53,323 | 41,250 | 41,713 |
| 1999 | 24,653 | 51,771 | 38,580 | 40,746 |
| 1998 | 23,705 | 49,780 | 38,311 | 39,714 |
| 1997 | 22,784 | 47,846 | 36,276 | 38,913 |

Sources: School District Records and Ohio Department of Education

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Mary Taylor, CPA
Auditor of State

SANDUSKY CITY SCHOOL DISTRICT

ERIE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 15, 2007**