



Mary Taylor, CPA
Auditor of State

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department of Education</i>			
<u>Nutrition Cluster:</u>			
School Breakfast Program	10.553	303,043	303,043
National School Lunch Program	10.555		
Cash Assistance		935,786	935,786
Non-cash Assistance (Food Distribution)		121,680	121,680
Total - National School Lunch Program		1,057,466	1,057,466
Total - Nutrition Cluster		1,360,509	1,360,509
Total United States Department of Agriculture		1,360,509	1,360,509
UNITED STATES DEPARTMENT OF EDUCATION			
<i>Direct Program</i>			
Federal Pell Grant Program	84.063	154,911	154,911
Safe and Drug Free Schools and Communities - National Programs	84.184L	783,445	783,445
<i>Passed through the Ohio Department of Education</i>			
<u>Special Education Cluster:</u>			
Special Education - Grants to States	84.027	1,057,411	1,109,659
Special Education - Preschool Grants	84.173	52,014	48,561
Total - Special Education Cluster		1,109,425	1,158,220
Adult Education - State Grant Program	84.002	153,941	151,632
Title I Grants to Local Educational Agencies	84.010	1,470,005	1,580,263

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Disbursements
Vocational Education - Basic Grants to States	84.048	219,642	183,909
Safe and Drug Free Schools and Communities - State Grants	84.186	14,025	15,311
Javits Gifted and Talented Students Education Grant Program	84.206	4,777	1,691
State Grants for Innovative Programs	84.298	4,993	5,064
Education Technology State Grants	84.318	63,183	81,118
Comprehensive School Reform Demonstration	84.332	1,909	4,482
Reading First State Grants	84.357	1,297,401	1,406,209
Improving Teacher Quality State Grants	84.367	<u>336,767</u>	<u>339,459</u>
Total United States Department of Education		<u>5,614,424</u>	<u>5,865,714</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Job and Family Services</i>			
A Closing the Achievement Gap	93.558	<u>86,486</u>	<u>95,525</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u><u>\$ 7,061,419</u></u>	<u><u>\$ 7,321,748</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed Federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

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. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

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). 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 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 the Schedule. The District paid off the remaining balance on this loan during fiscal year 2008.

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Mary Taylor, CPA

Auditor of State

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 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, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 31, 2008. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated December 31, 2008.

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*.

We did note certain noncompliance that we reported to the District's management in a separate letter dated December 31, 2008.

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. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 31, 2008



Mary Taylor, CPA

Auditor of State

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, Ohio, (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, 2008. The summary of auditor's results section of the accompanying schedule of findings and questioned costs 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, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying schedule of findings and questioned costs as item 2008-001.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 31, 2008.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Sandusky City School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 31, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and 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.

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

Sandusky City School District
Erie County
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*
Page 3

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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 31, 2008

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2008**

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 weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control 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 weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control 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?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Reading First State Grants – CFDA 84.357; Special Education Cluster – CFDA 84.027 and 84.173
<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
--

Finding Number	2008-001
CFDA Title and Number	84.027 - Special Education Grants to States
Federal Award Number / Year	2008
Federal Agency	United States Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principle – Questioned Cost

2 CFR Part 225, Appendix B, paragraph 8.g.(2) indicates severance payments associated with normal turnover are allowable costs provided such payments are allocated as an indirect cost.

The Director of Student Services retired effective September 1, 2007. On January 1, 2008 the District expended \$30,580.81 for the severance payment to the Director of Student Services. Of this amount, \$21,406.59 was charged to the Special Education – Grants to States (IDEA, Part B) program as a direct cost. While this expenditure was associated with normal turnover, the expenditure was charged to the federal program as a direct cost. As stated above, severance payments are allowable expenditures from the IDEA, Part B program where such payments are allocated as an indirect cost. It was improper for the District to allocate the severance payment paid to the Director as a direct cost. For this reason, we are issuing a federal questioned cost for unallowable costs in the total amount of twenty one thousand four hundred six dollars and fifty nine cents (\$21,406.59) of the \$1,109,659 spent on Special Education Grants to States (IDEA, Part B) in 2008.

District management was advised that in order for severance payments to be considered an allowable cost the District would have to establish an indirect cost allocation plan subject to approval of the District's oversight agency.

Officials' Response:

The District now charges severance payments to the General Fund.

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2008**

Finding Number	Planned Corrective Action	Responsible Contact Person
2008-001	Severance payments are now charged to the General Fund.	Kevin Robertson, CPA, Treasurer

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

SANDUSKY CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2008

PREPARED BY
TREASURER'S DEPARTMENT
KEVIN D. ROBERTSON, CPA, TREASURER/CFO

407 DECATUR STREET

SANDUSKY, OHIO 44870

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO**
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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INTRODUCTORY SECTION



Sandusky City Schools

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

December 31, 2008

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, 2008 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent 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, 2008 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 106th largest by total enrollment among the 896 public and community school districts in the state and is the largest in Erie County. As of the current school year (2007-08), the average daily membership (ADM) was 3,836 students. Most of these students attend one of the District's nine schools, 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 554 full and part time employees. The District employs 342 certified staff members and 29 administrators. Additionally, the District employs 10 full-time adult education instructors and 173 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 (25.32%) 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 (2007-08 school year) for a teacher with a bachelor's degree is \$32,090, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$67,389.

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, 2010.

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. St. Mary's Elementary (Grades 4-8), Sts. Peter & Paul Elementary (Grades K-3), Holy Angels Elementary (Preschool) and St. Mary's Central Catholic High School are all reported as a single entity under one IRN, are all located within the District and serve students who reside both inside and outside the District. As of June, 2008, approximately 55% of the students reside within the District. Total enrollment as for fiscal year 2007-2008 was 710 which represented 390 students who reside in Sandusky City Schools attendance area and 320 student who reside in other district's attendance areas.

Budgetary Controls

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

Unencumbered amounts lapse at year-end. A complete description of the District's Budgetary Process can be found in 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 2006 was 6.6%, compared with state and national unemployment rates of 5.5% and 4.6% respectively. If one or both of the large plants in the area that manufacture automotive components are closed within the next several 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 regularly updates the five-year forecast for use as a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in improvements in the District's financial condition include the approval of a 5.4 mill operating levy in 2007, the closure of school buildings due to decreased enrollment which has resulted in the net reduction of paid staff positions, and the successful renewal of a five-year, \$1.5 million emergency levy in November 2008.

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 2007-08 school year. Completed upgrades in technology include the purchase of new hardware and software to replace many outdated computers. The interactive SMART Board project was completed during the 2007-2008 school year and the district now has SMART Boards installed in every classroom throughout the school system. In addition, the district maintains a minimum of four up to date computers in every classroom for grades K-8 as well as numerous computer labs though-out every district school building. The District employs a director of network technology, two computer technicians, and an instructional technology facilitator to provide support to District staff.

In 2008-2009, the 4th year and first “sustainability” year for Reading First Ohio, the district received grant funds in the amount of \$692,400, to sustain the personnel to continue reading improvement in grades K-3 in the 6 elementary buildings. Activities associated with Reading First Ohio that are not funded by these grant funds are being implemented within Title I activities to attain the goal of improving 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.

Major Initiatives for the Future

The District will continue to upgrade all areas of technology in the 2008-09 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. The District is eligible for funding from the Ohio School Facilities Commission during the 2009-2010 school year with a state match of 41%. Recently, the option of segmenting projects became available, through legislation and the district may choose to pursue this option which will allow for phasing the project over more than one ballot issue.

In the fourth year of the Reading First Ohio grant, the estimated funding in the amount of \$692,400 is to be used to provide personnel to assist in reading improvement and to purchase materials for the reading program.

The District has instituted a rolling open-enrollment time frame policy and intends to expand awareness of the positive academic programs offered by the district.

AWARDS AND ACKNOWLEDGEMENTS

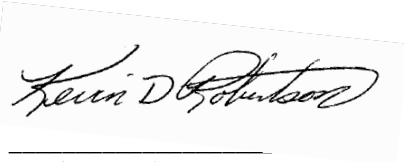
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sandusky City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. In order to be awarded 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, 2007. 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,

Handwritten signature of Kevin D. Robertson in black ink on a light background.

Kevin D. Robertson, Treasurer

Handwritten signature of William F. Pahl in black ink on a light background.

William F. Pahl, Superintendent

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO
 LIST OF PRINCIPAL OFFICERS
 JUNE 30, 2008**

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>
Mr. Thomas C. Patterson**	2002	2009	Businessman
Mrs. Faith Denslow*	2004+	2009	Homemaker
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
Mr. Jeff Krabill	2008	2012	Self Employed
Mr. Tracy Shoemo	2008	2012	Minister

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

Superintendent

Mr. William F. Pahl

Treasurer

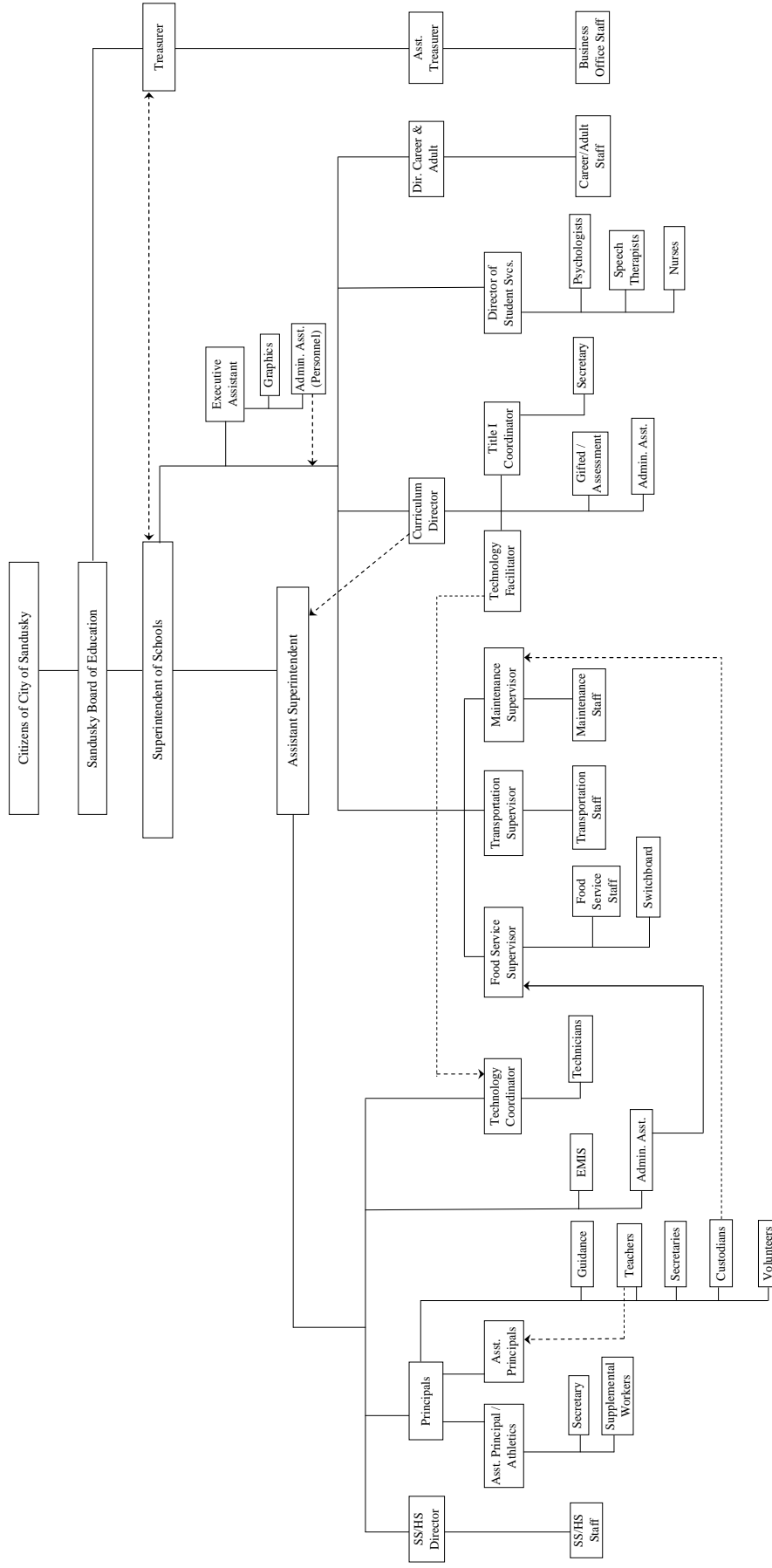
Mr. A. Troy Bouts

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. Karen Clemons	Director of Student Services
Mrs. Sally Roth	Curriculum Director
Mr. Kevin Toms	Supervisor of Building Services
Mrs. Christine Zess	Instructional Technology Facilitator

ORGANIZATIONAL CHART

File: CCA



Adoption Date: November 19, 2001
 Revised Date: **January 8, 2007**

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, 2007

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.



Charles S. Cox

President

Jeffrey R. Emer

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, 2007

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

Gene E. Brundel

President

John A. Mueser

Executive Director

FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

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 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, 2008, 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 major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, Ohio, as of June 30, 2008, 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 31, 2008, 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 / Suite 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 31, 2008

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

The discussion and analysis of the 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, 2008. 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 2008 are as follows:

- Net assets of governmental activities increased \$288,778, which represents a 2.19% increase from 2007.
- General revenues related to governmental activities accounted for \$36,522,805 in revenue or 74.41% 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 \$12,560,305 or 25.59% of total governmental revenues of \$49,083,110.
- The District had \$48,794,332 in expenses related to governmental activities; only \$12,560,305 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$36,522,805 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$38,156,356 in revenues and \$38,016,831 in expenditures and other financing uses. The general fund's fund balance increased \$137,339 from a balance of \$1,424,956 to \$1,562,295.

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, 2008
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 2008?" 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 governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations, and the adult education program.

The District's statement of net assets and statement of activities can be found on pages 26-27 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 20. 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.

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 28-32 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

Proprietary Fund

The District maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance of the District's medical, dental and vision benefits. The basic proprietary fund financial statements can be found on pages 33-35 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 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 36 and 37. 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 39-67 of this report.

The District as a Whole

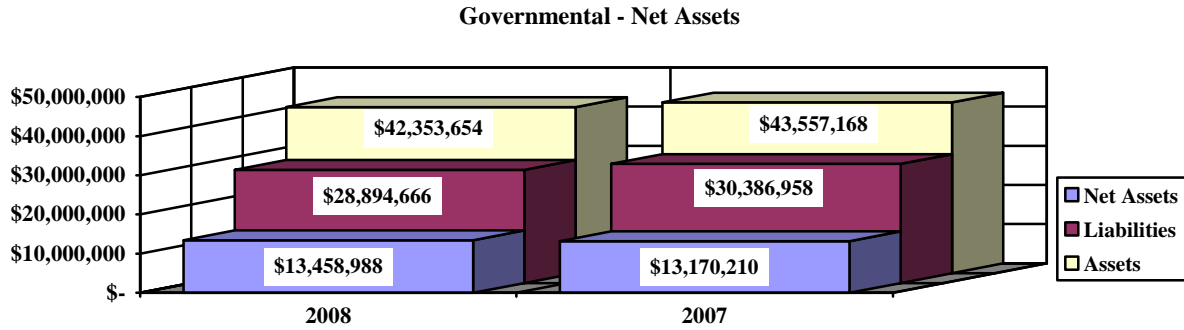
The statement of net assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2008 compared to fiscal 2007.

	Net Assets	
	Governmental Activities	
	2008	2007
<u>Assets</u>		
Current assets	\$ 32,026,089	\$ 33,025,382
Capital assets	10,327,565	10,531,786
Total assets	42,353,654	43,557,168
<u>Liabilities</u>		
Current liabilities	24,006,473	25,011,301
Long-term liabilities	4,888,193	5,375,657
Total liabilities	28,894,666	30,386,958
<u>Net Assets</u>		
Invested in capital assets, net of related debt	9,733,381	9,618,666
Restricted	1,661,477	2,342,360
Unrestricted	2,064,130	1,209,184
Total net assets	\$ 13,458,988	\$ 13,170,210

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Total governmental activities assets decreased by \$1,203,514 while total governmental activities liabilities decreased by \$1,492,292 resulting in an increase to net assets of \$288,778. Taxes receivable in 2008 contributed \$20,345,879 or 48.04% of total governmental assets. Liabilities of governmental activities decreased due to an overall decrease in unearned revenue and long term liabilities involving debt service payments and future retirement incentives.



The table below shows the changes in net assets for governmental activities for fiscal year 2008 compared to fiscal year 2007.

Change in Net Assets

	Governmental Activities	
	2008	2007
Revenues		
Program revenues:		
Charges for services and sales	\$ 1,840,930	\$ 1,976,245
Operating grants and contributions	10,658,668	12,407,355
Capital grants and contributions	60,707	146,949
General revenues:		
Property taxes	18,576,379	18,854,336
Grants and entitlements	17,217,113	16,127,728
Other	729,313	895,608
Total revenues	49,083,110	50,408,221

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

	Governmental Activities	
	2008	2007
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	16,539,596	17,169,392
Special	8,625,588	8,484,449
Vocational	1,665,386	1,584,451
Adult/continuing	1,194,029	1,207,654
Other	356,416	166,569
Support services:		
Pupil	1,966,662	1,848,395
Instructional staff	2,345,780	2,604,516
Board of Education	225,384	251,748
Administration	3,260,728	3,294,800
Fiscal	827,379	816,087
Business	167,861	182,226
Operations and maintenance	4,266,515	4,441,639
Pupil transportation	1,605,498	1,678,854
Central	869,701	878,440
Other non-instructional services	1,471,777	1,224,595
Food service operations	1,926,881	1,892,231
Extracurricular activities	1,434,639	1,259,230
Intergovernmental	-	466,340
Interest and fiscal charges	44,512	62,932
Total expenses	48,794,332	49,514,548
Excess (deficiency) before special item	288,778	893,673
Special item - loss on sale of capital assets	-	(543,770)
Changes in net assets	288,778	349,903
Net assets, beginning of year	13,170,210	12,820,307
Net assets, end of year	\$ 13,458,988	\$ 13,170,210

Governmental Activities

Net assets of the District's governmental activities increased \$288,778. Total governmental expenses of \$48,794,332 were offset by program revenues of \$12,560,305 and general revenues of \$36,522,805. Program revenues supported 25.74% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These two revenue sources represent 72.92% of total governmental revenue. Real estate property is reappraised every six years. Erie County performed a revaluation in 2006. 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.

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

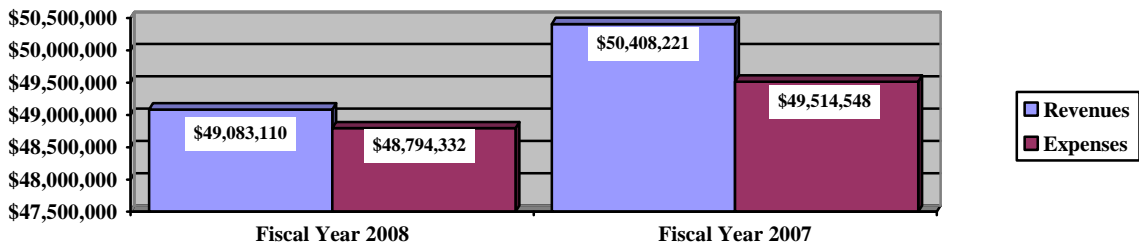
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

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). Instructional expenses accounted for 58.16% of total expenses. Supporting service include those related to pupils, staff, administration and business operations and account for an additional 31.84% of expenses. The remaining amount of program expenses, 10.00% is used to finance other obligations of the District such as food service operations, operations of non-instructional services, extracurricular activities, and interest and fiscal charges.

Total expenses decreased \$720,216 or 1.45% from fiscal year 2007. In fiscal year 2008 regular instructional expenses decreased by \$629,796 from fiscal year 2007 due to poverty aid expenses being charged to special instruction during fiscal year 2008, rather than regular instruction.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2008 and 2007.

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 2008 and 2007. 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**

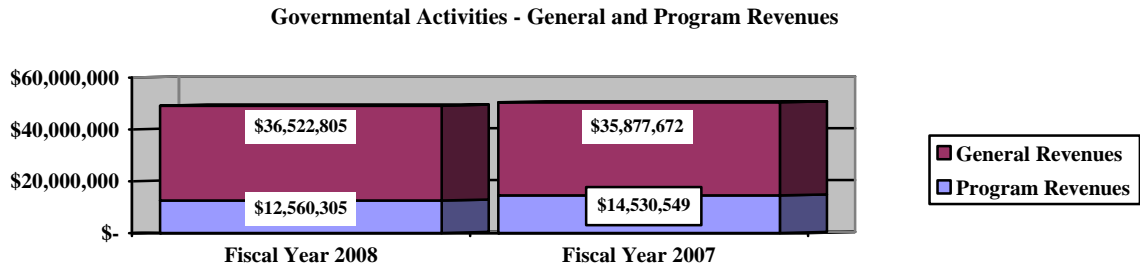
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program expenses:				
Instruction:				
Regular	\$ 16,539,596	\$ 14,718,364	\$ 17,169,392	\$ 15,096,785
Special	8,625,588	5,373,412	8,484,449	4,410,351
Vocational	1,665,386	1,241,056	1,584,451	1,147,655
Adult/continuing	1,194,029	62,349	1,207,654	(142,960)
Other	356,416	33,987	166,569	8,915
Support services:				
Pupil	1,966,662	1,882,743	1,848,395	1,597,015
Instructional staff	2,345,780	1,213,418	2,604,516	1,279,931
Board of Education	225,384	225,384	251,748	251,748
Administration	3,260,728	3,107,055	3,294,800	2,930,263
Fiscal	827,379	814,243	816,087	802,610
Business	167,861	167,861	182,226	182,226
Operations and maintenance	4,266,515	4,198,554	4,441,639	4,329,643
Pupil transportation	1,605,498	1,430,060	1,678,854	1,504,501
Central	869,701	590,962	878,440	624,568
Food service operations	1,926,881	(42,872)	1,892,231	(31,735)
Other non-instructional services	1,471,777	97,889	1,224,595	71,863
Extracurricular activities	1,434,639	1,075,050	1,259,230	863,303
Intergovernmental	-	-	466,340	(5,615)
Interest and fiscal charges	44,512	44,512	62,932	62,932
Total expenses	<u>\$ 48,794,332</u>	<u>\$ 36,234,027</u>	<u>\$ 49,514,548</u>	<u>\$ 34,983,999</u>

The dependence upon tax revenues during fiscal year 2008 for governmental activities is apparent, as 75.51% of 2008 instruction activities are supported through taxes and other general revenues. All governmental activities, general revenue support is 74.26% in 2008. The District's taxpayers and unrestricted grants and entitlements as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2008 and 2007



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$2,486,083, which is below last year's total of \$2,522,965. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	<u>Fund Balance</u> <u>June 30, 2008</u>	<u>Fund Balance</u> <u>June 30, 2007</u>	<u>Increase</u> <u>(Decrease)</u>
General	\$ 1,562,295	\$ 1,424,956	\$ 137,339
Other Governmental	<u>923,788</u>	<u>1,098,009</u>	<u>(174,221)</u>
Total	<u>\$ 2,486,083</u>	<u>\$ 2,522,965</u>	<u>\$ (36,882)</u>

General Fund

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

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 18,099,343	\$ 17,428,562	3.85 %
Interest earnings	343,889	468,437	(26.59) %
Intergovernmental	19,169,957	18,110,122	5.85 %
Other revenues	<u>543,167</u>	<u>577,900</u>	(6.01) %
Total	<u>\$ 38,156,356</u>	<u>\$ 36,585,021</u>	4.30 %

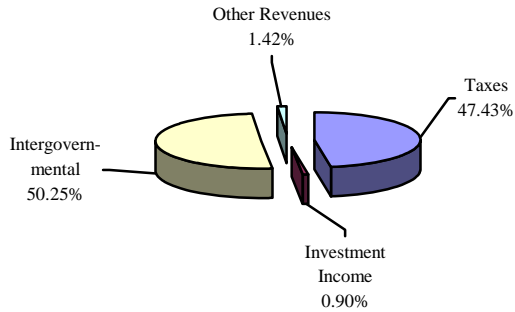
The fund balance of the general fund increased \$137,339. Tax revenue increased 3.85% from fiscal year 2007 as a result of the amount of taxes collected by the Erie County Auditor and the amount of taxes available to the District as an advance at fiscal year end. These amounts vary depending upon when the tax bills are sent. Also, on a cash basis, the fiscal year 2008 tax revenue actually increased \$71,641 even with the phase-out of the tangible personal property tax.

These amounts are reserved on the fund financial statements as tax advance unavailable for appropriation. Intergovernmental revenue increased \$1,059,835 or 5.85% from the prior year. This is attributed to an increase in the amount of grants and state foundation the District received in 2008. The significant decrease in investment income is the result of the falling interest rate market. The decrease in other general fund revenues can be attributed to a decrease in tuition and local revenue.

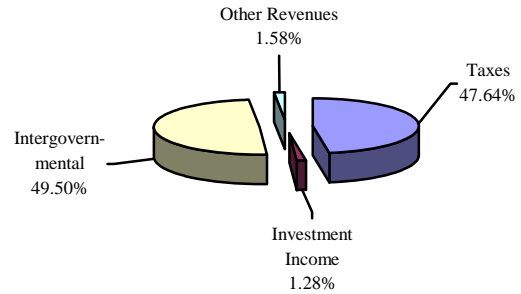
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

Revenues - Fiscal Year 2008



Revenues - Fiscal Year 2007



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

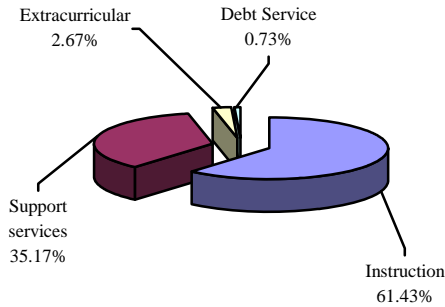
	2008 <u>Amount</u>	2007 <u>Amount</u>	Percentage <u>Change</u>
<u>Expenditures</u>			
Instruction	\$ 23,252,450	\$ 22,694,673	2.46 %
Support services	13,310,988	12,798,695	4.00 %
Extracurricular activities	1,011,337	847,664	19.31 %
Debt service	<u>275,702</u>	<u>275,702</u>	- %
Total	<u>\$ 37,850,477</u>	<u>\$ 36,616,734</u>	3.37 %

Total expenditures of the general fund increased 3.37% in fiscal year 2008. Instruction expenditures increased 2.46% due to an overall increase in salaries, wages, and fringe benefits, purchased services, and supplies. Other expenditures remained comparable to 2007, other than extracurricular activities which increased a total of \$163,673 due to an increase in salaries, wages and fringe benefits.

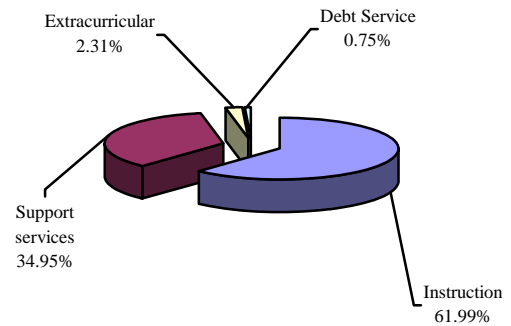
**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

Expenditures - Fiscal Year 2008



Expenditures - Fiscal Year 2007



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 2008, 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 \$38,027,744, compared to original budget estimates of \$37,815,000. The actual revenues and other financing sources were \$38,011,283, which was \$16,461 less than final budgeted revenues and other financing sources.

General fund original appropriations (expenditures and other financing uses) of \$38,250,684 were increased to \$38,625,523 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$38,026,607, which was \$598,916 less than the final budget appropriations, primarily because salary costs proved to be lower than anticipated in the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had \$10,327,565 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. The entire amount was reported in governmental activities. The following table shows fiscal 2008 balances compared to 2007:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

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

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Land	\$ 2,079,726	\$ 2,079,726
Land improvements	282,992	213,418
Building and improvements	6,001,876	6,262,563
Furniture and equipment	1,140,813	1,057,782
Vehicles	<u>822,158</u>	<u>918,297</u>
Total	<u>\$ 10,327,565</u>	<u>\$ 10,531,786</u>

Capital assets decreased overall by \$204,221 as a result of depreciation expense of \$637,424 exceeding additions of \$487,069 during fiscal year 2008. The District also disposed of capital assets, net of accumulated depreciation, in the amount of \$53,866. Refer to Note 8 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2008 the District had \$716,716 in general obligation bonds and a capital lease outstanding. Of this total, \$386,275 is due within one year and \$330,441 is due within greater than one year. The following table summarizes the bonds, loan and capital lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
General obligation bonds:		
Elementary building addition	\$ 135,000	\$ 320,000
Asbestos abatement loan	-	30,733
Capital lease obligation	<u>581,716</u>	<u>822,345</u>
Total	<u>\$ 716,716</u>	<u>\$ 1,173,078</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 matured in fiscal year 2008.

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, 2008 the District's overall legal debt margin was \$44,369,870 with an unvoted debt margin of \$491,184.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

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 2008 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. District voters approved a 5.4 mill operating levy at the November 6, 2007, election which will generate \$2.7 million per year. 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.

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: Kevin D. Robertson, CPA, Treasurer at Sandusky City School District, 407 Decatur Street, Sandusky, Ohio, 44870.

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 10,225,478
Receivables:	
Taxes	20,345,879
Accounts	24,618
Intergovernmental	1,168,116
Prepayments	10,618
Materials and supplies inventory	248,335
Unamortized bond issue costs	3,045
Capital assets:	
Land	2,079,726
Depreciable capital assets, net	8,247,839
Capital assets, net.	10,327,565
 Total assets.	 42,353,654
 Liabilities:	
Accounts payable.	367,240
Accrued wages and benefits	5,056,613
Pension obligation payable.	1,075,319
Intergovernmental payable	307,272
Unearned revenue.	16,754,427
Accrued interest payable	501
Claims payable	445,101
Long-term liabilities:	
Due within one year.	1,520,574
Due within more than one year	3,367,619
Total liabilities	28,894,666
 Net Assets:	
Invested in capital assets, net of related debt.	9,733,381
Restricted for:	
Capital projects	638,622
Debt service.	323,845
Perpetual care:	
Expendable	90,256
Nonexpendable	15,319
Locally funded programs	33,498
State funded programs	86,669
Federally funded programs	291,805
Student activities	69,374
Public school support	112,089
Unrestricted.	2,064,130
Total net assets	\$ 13,458,988

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, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 16,539,596	\$ 303,926	\$ 1,517,306	\$ -	\$ (14,718,364)
Special	8,625,588	-	3,252,176	-	(5,373,412)
Vocational	1,665,386	34,023	390,307	-	(1,241,056)
Adult/continuing	1,194,029	664,868	466,812	-	(62,349)
Other	356,416	-	322,429	-	(33,987)
Support services:					
Pupil	1,966,662	-	83,919	-	(1,882,743)
Instructional staff	2,345,780	-	1,132,362	-	(1,213,418)
Board of education	225,384	-	-	-	(225,384)
Administration	3,260,728	-	153,673	-	(3,107,055)
Fiscal	827,379	-	13,136	-	(814,243)
Business	167,861	-	-	-	(167,861)
Operations and maintenance	4,266,515	24,900	-	43,061	(4,198,554)
Pupil transportation	1,605,498	-	157,792	17,646	(1,430,060)
Central	869,701	-	278,739	-	(590,962)
Operation of non-instructional services:					
Food service operations	1,926,881	579,568	1,390,185	-	42,872
Other non-instructional services	1,471,777	577	1,373,311	-	(97,889)
Extracurricular activities	1,434,639	233,068	126,521	-	(1,075,050)
Interest and fiscal charges	44,512	-	-	-	(44,512)
Totals	\$ 48,794,332	\$ 1,840,930	\$ 10,658,668	\$ 60,707	(36,234,027)
General Revenues:					
Property taxes levied for:					
General purposes					17,786,660
Debt service					277,686
Capital projects					512,033
Grants and entitlements not restricted					
to specific programs					17,217,113
Investment earnings					406,737
Miscellaneous					322,576
Total general revenues					36,522,805
Change in net assets					288,778
Net assets at beginning of year					13,170,210
Net assets at end of year					\$ 13,458,988

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 5,505,807	\$ 2,411,422	\$ 7,917,229
Receivables:			
Taxes	19,659,806	686,073	20,345,879
Accounts	17,368	7,250	24,618
Intergovernmental	-	1,168,116	1,168,116
Interfund loans	152,374	-	152,374
Prepayments	6,128	4,490	10,618
Materials and supplies inventory	232,807	15,528	248,335
	<u>\$ 25,574,290</u>	<u>\$ 4,292,879</u>	<u>\$ 29,867,169</u>
Liabilities:			
Accounts payable	\$ 191,560	\$ 169,670	\$ 361,230
Accrued wages and benefits	4,014,928	1,041,685	5,056,613
Future retirement obligation	725,338	32,904	758,242
Pension obligation payable	812,747	262,572	1,075,319
Intergovernmental payable	250,263	57,009	307,272
Interfund loan payable	-	152,374	152,374
Deferred revenue	1,800,806	1,114,803	2,915,609
Unearned revenue	16,216,353	538,074	16,754,427
	<u>24,011,995</u>	<u>3,369,091</u>	<u>27,381,086</u>
Fund Balances:			
Reserved for encumbrances	21,464	356,751	378,215
Reserved for materials and supplies inventories	232,807	15,528	248,335
Reserved for prepayments	6,128	4,490	10,618
Reserved for property tax unavailable for appropriation	1,642,647	72,126	1,714,773
Reserved for scholarships	-	15,319	15,319
Unreserved, undesignated (deficit), reported in:			
General fund	(340,751)	-	(340,751)
Special revenue funds	-	(135,860)	(135,860)
Debt service fund	-	269,920	269,920
Capital projects funds	-	235,258	235,258
Permanent fund	-	90,256	90,256
	<u>1,562,295</u>	<u>923,788</u>	<u>2,486,083</u>
Total fund balances	<u>\$ 25,574,290</u>	<u>\$ 4,292,879</u>	<u>\$ 29,867,169</u>
Total liabilities and fund balances	<u>\$ 25,574,290</u>	<u>\$ 4,292,879</u>	<u>\$ 29,867,169</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, 2008

Total governmental fund balances		\$	2,486,083
<i>Amounts reported for governmental activities on 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.			10,327,565
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	1,876,679	
Intergovernmental revenue		1,038,930	
Total		2,915,609	2,915,609
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 on the statement of net assets.			1,857,138
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(501)
Unamortized bond issuance costs are not recognized in the funds.			3,045
Unamortized premiums on bond issuance are not recognized in the funds.			(5,780)
Deferred charges on refundings are not recognized in the funds.			2,735
Long-term liabilities, including bonds and capital leases payable are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(376,057)	
Future retirement obligation		(3,034,133)	
Capital lease obligation		(581,716)	
General obligation bonds payable		(135,000)	
Total			(4,126,906)
Net assets of governmental activities		\$	13,458,988

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, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	\$ 18,099,343	\$ 815,843	\$ 18,915,186
Tuition.	15,790	568,254	584,044
Charges for services.	-	565,621	565,621
Earnings on investments.	343,889	23,599	367,488
Decrease in fair market value of investments	-	(16,852)	(16,852)
Extracurricular.	7,811	229,142	236,953
Classroom materials and fees	57,618	61,597	119,215
Other local revenues.	326,972	344,759	671,731
Other revenue	134,976	88	135,064
Intergovernmental - state	19,169,957	2,308,680	21,478,637
Intergovernmental - federal.	-	7,134,955	7,134,955
Total revenue	38,156,356	12,035,686	50,192,042
Expenditures:			
Current:			
Instruction:			
Regular	14,944,938	1,649,359	16,594,297
Special.	6,669,305	2,212,905	8,882,210
Vocational.	1,630,137	79,367	1,709,504
Adult/continuing	-	1,201,522	1,201,522
Other.	8,070	348,346	356,416
Support Services:			
Pupil.	1,913,857	138,826	2,052,683
Instructional staff	1,224,034	1,318,744	2,542,778
Board of education	225,384	-	225,384
Administration.	3,098,892	236,026	3,334,918
Fiscal	814,535	34,610	849,145
Business	170,505	-	170,505
Operations and maintenance.	3,781,806	-	3,781,806
Pupil transportation	1,502,291	25,693	1,527,984
Central.	579,684	312,543	892,227
Operation of non-instructional services:			
Food service operations	-	1,942,459	1,942,459
Other non-instructional services.	-	1,521,894	1,521,894
Extracurricular activities.	1,011,337	319,881	1,331,218
Facilities acquisition and construction	-	807,741	807,741
Debt service:			
Principal retirement	240,629	215,733	456,362
Interest and fiscal charges	35,073	10,125	45,198
Total expenditures	37,850,477	12,375,774	50,226,251
Excess (deficiency) of revenues over (under) expenditures	305,879	(340,088)	(34,209)
Other financing sources (uses):			
Transfers in	-	166,354	166,354
Transfers (out)	(166,354)	-	(166,354)
Total other financing sources.	(166,354)	166,354	-
Net change in fund balances	139,525	(173,734)	(34,209)
Fund balances at beginning of year	1,424,956	1,098,009	2,522,965
Decrease in reserve for inventory	(2,186)	(487)	(2,673)
Fund balances at end of year.	\$ 1,562,295	\$ 923,788	\$ 2,486,083

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, 2008

Net change in fund balances - total governmental funds \$ (34,209)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense.

Capital asset additions	\$ 487,069	
Current year depreciation	(637,424)	
Total	(150,355)	(150,355)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (53,866)

Governmental funds report expenditures for inventory when purchased, however, in the statement of activities, they are reported as an expense when consumed. (2,673)

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

Taxes	(338,807)	
Intergovernmental revenue	(832,973)	
Total	(1,171,780)	(1,171,780)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 456,362

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. The following items resulted in additional interest expense being reported in the statement of activities:

Decrease in accrued interest	686	
Amortization of deferred charges	6,559	
Amortization of bond premium	(13,869)	
Amortization of bond issuance costs	7,310	
	686	686

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	(41,646)	
Future retirement obligation	470,582	
Total	428,936	428,936

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 is allocated among the governmental activities.

815,677

Change in net assets of governmental activities \$ 288,778

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, 2008

	<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	\$ 17,513,427	\$ 17,611,956	\$ 17,604,331	\$ (7,625)
Tuition.	15,559	15,647	15,640	(7)
Earnings on investments.	342,113	344,038	343,889	(149)
Extracurricular.	7,791	7,834	7,831	(3)
Classroom materials and fees	57,700	58,025	58,000	(25)
Other local revenues.	351,914	353,894	353,741	(153)
Other revenue	134,279	135,034	134,976	(58)
Intergovernmental - state	19,070,967	19,178,259	19,169,957	(8,302)
Intergovernmental - federal.	152,312	153,169	153,103	(66)
Total revenue	<u>37,646,062</u>	<u>37,857,856</u>	<u>37,841,468</u>	<u>(16,388)</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,311,527	15,174,117	15,031,905	142,212
Special.	6,111,911	6,644,005	6,607,846	36,159
Vocational.	1,548,816	1,642,949	1,583,091	59,858
Other.	-	9,170	8,070	1,100
Support services:				
Pupil.	1,864,777	1,932,729	1,909,562	23,167
Instructional staff	1,271,546	1,201,899	1,156,353	45,546
Board of education	289,832	262,812	238,189	24,623
Administration.	3,081,700	3,050,348	2,995,526	54,822
Fiscal	839,215	842,413	818,141	24,272
Business	201,483	180,302	164,464	15,838
Operations and maintenance.	4,525,341	3,979,928	3,906,832	73,096
Pupil transportation	1,356,433	1,494,003	1,481,886	12,117
Central.	903,673	914,971	875,093	39,878
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	944,430	949,149	903,260	45,889
Total expenditures	<u>38,250,684</u>	<u>38,278,795</u>	<u>37,680,218</u>	<u>598,577</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(604,622)</u>	<u>(420,939)</u>	<u>161,250</u>	<u>582,189</u>
Other financing sources (uses):				
Refund of prior year's expenditures	27,671	27,827	27,815	(12)
Refund of prior year receipt.	-	(28,000)	(27,661)	339
Transfers in	14,923	15,006	15,000	(6)
Transfers (out)	-	(166,354)	(166,354)	-
Advances in.	126,344	127,055	127,000	(55)
Advances (out)	-	(152,374)	(152,374)	-
Total other financing sources (uses)	<u>168,938</u>	<u>(176,840)</u>	<u>(176,574)</u>	<u>266</u>
Net change in fund balance	(435,684)	(597,779)	(15,324)	582,455
Fund balance at beginning of year.	4,841,243	4,841,243	4,841,243	-
Prior year encumbrances appropriated	371,610	371,610	371,610	-
Fund balance at end of year	<u>\$ 4,777,169</u>	<u>\$ 4,615,074</u>	<u>\$ 5,197,529</u>	<u>\$ 582,455</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash equivalents.	\$ 2,308,249
Total assets	2,308,249
Liabilities:	
Accounts payable.	6,010
Claims payable	445,101
Total liabilities	451,111
Net assets:	
Unrestricted.	1,857,138
Total net assets	\$ 1,857,138

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 FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	\$ 5,693,983
Total operating revenues.	<u>5,693,983</u>
Operating expenses:	
Purchased services	4,410,164
Other	<u>530,990</u>
Total operating expenses.	<u>4,941,154</u>
Operating income	<u>752,829</u>
Nonoperating revenues:	
Interest revenue.	<u>62,848</u>
Total nonoperating revenues.	<u>62,848</u>
Change in net assets	815,677
Net assets at beginning of year	<u>1,041,461</u>
Net assets at end of year	<u><u>\$ 1,857,138</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services.	\$ 5,693,983
Cash payments for purchased services.	(4,634,573)
Cash payments for other expenses.	(536,269)
	523,141
Net cash provided by operating activities.	523,141
Cash flows from investing activities:	
Interest received	62,848
	62,848
Net cash provided by investing activities.	62,848
Net increase in cash and cash equivalents	585,989
Cash and cash equivalents at beginning of year . .	1,722,260
Cash and cash equivalents at end of year	\$ 2,308,249
Reconciliation of operating income to net cash provided by operating activities:	
Operating income.	\$ 752,829
Changes in assets and liabilities:	
Decrease in accounts payable.	(5,279)
Decrease in claims payable.	(224,409)
	(229,688)
Net cash provided by operating activities	\$ 523,141

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 3,976,750	\$ 85,299
Investments.	3,151,374	-
Receivables:		
Taxes	-	303,858
Accounts.	-	120
Accrued interest	<u>6,809</u>	<u>-</u>
Total assets.	<u>7,134,933</u>	<u>\$ 389,277</u>
Liabilities:		
Accounts payable.	61	\$ 772
Intergovernmental payable	-	306,992
Due to students	<u>-</u>	<u>81,513</u>
Total liabilities	<u>61</u>	<u>\$ 389,277</u>
Net Assets:		
Held in trust for scholarships	<u>7,134,872</u>	
Total net assets	<u>\$ 7,134,872</u>	

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, 2008

	Private-Purpose Trust
Additions:	
Interest	\$ 297,111
Decrease in fair market value of investments.	(1,267,156)
Gifts and contributions.	84,738
	(885,307)
Deductions:	
Scholarships awarded	306,558
	(1,191,865)
Change in net assets	(1,191,865)
Net assets at beginning of year	8,326,737
Net assets at end of year	\$ 7,134,872

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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 106th largest by total enrollment among the 896 public and community school districts in the State. It currently operates 6 elementary schools, 2 junior high schools and 1 comprehensive high school. The District employs 173 non-certified employees, 342 certified employees, 10 full-time adult education instructors and 29 administrators, to provide services to approximately 3,836 students in grades K through 12, more than 2,000 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 type activity and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. 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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

The following organizations are described due to their relationship to the District:

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 \$84,959 to NOECA in fiscal year 2008 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 (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

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

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, 2008

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; and (c) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District has no enterprise funds. The following is a description of the District's internal service fund:

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net 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, 2008

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

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

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

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

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the proprietary fund are included on the statement of net 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 activity.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 services. Operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2008, but which were levied to finance fiscal year 2009 operations and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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 2008 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 revenue amount in the budgetary statement reflect the amounts set forth in the final Certificate issued for fiscal year 2008.
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.)

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

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.
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 2008.
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 2008, investments were limited to shares of common stock, a repurchase agreement, corporate bonds, limited partnership, investments in the State Treasury Asset Reserve of Ohio (STAR Ohio) and open-ended money market 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

The District has invested funds in STAR Ohio during fiscal 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2008.

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 2008 amounted to \$343,889, which includes \$90,591 assigned from other District funds.

While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with gifts of stock to its private-purpose trust fund. No public funds were used to acquire the stock. At the time the common stock was endowed to the District its value was \$3,612,515. Due to changes in fair market value, at June 30, 2008, the common stock has decreased in value by \$522,356. 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 District's investment account at year-end is provided in Note 4.

G. Inventory

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis and is expensed when purchased.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings/improvements	25 - 50 years
Furniture/equipment	5 - 20 years
Vehicles	6 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental type activities columns of the statement of net assets.

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on a policy whereby an employee who was hired prior to July 1, 2004 is compensated upon retirement for the greater of (1) sixty five (65) days of sick leave pay regardless of the employee's sick leave balance, or (2) 25% of accrued but unused sick leave up to a maximum of 75 days, plus 10% of all unused sick leave over 300 days. Employees hired on or after July 1, 2004 are eligible for sick leave pay only as in (2) above. This liability exists for employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future and is reported as a component of "future retirement obligation" in the basic financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

The District has entered into a First Opportunity Retirement Incentive (FORI) whereby, upon election, an employee reaching their first year of retirement eligibility (with a minimum age of 60 years or 30 or more years of service) is entitled to receive an additional 30 days of sick leave pay or 12% of their unused sick leave balance, whichever is greater. The corresponding liability for the FORI has been recorded for employees who have elected to retire under the terms of the FORI and is reported as a component of "future retirement obligation" in the governmental fund balance sheet and as a component of long-term liabilities in the statement of net 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, 2008 on the fund financial statements.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

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 the internal service fund are reported on the proprietary fund financial statements.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

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 first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

O. Unamortized Bond Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Unamortized bond issuance costs are recorded as an asset on the financial statements.

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, deferred charges, issuance costs and bond premiums are recognized in the current period.

P. 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.

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

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 fund. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2008 included the following individual fund deficits:

<u>Nonmajor Governmental Funds</u>	<u>Deficit</u>
Food service	\$ 95,157
Public school preschool	32,371
Adult basic education	14,479
Title IV-B	203,150
Vocational education	7,303
Title I	274,641
Drug-free schools	5,425
Preschool	2,519
Improving teacher quality	52,504
Miscellaneous federal grants	230,212

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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.

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, 2008, the carrying amount of all District deposits was \$504,753, exclusive of the \$1,558,000 repurchase agreement included in investments below. As of June 30, 2008, \$1,550,960 of the District's bank balance of \$1,750,960 was exposed to custodial risk as discussed below, while \$200,000 was covered by the Federal Deposit Insurance Corporation.

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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 Federal Deposit Insurance Corporation.

B. Investments

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment type</u>	<u>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	\$ 1,558,000	\$ 1,558,000	\$ -	\$ -	\$ -
STAR Ohio	11,941,734	11,941,734	-	-	-
Money market mutual funds	283,040	283,040	-	-	-
Corporate bonds	23,235	23,235	-	-	-
Limited partnership	37,980	-	-	-	-
Stock	3,090,159	-	-	-	-
	<u>\$ 16,934,148</u>	<u>\$ 13,806,009</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 and the market value of securities for repurchase agreements must exceed the principal value by greater or equal to 2%. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District'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. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 money market 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 AA to B+, Aaa to B3, and AA to BB- by Standard & Poor's, Moody's Investor Services and Fitch Ratings, respectively. The District's corporate bonds were rated A- and B by Moody's Investor Services and were rated Baa1 and B3 by Standard & Poor's. The investments in the limited liability partnership are not rated. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreement	\$ 1,558,000	9.20
STAR Ohio	11,941,734	70.52
Money market mutual funds	283,040	1.67
Corporate bonds	23,235	0.14
Limited partnership	37,980	0.22
Stock	3,090,159	18.25
	<u>\$ 16,934,148</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 504,753
Investments	16,934,148
Total	<u>\$ 17,438,901</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 10,225,478
Private-purpose trust funds	7,128,124
Agency funds	85,299
Total	<u>\$ 17,438,901</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended June 30, 2008 consisted of the following as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General fund	\$ 166,354

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated in the statement of activities.

- B. Interfund loans receivable/payable consisted of the following at June 30, 2008, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 152,374

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.

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 year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, 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 year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien January 1, 2007, were levied after April 1, 2007 and are collected in 2008 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.50% for property, including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. 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 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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, 2008, are available to finance fiscal year 2008 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, 2008 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, 2008 was \$1,642,647 in the general fund, \$28,361 in the debt service fund (a nonmajor fund) and \$43,765 in the permanent improvement fund (a nonmajor fund). These amounts have been recorded as revenue. The amount that was available as an advance at June 30, 2007 was \$1,147,635 in the general fund, \$22,608 in the debt service fund (a nonmajor fund), and \$36,843 in the permanent improvement fund (a nonmajor fund).

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 475,044,720	88.32	\$ 479,749,690	90.91
Public utility personal	15,306,600	2.85	15,507,850	2.94
Tangible personal property	<u>47,462,890</u>	<u>8.83</u>	<u>16,223,675</u>	<u>6.15</u>
Total	<u>\$ 537,814,210</u>	<u>100.00</u>	<u>\$ 511,481,215</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$71.35		\$76.75	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), 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:

Governmental Activities

Taxes - current and delinquent	\$ 20,345,879
Accounts	24,618
Intergovernmental	<u>1,168,116</u>
Total receivables	<u>\$ 21,538,613</u>

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

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance			Balance
Governmental Activities	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ 2,079,726	\$ -	\$ -	\$ 2,079,726
Total capital assets, not being depreciated	<u>2,079,726</u>	<u>-</u>	<u>-</u>	<u>2,079,726</u>
Capital assets, being depreciated:				
Land improvements	264,380	85,310	-	349,690
Building/improvements	14,569,371	66,960	(54,430)	14,581,901
Furniture/equipment	2,619,978	259,349	(57,744)	2,821,583
Vehicles	<u>2,133,299</u>	<u>75,450</u>	<u>(49,176)</u>	<u>2,159,573</u>
Total capital assets, being depreciated	<u>19,587,028</u>	<u>487,069</u>	<u>(161,350)</u>	<u>19,912,747</u>
Less: accumulated depreciation				
Land improvements	(50,962)	(15,736)	-	(66,698)
Building/improvements	(8,306,808)	(305,548)	32,331	(8,580,025)
Furniture/equipment	(1,562,196)	(149,468)	30,894	(1,680,770)
Vehicles	<u>(1,215,002)</u>	<u>(166,672)</u>	<u>44,259</u>	<u>(1,337,415)</u>
Total accumulated depreciation	<u>(11,134,968)</u>	<u>(637,424)</u>	<u>107,484</u>	<u>(11,664,908)</u>
Governmental activities capital assets, net	<u>\$ 10,531,786</u>	<u>\$ (150,355)</u>	<u>\$ (53,866)</u>	<u>\$ 10,327,565</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 142,467
Special	9,025
Vocational	42,838
Adult education	2,038
Support Services:	
Pupil	11,968
Instructional staff	7,259
Administration	11,603
Fiscal	594
Operations and maintenance of plant	55,027
Pupil transportation	170,908
Central	29,322
Operation of non-instructional services	35,337
Food service operations	4,349
Extracurricular activities	<u>114,689</u>
Total depreciation expense	<u>\$ 637,424</u>

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

During a prior fiscal year, the District entered into capitalized leases for fiber optic, telephone equipment and 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, 2008 for building improvements and equipment was \$410,584 and \$177,344, respectively, leaving a current book value of \$335,932 and \$145,099, respectively. Computer equipment in the amount of \$122,532 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 2008 totaled \$240,629 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, 2008:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 275,702
2010	121,509
2011	94,797
2012	94,797
2013	<u>47,398</u>
Total minimum lease payments	634,203
Less: amount representing interest	<u>(52,487)</u>
Total	<u>\$ 581,716</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, 2008:

**SANDUSKY CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Loan</u>		<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2008</u>
			<u>Maturity Date</u>	<u>Outstanding June 30, 2007</u>			
Elementary building additions - 2003	4.450%	03/03/03	12/01/08	\$ 320,000	\$ -	\$ (185,000)	\$ 135,000

The following is a summary of the District's future annual debt service requirements to maturity for the general obligation bonds:

<u>Year Ending June 30</u>	<u>Principal on Bonds</u>	<u>Interest on Bonds</u>	<u>Total</u>
2009	\$ 135,000	\$ 3,004	\$ 138,004

- 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 was interest free and matured in fiscal year 2008. 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>	<u>Loan</u>		<u>Reductions</u>	<u>Outstanding June 30, 2008</u>
			<u>Maturity Date</u>	<u>Outstanding June 30, 2007</u>		
Asbestos Abatement	None	03/01/88	07/31/08	\$ 30,733	\$ (30,733)	\$ -

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

	<u>Balance June 30, 2007</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2008</u>	<u>Amounts Due in One Year</u>
Governmental Activities					
Future retirement obligation	\$ 3,857,813	\$ 307,289	\$ (372,727)	\$ 3,792,375	\$ 758,242
Compensated absences payable	334,411	199,857	(158,211)	376,057	376,057
General obligation bonds payable	320,000	-	(185,000)	135,000	135,000
Asbestos loan payable	30,733	-	(30,733)	-	-
Capital lease obligation	822,345	-	(240,629)	581,716	251,275
Total governmental activities long-term liabilities	\$ 5,365,302	\$ 507,146	\$ (987,300)	4,885,148	\$ 1,520,574
Less: Unamortized deferred charge on refunding				(2,735)	
Add: Unamortized premium of refunding				5,780	
Total on statement of net assets				\$ 4,888,193	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

D. 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 code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$44,369,870 (including available funds of \$298,281) and an unvoted debt margin of \$491,184.

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 2008, 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	95,858,303	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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 11 - RISK MANAGEMENT - (Continued)

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).

The claims liability of \$445,101 reported in the basic financial statements at June 30, 2008, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The claims liability is expected to be paid in the next fiscal year. Changes in claims activity for the current and previous 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>
2007-2008	\$ 669,510	\$ 4,410,164	\$ (4,634,573)	\$ 445,101
2006-2007	443,712	4,751,619	(4,525,821)	669,510

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - 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. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Forms and Publications*.

Funding Policy - 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 2008, 9.16 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$483,326, \$502,088 and \$497,594, respectively; 45.99 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - PENSION PLANS - (Continued)

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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2008, 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations 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.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$2,863,977, \$2,836,639 and \$2,800,057, respectively; 82.01 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$21,792 made by the District and \$51,264 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$322,554, \$270,073 and \$274,414, respectively; 45.99 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$34,825, \$34,142 and \$39,604, respectively; 45.99 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$220,306, \$218,203 and \$215,389, respectively; 82.01 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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),

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (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).
- (d) Advance-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (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	\$ (15,324)
Net adjustment for revenue accruals	314,888
Net adjustment for expenditure accruals	(478,537)
Net adjustment for other sources/uses	10,220
Adjustment for encumbrances	<u>308,278</u>
GAAP basis	<u>\$ 139,525</u>

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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, 2008, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2007	\$ (454,845)	\$ -
Current year set-aside requirement	624,427	624,427
Current year offsets	-	(522,409)
Qualifying disbursements	<u>(614,834)</u>	<u>(203,153)</u>
 Total	 <u>\$ (445,252)</u>	 <u>\$ (101,135)</u>
 Balance carried forward to FY 2009	 <u>(445,252)</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.

NOTE 17 - SIGNIFICANT SUBSEQUENT EVENTS

Kevin D. Robertson, CPA took over as Treasurer effective August 1, 2008.

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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:

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.

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 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.

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).

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

Nonmajor Special Revenue Funds - (Continued)

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.

Public School Preschool

Current Budget Bill
appropriation line item 200-408

A fund to assist school districts in paying the cost of preschool programs for three and four year olds.

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.

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.

SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

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.

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.

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

GOVERNMENTAL FUND DESCRIPTIONS

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.

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, 2008

	<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	\$ 17,513,427	\$ 17,611,956	\$ 17,604,331	\$ (7,625)
Tuition	15,559	15,647	15,640	(7)
Earnings on investments	342,113	344,038	343,889	(149)
Extracurricular	7,791	7,834	7,831	(3)
Classroom materials and fees	57,700	58,025	58,000	(25)
Other local revenues	351,914	353,894	353,741	(153)
Other revenue	134,279	135,034	134,976	(58)
Intergovernmental-state	19,070,967	19,178,259	19,169,957	(8,302)
Intergovernmental-federal	152,312	153,169	153,103	(66)
Total revenues	<u>37,646,062</u>	<u>37,857,856</u>	<u>37,841,468</u>	<u>(16,388)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	10,299,800	10,069,420	10,023,890	45,530
Fringe benefits	3,757,935	3,596,902	3,584,198	12,704
Purchased services	798,334	898,949	883,098	15,851
Supplies	366,341	522,340	494,613	27,727
Capital outlay	89,117	86,506	46,106	40,400
Total instruction-regular	<u>15,311,527</u>	<u>15,174,117</u>	<u>15,031,905</u>	<u>142,212</u>
Instruction-special				
Salaries and wages	2,657,136	2,797,206	2,783,538	13,668
Fringe benefits	1,087,800	1,126,314	1,122,894	3,420
Purchased services	1,584,272	1,930,772	1,924,053	6,719
Supplies	28,053	23,563	13,970	9,593
Capital outlay	4,650	9,150	6,391	2,759
Dues and fees	750,000	757,000	757,000	-
Total instruction-special	<u>6,111,911</u>	<u>6,644,005</u>	<u>6,607,846</u>	<u>36,159</u>
Instruction-vocational				
Salaries and wages	945,900	1,025,000	1,018,000	7,000
Fringe benefits	360,600	385,633	385,451	182
Purchased services	22,958	24,958	20,343	4,615
Supplies	189,358	183,230	152,922	30,308
Capital outlay	30,000	24,128	6,375	17,753
Total instruction-vocational	<u>1,548,816</u>	<u>1,642,949</u>	<u>1,583,091</u>	<u>59,858</u>
Instruction-other				
Salaries and wages	-	5,000	4,656	344
Fringe benefits	-	4,170	3,414	756
Total instruction-other	<u>-</u>	<u>9,170</u>	<u>8,070</u>	<u>1,100</u>
Support services-pupil				
Salaries and wages	1,302,700	1,337,890	1,331,689	6,201
Fringe benefits	445,680	460,759	456,816	3,943
Purchased services	101,397	115,897	112,631	3,266
Supplies	13,000	16,183	8,426	7,757
Capital outlay	2,000	2,000	-	2,000
Total support services-pupil	<u>1,864,777</u>	<u>1,932,729</u>	<u>1,909,562</u>	<u>23,167</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)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<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	\$ 634,000	\$ 627,200	\$ 617,093	\$ 10,107
Fringe benefits	305,600	287,570	284,759	2,811
Purchased services	139,794	106,676	104,858	1,818
Supplies	93,152	81,453	64,632	16,821
Capital outlay	9,000	9,000	172	8,828
Dues and fees	90,000	90,000	84,839	5,161
Total support services-instructional staff	<u>1,271,546</u>	<u>1,201,899</u>	<u>1,156,353</u>	<u>45,546</u>
Support services-board of education				
Salaries and wages	18,700	18,700	11,375	7,325
Fringe benefits	1,500	880	245	635
Purchased services	195,832	164,832	155,313	9,519
Supplies	600	600	279	321
Dues and fees	73,200	77,800	70,977	6,823
Total support services-board of education	<u>289,832</u>	<u>262,812</u>	<u>238,189</u>	<u>24,623</u>
Support services-administration				
Salaries and wages	2,106,900	2,100,050	2,090,568	9,482
Fringe benefits	920,100	876,358	872,421	3,937
Purchased services	26,300	26,300	5,521	20,779
Supplies	14,500	34,500	23,091	11,409
Capital outlay	11,000	10,240	2,837	7,403
Dues and fees	2,900	2,900	1,088	1,812
Total support services-administration. .	<u>3,081,700</u>	<u>3,050,348</u>	<u>2,995,526</u>	<u>54,822</u>
Support services-fiscal				
Salaries and wages	268,500	244,500	239,639	4,861
Fringe benefits	105,400	105,803	104,425	1,378
Purchased services	29,241	25,242	20,338	4,904
Supplies	4,074	4,073	2,873	1,200
Capital outlay	2,000	10,500	10,402	98
Dues and fees	430,000	452,295	440,464	11,831
Total support services-fiscal	<u>839,215</u>	<u>842,413</u>	<u>818,141</u>	<u>24,272</u>
Support services-business				
Salaries and wages	89,700	86,700	85,534	1,166
Fringe benefits	45,200	33,519	33,119	400
Purchased services	60,513	53,513	39,631	13,882
Supplies	6,010	6,010	5,634	376
Capital outlay	60	560	546	14
Total support services-business	<u>201,483</u>	<u>180,302</u>	<u>164,464</u>	<u>15,838</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)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-operations and maintenance				
Salaries and wages	\$ 1,664,100	\$ 1,563,983	\$ 1,555,837	\$ 8,146
Fringe benefits	752,100	622,399	619,178	3,221
Purchased services	1,948,888	1,586,292	1,541,000	45,292
Supplies	144,353	191,354	186,934	4,420
Capital outlay	15,900	15,900	3,883	12,017
Total support services-operations and maintenance	<u>4,525,341</u>	<u>3,979,928</u>	<u>3,906,832</u>	<u>73,096</u>
Support services-pupil transportation				
Salaries and wages	780,800	806,100	803,407	2,693
Fringe benefits	368,600	356,320	352,014	4,306
Purchased services	19,000	19,000	16,341	2,659
Supplies	160,033	217,133	216,039	1,094
Capital outlay	2,000	77,450	76,522	928
Dues and fees	26,000	18,000	17,563	437
Total support services-pupil transportation	<u>1,356,433</u>	<u>1,494,003</u>	<u>1,481,886</u>	<u>12,117</u>
Support services-central				
Salaries and wages	224,700	219,700	217,915	1,785
Fringe benefits	83,323	92,621	90,154	2,467
Purchased services	518,200	470,200	447,891	22,309
Supplies	50,450	70,050	57,431	12,619
Capital outlay	27,000	62,400	61,702	698
Total support services-central	<u>903,673</u>	<u>914,971</u>	<u>875,093</u>	<u>39,878</u>
Extracurricular activities				
Salaries and wages	704,800	709,050	685,933	23,117
Fringe benefits	141,100	143,211	139,601	3,610
Purchased services	62,004	55,112	47,554	7,558
Supplies	31,026	17,026	9,952	7,074
Capital outlay	5,000	24,750	20,220	4,530
Dues and fees	500	-	-	-
Total extracurricular activities.	<u>944,430</u>	<u>949,149</u>	<u>903,260</u>	<u>45,889</u>
Total expenditures	<u>38,250,684</u>	<u>38,278,795</u>	<u>37,680,218</u>	<u>598,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(604,622)</u>	<u>(420,939)</u>	<u>161,250</u>	<u>582,189</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)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<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	\$ 27,671	\$ 27,827	\$ 27,815	\$ (12)
Refund of prior year's receipts.	-	(28,000)	(27,661)	339
Transfers in	14,923	15,006	15,000	(6)
Transfers (out).	-	(166,354)	(166,354)	-
Advances in	126,344	127,055	127,000	(55)
Advances (out).	-	(152,374)	(152,374)	-
Total other financing sources (uses)	<u>168,938</u>	<u>(176,840)</u>	<u>(176,574)</u>	<u>266</u>
Net change in fund balance	(435,684)	(597,779)	(15,324)	582,455
Fund balance at beginning of year	4,841,243	4,841,243	4,841,243	-
Prior year encumbrances appropriated	371,610	371,610	371,610	-
Fund balance at end of year.	<u>\$ 4,777,169</u>	<u>\$ 4,615,074</u>	<u>\$ 5,197,529</u>	<u>\$ 582,455</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund
Assets:				
Equity in pooled cash and cash equivalents. . . .	\$ 1,429,158	\$ 269,920	\$ 606,769	\$ 105,575
Receivables:				
Taxes	-	151,265	534,808	-
Accounts	7,250	-	-	-
Intergovernmental	1,168,116	-	-	-
Prepayments	4,490	-	-	-
Materials and supplies inventory	15,528	-	-	-
	<u>2,624,542</u>	<u>421,185</u>	<u>1,141,577</u>	<u>105,575</u>
Total assets.	<u>\$ 2,624,542</u>	<u>\$ 421,185</u>	<u>\$ 1,141,577</u>	<u>\$ 105,575</u>
Liabilities:				
Accounts payable.	\$ 107,950	\$ -	\$ 61,720	\$ -
Accrued wages and benefits	1,041,685	-	-	-
Future retirement obligation.	32,904	-	-	-
Pension obligation payable.	262,572	-	-	-
Intergovernmental payable	57,009	-	-	-
Interfund loan payable	152,374	-	-	-
Deferred revenue.	1,038,930	26,065	49,808	-
Unearned revenue.	-	96,839	441,235	-
	<u>2,693,424</u>	<u>122,904</u>	<u>552,763</u>	<u>-</u>
Total liabilities.	<u>2,693,424</u>	<u>122,904</u>	<u>552,763</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	46,960	-	309,791	-
Reserved for materials and supplies inventories.	15,528	-	-	-
Reserved for prepayments.	4,490	-	-	-
Reserved for property tax unavailable for appropriation.	-	28,361	43,765	-
Reserved for scholarships	-	-	-	15,319
Unreserved, undesignated, reported in:				
Special revenue funds	(135,860)	-	-	-
Debt service fund	-	269,920	-	-
Capital projects funds	-	-	235,258	-
Permanent fund.	-	-	-	90,256
	<u>(68,882)</u>	<u>298,281</u>	<u>588,814</u>	<u>105,575</u>
Total fund balances.	<u>(68,882)</u>	<u>298,281</u>	<u>588,814</u>	<u>105,575</u>
Total liabilities and fund balances	<u>\$ 2,624,542</u>	<u>\$ 421,185</u>	<u>\$ 1,141,577</u>	<u>\$ 105,575</u>

**Total
Nonmajor
Governmental
Funds**

\$ 2,411,422
686,073
7,250
1,168,116
4,490
15,528
\$ 4,292,879

\$ 169,670
1,041,685
32,904
262,572
57,009
152,374
1,114,803
538,074
3,369,091

356,751
15,528
4,490
72,126
15,319
(135,860)
269,920
235,258
90,256
923,788
\$ 4,292,879

**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, 2008

	<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	\$ -	\$ 286,512	\$ 529,331	\$ -
Tuition	568,254	-	-	-
Charges for services	565,621	-	-	-
Earnings on investments	19,551	-	-	4,048
Decrease in fair market value of investments.	-	-	-	(16,852)
Extracurricular	229,142	-	-	-
Classroom materials and fees.	61,597	-	-	-
Other local revenues	301,759	-	43,000	-
Other revenue	-	27	61	-
Intergovernmental - state	2,145,987	34,017	128,676	-
Intergovernmental - federal	7,134,955	-	-	-
	<u>11,026,866</u>	<u>320,556</u>	<u>701,068</u>	<u>(12,804)</u>
Total revenue				
Expenditures:				
Current:				
Instruction:				
Regular	1,643,647	-	5,712	-
Special	2,212,905	-	-	-
Vocational	79,367	-	-	-
Adult/continuing	1,201,522	-	-	-
Other	348,346	-	-	-
Support services:				
Pupil	138,826	-	-	-
Instructional staff.	1,318,744	-	-	-
Administration	236,026	-	-	-
Fiscal	17,438	5,930	11,242	-
Pupil transportation	25,693	-	-	-
Central	312,543	-	-	-
Operation of non-instructional services:				
Food service operations	1,942,459	-	-	-
Other non-instructional services	1,521,894	-	-	-
Extracurricular activities.	319,881	-	-	-
Facilities acquisition and construction.	-	-	807,741	-
Debt service:				
Principal retirement.	-	215,733	-	-
Interest and fiscal charges	-	10,125	-	-
	<u>11,319,291</u>	<u>231,788</u>	<u>824,695</u>	<u>-</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures.	<u>(292,425)</u>	<u>88,768</u>	<u>(123,627)</u>	<u>(12,804)</u>
Other financing sources:				
Transfers in	166,354	-	-	-
	<u>166,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources				
Net change in fund balances.	(126,071)	88,768	(123,627)	(12,804)
Fund balances at beginning of year	57,676	209,513	712,441	118,379
Decrease in reserve for inventory	<u>(487)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ (68,882)</u>	<u>\$ 298,281</u>	<u>\$ 588,814</u>	<u>\$ 105,575</u>

**Total
Nonmajor
Governmental
Funds**

\$	815,843
	568,254
	565,621
	23,599
	(16,852)
	229,142
	61,597
	344,759
	88
	2,308,680
	7,134,955

12,035,686

1,649,359
2,212,905
79,367
1,201,522
348,346

138,826
1,318,744
236,026
34,610
25,693
312,543

1,942,459
1,521,894
319,881
807,741

215,733
10,125

12,375,774

(340,088)

166,354

166,354

(173,734)

1,098,009
(487)

\$ 923,788

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Food Service</u>	<u>Adult Education</u>	<u>Special Trust</u>	<u>Public School Support</u>
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 73,633	\$ 116,531	\$ 414,061	\$ 112,838
Receivables:				
Accounts	925	5,527	-	28
Intergovernmental	25,034	1,080	-	-
Prepayments	4,490	-	-	-
Materials and supplies inventory	15,528	-	-	-
Total assets.	<u>\$ 119,610</u>	<u>\$ 123,138</u>	<u>\$ 414,061</u>	<u>\$ 112,866</u>
Liabilities:				
Accounts payable.	\$ 7,578	\$ 5,678	\$ -	\$ 777
Accrued wages and benefits	123,530	46,651	-	-
Future retirement obligation.	-	-	-	-
Pension obligation payable.	79,606	21,600	-	-
Intergovernmental payable	4,053	3,378	-	-
Interfund loan payable	-	2,403	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>214,767</u>	<u>79,710</u>	<u>-</u>	<u>777</u>
Fund Balances:				
Reserved for encumbrances.	8	2,710	-	2,826
Reserved for materials and supplies inventories.	15,528	-	-	-
Reserved for prepayments	4,490	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	(115,183)	40,718	414,061	109,263
Total fund balances (deficits).	<u>(95,157)</u>	<u>43,428</u>	<u>414,061</u>	<u>112,089</u>
Total liabilities and fund balances	<u>\$ 119,610</u>	<u>\$ 123,138</u>	<u>\$ 414,061</u>	<u>\$ 112,866</u>

<u>Other Grant</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Poverty Aid</u>	<u>Public School Preschool</u>
\$ 33,498	\$ 81,126	\$ 79,469	\$ 8,471	\$ 340,826	\$ 2,984
-	770	-	-	-	-
-	-	-	-	-	29,703
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 33,498</u>	<u>\$ 81,896</u>	<u>\$ 79,469</u>	<u>\$ 8,471</u>	<u>\$ 340,826</u>	<u>\$ 32,687</u>
\$ -	\$ 11,090	\$ 4,976	\$ 8,025	\$ -	\$ 788
-	-	34,233	-	236,006	18,918
-	-	-	-	-	-
-	-	6,902	-	33,992	5,090
-	1,432	1,164	-	8,262	651
-	-	-	-	-	9,908
-	-	-	-	-	29,703
-	12,522	47,275	8,025	278,260	65,058
815	1,990	2,824	-	-	2,196
-	-	-	-	-	-
-	-	-	-	-	-
<u>32,683</u>	<u>67,384</u>	<u>29,370</u>	<u>446</u>	<u>62,566</u>	<u>(34,567)</u>
<u>33,498</u>	<u>69,374</u>	<u>32,194</u>	<u>446</u>	<u>62,566</u>	<u>(32,371)</u>
<u>\$ 33,498</u>	<u>\$ 81,896</u>	<u>\$ 79,469</u>	<u>\$ 8,471</u>	<u>\$ 340,826</u>	<u>\$ 32,687</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2008

	<u>SchoolNet Professional Development</u>	<u>Able/Jobs Grant</u>	<u>Adult Basic Education</u>	<u>Title VI-B</u>
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 9,764	\$ 71,586	\$ 125	\$ 27,031
Receivables:				
Accounts	-	-	-	-
Intergovernmental	10,000	-	10,628	147,820
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 19,764</u>	<u>\$ 71,586</u>	<u>\$ 10,753</u>	<u>\$ 174,851</u>
Liabilities:				
Accounts payable.	\$ -	\$ 5,038	\$ 39	\$ 8,191
Accrued wages and benefits	-	-	8,904	120,799
Future retirement obligation.	-	-	-	32,904
Pension obligation payable.	-	-	2,578	33,166
Intergovernmental payable	21	68	522	8,832
Interfund loan payable	-	-	2,561	26,289
Deferred revenue.	5,000	-	10,628	147,820
Total liabilities.	<u>5,021</u>	<u>5,106</u>	<u>25,232</u>	<u>378,001</u>
Fund Balances:				
Reserved for encumbrances.	-	16,624	86	14,983
Reserved for materials and supplies inventories.	-	-	-	-
Reserved for prepayments	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	14,743	49,856	(14,565)	(218,133)
Total fund balances (deficits).	<u>14,743</u>	<u>66,480</u>	<u>(14,479)</u>	<u>(203,150)</u>
Total liabilities and fund balances	<u>\$ 19,764</u>	<u>\$ 71,586</u>	<u>\$ 10,753</u>	<u>\$ 174,851</u>

<u>Vocational Education</u>	<u>Title I</u>	<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Youth Involvement</u>
\$ 2,257	\$ 10,931	\$ 677	\$ 6,150	\$ 8,148	\$ 29,052
-	-	-	-	-	-
5,669	262,852	4,741	250	50,250	620,089
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,926</u>	<u>\$ 273,783</u>	<u>\$ 5,418</u>	<u>\$ 6,400</u>	<u>\$ 58,398</u>	<u>\$ 649,141</u>
\$ -	\$ 1,056	\$ 92	\$ -	\$ -	\$ 54,622
3,075	218,160	3,250	5,826	52,119	170,214
-	-	-	-	-	-
1,934	31,087	840	2,681	6,812	36,284
303	7,944	613	162	1,721	17,883
4,248	27,325	1,307	-	-	78,333
5,669	262,852	4,741	250	50,250	522,017
<u>15,229</u>	<u>548,424</u>	<u>10,843</u>	<u>8,919</u>	<u>110,902</u>	<u>879,353</u>
-	1,473	22	-	403	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(7,303)</u>	<u>(276,114)</u>	<u>(5,447)</u>	<u>(2,519)</u>	<u>(52,907)</u>	<u>(230,212)</u>
<u>(7,303)</u>	<u>(274,641)</u>	<u>(5,425)</u>	<u>(2,519)</u>	<u>(52,504)</u>	<u>(230,212)</u>
<u>\$ 7,926</u>	<u>\$ 273,783</u>	<u>\$ 5,418</u>	<u>\$ 6,400</u>	<u>\$ 58,398</u>	<u>\$ 649,141</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2008

	<u>Total Nonmajor Special Revenue Funds</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 1,429,158
Receivables:	
Accounts	7,250
Intergovernmental	1,168,116
Prepayments	4,490
Materials and supplies inventory	<u>15,528</u>
Total assets.	<u><u>\$ 2,624,542</u></u>
Liabilities:	
Accounts payable.	\$ 107,950
Accrued wages and benefits	1,041,685
Future retirement obligation.	32,904
Pension obligation payable.	262,572
Intergovernmental payable	57,009
Interfund loan payable	152,374
Deferred revenue.	<u>1,038,930</u>
Total liabilities.	<u>2,693,424</u>
Fund Balances:	
Reserved for encumbrances.	46,960
Reserved for materials and supplies inventories.	15,528
Reserved for prepayments	4,490
Unreserved, undesignated, reported in:	
Special revenue funds	<u>(135,860)</u>
Total fund balances (deficits).	<u>(68,882)</u>
Total liabilities and fund balances	<u><u>\$ 2,624,542</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, 2008

	<u>Food Service</u>	<u>Adult Education</u>	<u>Special Trust</u>	<u>Public School Support</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ 568,254	\$ -	\$ -
Charges for services	565,621	-	-	-
Earnings on investments	-	-	16,532	-
Extracurricular	-	-	-	30,490
Classroom materials and fees.	-	61,597	-	-
Other local revenues	15,947	158,265	125	26,390
Intergovernmental - state	47,435	226,646	-	-
Intergovernmental - federal	1,340,750	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	1,969,753	1,014,762	16,657	56,880
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	-	-
Special	-	-	-	-
Vocational	-	-	-	-
Adult/continuing.	-	1,061,268	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations.	1,942,459	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities.	-	-	15,000	43,898
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,942,459	1,061,268	15,000	43,898
Excess (deficiency) of revenues over (under) expenditures.	27,294	(46,506)	1,657	12,982
Other financing sources:				
Transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	-
Net change in fund balances	27,294	(46,506)	1,657	12,982
Fund balances (deficits) at beginning of year	(121,964)	89,934	412,404	99,107
Decrease in reserve for inventory	(487)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ (95,157)</u>	<u>\$ 43,428</u>	<u>\$ 414,061</u>	<u>\$ 112,089</u>

<u>Other Grant</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Poverty Aid</u>	<u>Public School Preschool</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	3,019	-	-	-
3,885	194,767	-	-	-	-
-	-	-	-	-	-
17,558	83,474	-	-	-	-
-	-	426,443	13,884	1,221,914	80,128
-	-	-	-	-	-
<u>21,443</u>	<u>278,241</u>	<u>429,462</u>	<u>13,884</u>	<u>1,221,914</u>	<u>80,128</u>
69,310	-	-	-	971,786	61,693
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	348,346	-
-	-	-	-	-	-
-	-	-	-	-	24,865
-	-	-	993	-	-
-	-	-	17,438	-	-
-	-	-	-	-	25,693
-	-	-	-	-	-
-	-	-	-	-	-
12,084	-	432,599	-	-	248
-	260,983	-	-	-	-
<u>81,394</u>	<u>260,983</u>	<u>432,599</u>	<u>18,431</u>	<u>1,320,132</u>	<u>112,499</u>
<u>(59,951)</u>	<u>17,258</u>	<u>(3,137)</u>	<u>(4,547)</u>	<u>(98,218)</u>	<u>(32,371)</u>
-	-	-	-	166,354	-
-	-	-	-	166,354	-
<u>(59,951)</u>	<u>17,258</u>	<u>(3,137)</u>	<u>(4,547)</u>	<u>68,136</u>	<u>(32,371)</u>
93,449	52,116	35,331	4,993	(5,570)	-
-	-	-	-	-	-
<u>\$ 33,498</u>	<u>\$ 69,374</u>	<u>\$ 32,194</u>	<u>\$ 446</u>	<u>\$ 62,566</u>	<u>\$ (32,371)</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, 2008

	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Able/Jobs Grant</u>
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	30,000	16,465	5,450	77,622
Intergovernmental - federal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	30,000	16,465	5,450	77,622
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular	-	502	-	38,132
Special	-	-	-	-
Vocational	-	-	-	-
Adult/continuing.	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	2,725	-	23,965
Administration.	-	-	-	-
Fiscal	-	-	-	-
Pupil transportation	-	-	-	-
Central.	30,000	-	-	-
Operation of non-instructional services:				
Food service operations.	-	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	30,000	3,227	-	62,097
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	-	13,238	5,450	15,525
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	13,238	5,450	15,525
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at beginning of year	-	1,505	(5,450)	50,955
Decrease in reserve for inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ -	\$ 14,743	\$ -	\$ 66,480
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Adult Basic Education	Title VI-B	Vocational Education	Basic Educational Opportunity Grant	Title I	Title V
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
153,941	1,057,411	219,643	154,911	1,471,913	4,993
<u>153,941</u>	<u>1,057,411</u>	<u>219,643</u>	<u>154,911</u>	<u>1,471,913</u>	<u>4,993</u>
-	-	-	-	-	-
-	514,063	-	-	1,357,336	4,118
-	-	79,367	-	-	-
140,254	-	-	-	-	-
-	-	-	-	-	-
-	138,826	-	-	-	-
8,604	183,743	103,955	-	163,846	-
566	183,489	1,706	-	16,175	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	92,319	-	154,911	33,923	946
-	-	-	-	-	-
<u>149,424</u>	<u>1,112,440</u>	<u>185,028</u>	<u>154,911</u>	<u>1,571,280</u>	<u>5,064</u>
<u>4,517</u>	<u>(55,029)</u>	<u>34,615</u>	<u>-</u>	<u>(99,367)</u>	<u>(71)</u>
-	-	-	-	-	-
-	-	-	-	-	-
4,517	(55,029)	34,615	-	(99,367)	(71)
(18,996)	(148,121)	(41,918)	-	(175,274)	71
-	-	-	-	-	-
<u>\$ (14,479)</u>	<u>\$ (203,150)</u>	<u>\$ (7,303)</u>	<u>\$ -</u>	<u>\$ (274,641)</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, 2008

	<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Youth Involvement</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:					
From local sources:					
Tuition	\$ -	\$ -	\$ -	\$ -	\$ 568,254
Charges for services	-	-	-	-	565,621
Earnings on investments	-	-	-	-	19,551
Extracurricular	-	-	-	-	229,142
Classroom materials and fees.	-	-	-	-	61,597
Other local revenues	-	-	-	-	301,759
Intergovernmental - state	-	-	-	-	2,145,987
Intergovernmental - federal	14,025	52,014	336,767	2,328,587	7,134,955
	<u>14,025</u>	<u>52,014</u>	<u>336,767</u>	<u>2,328,587</u>	<u>7,134,955</u>
Total revenue.	<u>14,025</u>	<u>52,014</u>	<u>336,767</u>	<u>2,328,587</u>	<u>11,026,866</u>
Expenditures:					
Current:					
Instruction:					
Regular.	14,911	-	-	487,313	1,643,647
Special	-	8,151	329,237	-	2,212,905
Vocational	-	-	-	-	79,367
Adult/continuing.	-	-	-	-	1,201,522
Other	-	-	-	-	348,346
Support services:					
Pupil.	-	-	-	-	138,826
Instructional staff	-	31,871	12,982	762,188	1,318,744
Administration.	-	9,539	-	23,558	236,026
Fiscal	-	-	-	-	17,438
Pupil transportation	-	-	-	-	25,693
Central.	-	-	-	282,543	312,543
Operation of non-instructional services:					
Food service operations.	-	-	-	-	1,942,459
Other non-instructional services	-	-	697	794,167	1,521,894
Extracurricular activities.	-	-	-	-	319,881
	<u>14,911</u>	<u>49,561</u>	<u>342,916</u>	<u>2,349,769</u>	<u>11,319,291</u>
Total expenditures	<u>14,911</u>	<u>49,561</u>	<u>342,916</u>	<u>2,349,769</u>	<u>11,319,291</u>
Excess (deficiency) of revenues over (under) expenditures.	(886)	2,453	(6,149)	(21,182)	(292,425)
Other financing sources:					
Transfers in	-	-	-	-	166,354
Total other financing sources	-	-	-	-	166,354
Net change in fund balances	(886)	2,453	(6,149)	(21,182)	(126,071)
Fund balances (deficits) at beginning of year	(4,539)	(4,972)	(46,355)	(209,030)	57,676
Decrease in reserve for inventory	-	-	-	-	(487)
Fund balances at end of year	<u>\$ (5,425)</u>	<u>\$ (2,519)</u>	<u>\$ (52,504)</u>	<u>\$ (230,212)</u>	<u>\$ (68,882)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<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:				
Charges for services	\$ 602,993	\$ 569,472	\$ 568,628	\$ (844)
Other local revenues	16,406	15,494	15,471	(23)
Intergovernmental-state	50,302	47,505	47,435	(70)
Intergovernmental-federal	1,315,299	1,242,180	1,240,338	(1,842)
Total revenues	<u>1,985,000</u>	<u>1,874,651</u>	<u>1,871,872</u>	<u>(2,779)</u>
Expenditures:				
Food service operations				
Salaries and wages	617,000	625,201	625,201	-
Fringe benefits	320,038	297,154	297,154	-
Purchased services	13,025	14,219	14,219	-
Supplies	817,000	851,895	851,895	-
Total food service operations	<u>1,767,063</u>	<u>1,788,469</u>	<u>1,788,469</u>	<u>-</u>
Total expenditures	<u>1,767,063</u>	<u>1,788,469</u>	<u>1,788,469</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>217,937</u>	<u>86,182</u>	<u>83,403</u>	<u>(2,779)</u>
Other financing (uses):				
Advances (out)	-	-	(11,000)	(11,000)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
Net change in fund balance	217,937	86,182	72,403	(13,779)
Fund balance at beginning of year	555	555	555	-
Prior year encumbrances appropriated	525	525	525	-
Fund balance at end of year	<u>\$ 219,017</u>	<u>\$ 87,262</u>	<u>\$ 73,483</u>	<u>\$ (13,779)</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 EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Tuition	\$ 528,185	\$ 565,914	\$ 564,690	\$ (1,224)
Classroom materials and fees.	57,593	61,707	61,574	(133)
Other local revenues	158,309	169,617	169,251	(366)
Intergovernmental-state	212,668	227,858	227,366	(492)
Total revenues.	<u>956,755</u>	<u>1,025,096</u>	<u>1,022,881</u>	<u>(2,215)</u>
Expenditures:				
Current:				
Instruction-adult/continuing education				
Salaries and wages	663,000	675,901	675,901	-
Fringe benefits	187,610	193,069	193,070	(1)
Purchased services	106,640	121,729	121,730	(1)
Supplies	109,422	85,513	85,474	39
Capital outlay	10,000	4,780	4,780	-
Total instruction-adult/continuing education.	<u>1,076,672</u>	<u>1,080,992</u>	<u>1,080,955</u>	<u>37</u>
Total expenditures	<u>1,076,672</u>	<u>1,080,992</u>	<u>1,080,955</u>	<u>37</u>
Deficiency of revenues under expenditures	<u>(119,917)</u>	<u>(55,896)</u>	<u>(58,074)</u>	<u>(2,178)</u>
Other financing sources (uses):				
Refund of prior year's expenditures	13,436	14,396	14,365	(31)
Transfers in	136,561	146,316	146,000	(316)
Transfers (out).	-	(146,000)	(146,000)	-
Advances in	2,248	2,408	2,403	(5)
Advances (out).	-	-	(40,000)	(40,000)
Total other financing sources (uses)	<u>152,245</u>	<u>17,120</u>	<u>(23,232)</u>	<u>(40,352)</u>
Net change in fund balance.	32,328	(38,776)	(81,306)	(42,530)
Fund balance at beginning of year	172,156	172,156	172,156	-
Prior year encumbrances appropriated	17,512	17,512	17,512	-
Fund balance at end of year.	<u>\$ 221,996</u>	<u>\$ 150,892</u>	<u>\$ 108,362</u>	<u>\$ (42,530)</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, 2008

	<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	\$ 19,860	\$ 15,805	\$ 16,532	\$ 727
Other local revenues	140	120	125	5
Total revenues.	<u>20,000</u>	<u>15,925</u>	<u>16,657</u>	<u>732</u>
Expenditures:				
Current:				
Support services-business				
Supplies	1,000	-	-	-
Other.	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support services-business	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extracurricular activities				
Supplies	500	-	-	-
Capital outlay	11,000	-	-	-
Other	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total extracurricular activities.	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities acquisition and construction				
Capital outlay	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total facilities acquisition and construction	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>43,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,500)</u>	<u>15,925</u>	<u>16,657</u>	<u>732</u>
Other financing (uses):				
Transfers (out).	<u>(30,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing (uses)	<u>(30,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net change in fund balance.	(53,500)	925	1,657	732
Fund balance at beginning of year	<u>412,404</u>	<u>412,404</u>	<u>412,404</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 358,904</u>	<u>\$ 413,329</u>	<u>\$ 414,061</u>	<u>\$ 732</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, 2008

	<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	\$ 29,754	\$ 31,102	\$ 31,102	\$ -
Other local revenues	25,246	26,390	26,390	-
Total revenues	<u>55,000</u>	<u>57,492</u>	<u>57,492</u>	<u>-</u>
Expenditures:				
Extracurricular activities				
Purchased services	27,685	17,484	17,484	-
Supplies	35,468	21,008	21,009	(1)
Capital outlay	5,000	3,363	3,364	(1)
Other	15,364	9,520	9,520	-
Total extracurricular activities.	<u>83,517</u>	<u>51,375</u>	<u>51,377</u>	<u>(2)</u>
Total expenditures	<u>83,517</u>	<u>51,375</u>	<u>51,377</u>	<u>(2)</u>
Net change in fund balance	(28,517)	6,117	6,115	(2)
Fund balance at beginning of year	97,953	97,953	97,953	-
Prior year encumbrances appropriated . .	5,167	5,167	5,167	-
Fund balance at end of year.	<u>\$ 74,603</u>	<u>\$ 109,237</u>	<u>\$ 109,235</u>	<u>\$ (2)</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, 2008

	<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	\$ 1,075	\$ 3,885	\$ 3,885	\$ -
Other local revenues	23,925	86,490	86,490	-
Total revenues	<u>25,000</u>	<u>90,375</u>	<u>90,375</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	-	3,693	3,693	-
Supplies	-	3,310	3,310	-
Capital outlay	-	62,407	62,407	-
Total instruction-regular	<u>-</u>	<u>69,410</u>	<u>69,410</u>	<u>-</u>
Operation of non-instructional services				
Purchased services	11,325	9,997	9,997	-
Supplies	10,250	3,930	3,929	1
Total operation of non-instructional services	<u>21,575</u>	<u>13,927</u>	<u>13,926</u>	<u>1</u>
Total expenditures	<u>21,575</u>	<u>83,337</u>	<u>83,336</u>	<u>1</u>
Excess of revenues over expenditures	<u>3,425</u>	<u>7,038</u>	<u>7,039</u>	<u>1</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(220)	(220)	-
Total other financing (uses)	<u>-</u>	<u>(220)</u>	<u>(220)</u>	<u>-</u>
Net change in fund balance	3,425	6,818	6,819	1
Fund balance at beginning of year	24,289	24,289	24,289	-
Prior year encumbrances appropriated . .	1,575	1,575	1,575	-
Fund balance at end of year	<u>\$ 29,289</u>	<u>\$ 32,682</u>	<u>\$ 32,683</u>	<u>\$ 1</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, 2008

	<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	\$ 214,388	\$ 194,677	\$ 194,677	\$ -
Other local revenues	91,612	83,189	83,189	-
Total revenues	<u>306,000</u>	<u>277,866</u>	<u>277,866</u>	<u>-</u>
Expenditures:				
Extracurricular activities				
Purchased services	64,200	83,125	83,125	-
Supplies	46,650	40,521	40,521	-
Capital outlay	50,323	27,999	27,999	-
Other	107,159	117,465	117,465	-
Total extracurricular activities	<u>268,332</u>	<u>269,110</u>	<u>269,110</u>	<u>-</u>
Total expenditures	<u>268,332</u>	<u>269,110</u>	<u>269,110</u>	<u>-</u>
Excess of revenues over expenditures	<u>37,668</u>	<u>8,756</u>	<u>8,756</u>	<u>-</u>
Other financing (uses):				
Advances (out)	-	-	(13,000)	(13,000)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(13,000)</u>	<u>(13,000)</u>
Net change in fund balance	37,668	8,756	(4,244)	(13,000)
Fund balance at beginning of year	55,076	55,076	55,076	-
Prior year encumbrances appropriated	15,782	15,782	15,782	-
Fund balance at end of year	<u>\$ 108,526</u>	<u>\$ 79,614</u>	<u>\$ 66,614</u>	<u>\$ (13,000)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<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	\$ 3,977	\$ 3,021	\$ 3,019	\$ (2)
Intergovernmental-state	600,023	455,743	455,440	(303)
Total revenues	<u>604,000</u>	<u>458,764</u>	<u>458,459</u>	<u>(305)</u>
Expenditures:				
Operation of non-instructional services				
Salaries and wages	160,600	156,803	156,803	-
Fringe benefits	47,300	46,733	46,733	-
Purchased services	168,882	146,963	146,963	-
Supplies	97,612	71,767	71,767	-
Capital outlay	28,880	29,932	29,932	-
Total operation of non-instructional services	<u>503,274</u>	<u>452,198</u>	<u>452,198</u>	<u>-</u>
Total expenditures	<u>503,274</u>	<u>452,198</u>	<u>452,198</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,726</u>	<u>6,566</u>	<u>6,261</u>	<u>(305)</u>
Other financing (uses):				
Refund of prior year's (receipts)		(2,288)	(2,288)	-
Total other financing (uses)	<u>-</u>	<u>(2,288)</u>	<u>(2,288)</u>	<u>-</u>
Net change in fund balance	100,726	4,278	3,973	(305)
Fund balance at beginning of year	48,722	48,722	48,722	-
Prior year encumbrances appropriated	18,974	18,974	18,974	-
Fund balance at end of year	<u>\$ 168,422</u>	<u>\$ 71,974</u>	<u>\$ 71,669</u>	<u>\$ (305)</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 10,000	\$ 13,884	\$ 13,884	\$ -
Total revenues.	<u>10,000</u>	<u>13,884</u>	<u>13,884</u>	<u>-</u>
Expenditures:				
Current:				
Support services-administration				
Purchased services	300	993	993	-
Total support services-administration.	<u>300</u>	<u>993</u>	<u>993</u>	<u>-</u>
Support services-fiscal				
Salaries and wages	3,200	3,500	3,500	-
Fringe benefits	500	490	490	-
Purchased services	-	3,420	3,420	-
Supplies	2,000	2,224	2,224	-
Capital outlay	8,000	7,804	7,804	-
Total support services-fiscal	<u>13,700</u>	<u>17,438</u>	<u>17,438</u>	<u>-</u>
Total expenditures	<u>14,000</u>	<u>18,431</u>	<u>18,431</u>	<u>-</u>
Net change in fund balance	(4,000)	(4,547)	(4,547)	-
Fund balance at beginning of year	<u>4,993</u>	<u>4,993</u>	<u>4,993</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 993</u>	<u>\$ 446</u>	<u>\$ 446</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, 2008

	<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	\$ 1,388,268	\$ 1,221,914	\$ (166,354)
Total revenues.	<u>1,324,856</u>	<u>1,388,268</u>	<u>1,221,914</u>	<u>(166,354)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	888,361	781,251	781,251	-
Fringe benefits	98,550	161,200	161,200	-
Total instruction-regular.	<u>986,911</u>	<u>942,451</u>	<u>942,451</u>	<u>-</u>
Instruction-special				
Purchased services	165,273	-	-	-
Total instruction-special	<u>165,273</u>	<u>-</u>	<u>-</u>	<u>-</u>
Instruction-other				
Salaries and wages	151,467	246,818	246,818	-
Fringe benefits	21,205	59,059	59,059	-
Total instruction-other.	<u>172,672</u>	<u>305,877</u>	<u>305,877</u>	<u>-</u>
Total expenditures	<u>1,324,856</u>	<u>1,248,328</u>	<u>1,248,328</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>-</u>	<u>139,940</u>	<u>(26,414)</u>	<u>(166,354)</u>
Other financing sources:				
Transfers in	-	-	166,354	166,354
Total other financing sources.	<u>-</u>	<u>-</u>	<u>166,354</u>	<u>166,354</u>
Net change in fund balance.	-	139,940	139,940	-
Fund balance at beginning of year	<u>200,886</u>	<u>200,886</u>	<u>200,886</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 200,886</u>	<u>\$ 340,826</u>	<u>\$ 340,826</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)
PUBLIC SCHOOL PRESCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ -	\$ 80,128	\$ 80,128	\$ -
Total revenues	<u>-</u>	<u>80,128</u>	<u>80,128</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	23,332	23,332	-
Fringe benefits	-	10,437	10,437	-
Supplies	-	16,052	16,052	-
Total instruction-regular	<u>-</u>	<u>49,821</u>	<u>49,821</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	-	7,785	7,785	-
Fringe benefits	-	8,179	8,179	-
Purchased services	-	1,400	1,400	-
Total support services-instructional staff	<u>-</u>	<u>17,364</u>	<u>17,364</u>	<u>-</u>
Support services-pupil transportation				
Salaries and wages	-	14,183	14,183	-
Fringe benefits	-	5,297	5,301	(4)
Capital outlay	-	2,483	2,483	-
Total support services-pupil transportation	<u>-</u>	<u>21,963</u>	<u>21,967</u>	<u>(4)</u>
Operation of non-instructional services				
Purchased services	-	640	636	4
Supplies	-	248	248	-
Total operation of non-instructional services	<u>-</u>	<u>888</u>	<u>884</u>	<u>4</u>
Total expenditures	<u>-</u>	<u>90,036</u>	<u>90,036</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(9,908)</u>	<u>(9,908)</u>	<u>-</u>
Other financing sources:				
Advances in	-	9,908	9,908	-
Total other financing sources	<u>-</u>	<u>9,908</u>	<u>9,908</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<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)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central				
Purchased services	30,000	30,000	30,000	-
Total support services-central	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<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)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 10,000	\$ 12,970	\$ 12,970	\$ -
Total revenues	<u>10,000</u>	<u>12,970</u>	<u>12,970</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	432	432	-
Fringe benefits	-	67	67	-
Purchased services	1,000	-	-	-
Capital outlay	5,000	-	-	-
Total instruction-regular	<u>6,000</u>	<u>499</u>	<u>499</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	-	2,350	2,350	-
Fringe benefits	-	357	357	-
Purchased services	1,000	-	-	-
Supplies	800	-	-	-
Total support services-instructional staff	<u>1,800</u>	<u>2,707</u>	<u>2,707</u>	<u>-</u>
Total expenditures	<u>7,800</u>	<u>3,206</u>	<u>3,206</u>	<u>-</u>
Excess of revenues over expenditures	<u>2,200</u>	<u>9,764</u>	<u>9,764</u>	<u>-</u>
Other financing (uses):				
Refund of prior year's (receipts)	(1,000)	(1,505)	(1,505)	-
Total other financing (uses)	<u>(1,000)</u>	<u>(1,505)</u>	<u>(1,505)</u>	<u>-</u>
Net change in fund balance	1,200	8,259	8,259	-
Fund balance at beginning of year	<u>1,505</u>	<u>1,505</u>	<u>1,505</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,705</u>	<u>\$ 9,764</u>	<u>\$ 9,764</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)
OHIO READS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 10,000	\$ 5,415	\$ 5,415	\$ -
Total revenues	<u>10,000</u>	<u>5,415</u>	<u>5,415</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	2,100	-	-	-
Supplies	<u>1,107</u>	<u>105</u>	<u>105</u>	<u>-</u>
Total instruction-regular.	<u>3,207</u>	<u>105</u>	<u>105</u>	<u>-</u>
Total expenditures	<u>3,207</u>	<u>105</u>	<u>105</u>	<u>-</u>
Excess of revenues over expenditures.	<u>6,793</u>	<u>5,310</u>	<u>5,310</u>	<u>-</u>
Other financing (uses):				
Advances (out)	-	-	(6,000)	(6,000)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(6,000)</u>	<u>-</u>
Net change in fund balance	6,793	5,310	(690)	(6,000)
Fund balance at beginning of year	583	583	583	-
Prior year encumbrances appropriated . .	107	107	107	-
Fund balance at end of year.	<u>\$ 7,483</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ (6,000)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ABLE/JOBS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ -	\$ 79,363	\$ 79,363	\$ -
Total revenues	<u>-</u>	<u>79,363</u>	<u>79,363</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	1,500	1,466	1,466	-
Fringe benefits	200	226	226	-
Purchased services	1,800	51,318	51,318	-
Supplies	5,100	886	886	-
Other	-	739	739	-
Total instruction-regular	<u>8,600</u>	<u>54,635</u>	<u>54,635</u>	<u>-</u>
Instruction-special				
Salaries and wages	9,500	650	650	-
Fringe benefits	1,400	100	100	-
Supplies	100	-	-	-
Total instruction-special	<u>11,000</u>	<u>750</u>	<u>750</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	-	8,800	8,800	-
Fringe benefits	-	1,360	1,360	-
Purchased services	5,800	10,247	10,247	-
Supplies	-	1,266	1,266	-
Capital outlay	-	2,500	2,500	-
Total support services-instructional staff	<u>5,800</u>	<u>24,173</u>	<u>24,173</u>	<u>-</u>
Total expenditures	<u>25,400</u>	<u>79,558</u>	<u>79,558</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(25,400)</u>	<u>(195)</u>	<u>(195)</u>	<u>-</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(1,741)	(1,741)	-
Transfers in	-	2,586	2,586	-
Transfers (out)	-	(2,586)	(2,586)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,741)</u>	<u>(1,741)</u>	<u>-</u>
Net change in fund balance	(25,400)	(1,936)	(1,936)	-
Fund balance at beginning of year	<u>51,861</u>	<u>51,861</u>	<u>51,861</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,461</u>	<u>\$ 49,925</u>	<u>\$ 49,925</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)
ADULT BASIC EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 157,382	\$ 153,941	\$ 153,941	-
Total revenues	<u>157,382</u>	<u>153,941</u>	<u>153,941</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-adult/continuing				
Salaries and wages	109,100	107,474	107,474	-
Fringe benefits	28,400	27,274	27,274	-
Supplies	3,000	-	-	-
Capital outlay	-	5,461	5,461	-
Total instruction-adult/continuing	<u>140,500</u>	<u>140,209</u>	<u>140,209</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	6,300	6,049	6,049	-
Fringe benefits	1,000	847	847	-
Purchased services	1,839	2,463	2,463	-
Supplies	900	174	174	-
Capital outlay	300	-	-	-
Total support services-instructional staff	<u>10,339</u>	<u>9,533</u>	<u>9,533</u>	<u>-</u>
Support services-administration				
Salaries and wages	600	500	500	-
Fringe benefits	100	70	70	-
Total support services-administration	<u>700</u>	<u>570</u>	<u>570</u>	<u>-</u>
Operation of non-instructional services				
Supplies	1,461	445	445	-
Total operation of non-instructional services	<u>1,461</u>	<u>445</u>	<u>445</u>	<u>-</u>
Total expenditures	<u>153,000</u>	<u>150,757</u>	<u>150,757</u>	<u>-</u>
Excess of revenues over expenditures	<u>4,382</u>	<u>3,184</u>	<u>3,184</u>	<u>-</u>
Other financing sources (uses):				
Advances in	2,618	2,561	2,561	-
Advances (out)	-	-	(8,000)	(8,000)
Total other financing sources (uses)	<u>2,618</u>	<u>2,561</u>	<u>(5,439)</u>	<u>(8,000)</u>
Net change in fund balance	7,000	5,745	(2,255)	(8,000)
Fund balance at beginning of year	955	955	955	-
Prior year encumbrances appropriated	1,300	1,300	1,300	-
Fund balance at end of year	<u>\$ 9,255</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ (8,000)</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 VI - B
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 1,463,612	\$ 1,057,411	\$ 1,057,411	\$ -
Total revenues	<u>1,463,612</u>	<u>1,057,411</u>	<u>1,057,411</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	366,200	343,903	343,903	-
Fringe benefits	128,300	103,969	103,969	-
Purchased services	10,200	17,162	17,162	-
Supplies	13,121	19,692	19,692	-
Capital outlay	24,100	24,114	24,114	-
Total instruction-special	<u>541,921</u>	<u>508,840</u>	<u>508,840</u>	<u>-</u>
Support services-pupil				
Salaries and wages	40,200	38,408	38,408	-
Fringe benefits	15,300	15,989	15,989	-
Purchased services	306,108	70,194	70,194	-
Supplies	5,000	20,566	20,566	-
Capital outlay	-	5,495	5,495	-
Total support services-pupil	<u>366,608</u>	<u>150,652</u>	<u>150,652</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	82,700	110,334	110,334	-
Fringe benefits	59,700	59,995	59,995	-
Purchased services	500	-	-	-
Total support services-instructional staff	<u>142,900</u>	<u>170,329</u>	<u>170,329</u>	<u>-</u>
Support services-administration				
Salaries and wages	104,900	144,622	144,622	-
Fringe benefits	58,700	61,981	61,981	-
Purchased services	3,800	3,061	3,061	-
Supplies	500	1,457	1,457	-
Capital outlay	200	637	637	-
Total support services-administration	<u>168,100</u>	<u>211,758</u>	<u>211,758</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	54,400	64,719	64,719	-
Fringe benefits	19,200	23,387	23,387	-
Purchased services	200	2,730	2,730	-
Supplies	4,991	3,076	3,076	-
Capital outlay	900	1,200	1,200	-
Total operation of non-instructional services	<u>79,691</u>	<u>95,112</u>	<u>95,112</u>	<u>-</u>
Total expenditures	<u>1,299,220</u>	<u>1,136,691</u>	<u>1,136,691</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>164,392</u>	<u>(79,280)</u>	<u>(79,280)</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)
TITLE VI - B (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (uses):				
Advances in	\$ 36,388	\$ 26,289	\$ 26,289	\$ -
Advances (out)	-	-	(1,000)	(1,000)
Total other financing sources (uses)	<u>36,388</u>	<u>26,289</u>	<u>25,289</u>	<u>(1,000)</u>
Net change in fund balance.	200,780	(52,991)	(53,991)	(1,000)
Fund balance at beginning of year	871	871	871	-
Prior year encumbrances appropriated	53,120	53,120	53,120	-
Fund balance at end of year.	<u>\$ 254,771</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ (1,000)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 215,826	\$ 219,643	\$ 219,643	\$ -
Total revenues.	<u>215,826</u>	<u>219,643</u>	<u>219,643</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-vocational				
Supplies	12,500	14,927	14,927	-
Capital outlay	35,167	64,440	64,440	-
Total instruction-vocational	<u>47,667</u>	<u>79,367</u>	<u>79,367</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	72,400	53,735	53,735	-
Fringe benefits	16,800	8,477	8,477	-
Purchased services	31,900	39,638	39,638	-
Supplies	1,800	982	982	-
Total support services-instructional staff	<u>122,900</u>	<u>102,832</u>	<u>102,832</u>	<u>-</u>
Support services-administration				
Salaries and wages	2,200	1,500	1,500	-
Fringe benefits	300	210	210	-
Total support services-administration.	<u>2,500</u>	<u>1,710</u>	<u>1,710</u>	<u>-</u>
Total expenditures.	<u>173,067</u>	<u>183,909</u>	<u>183,909</u>	<u>-</u>
Excess of revenues over expenditures	<u>42,759</u>	<u>35,734</u>	<u>35,734</u>	<u>-</u>
Other financing sources (uses):				
Advances in	4,174	4,248	4,248	-
Advances (out)	-	-	(41,000)	(41,000)
Total other financing sources (uses)	<u>4,174</u>	<u>4,248</u>	<u>(36,752)</u>	<u>(41,000)</u>
Net change in fund balance.	46,933	39,982	(1,018)	(41,000)
Fund balance at beginning of year	1,208	1,208	1,208	-
Prior year encumbrances appropriated	2,067	2,067	2,067	-
Fund balance at end of year.	<u>\$ 50,208</u>	<u>\$ 43,257</u>	<u>\$ 2,257</u>	<u>\$ (41,000)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BASIC EDUCATIONAL OPPORUNITY GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 175,000	\$ 154,911	\$ 154,911	\$ -
Total revenues	<u>175,000</u>	<u>154,911</u>	<u>154,911</u>	<u>-</u>
Expenditures:				
Operation of non-instructional services				
Purchased services	115,000	152,321	152,321	-
Other	<u>10,000</u>	<u>2,590</u>	<u>2,590</u>	<u>-</u>
Total operation of non-instructional services	<u>125,000</u>	<u>154,911</u>	<u>154,911</u>	<u>-</u>
Total expenditures	<u>125,000</u>	<u>154,911</u>	<u>154,911</u>	<u>-</u>
Net change in fund balance	50,000	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50,000</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 1,811,340	\$ 1,471,914	\$ 1,471,913	\$ (1)
Total revenues	<u>1,811,340</u>	<u>1,471,914</u>	<u>1,471,913</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	921,900	853,852	853,852	-
Fringe benefits	378,300	343,443	343,443	-
Purchased services	129,200	155,821	155,821	-
Supplies	17,800	495	495	-
Capital outlay	10,400	1,200	1,200	-
Total instruction-special	<u>1,457,600</u>	<u>1,354,811</u>	<u>1,354,811</u>	<u>-</u>
Support services-pupil				
Salaries and wages	67,900	11,976	11,976	-
Fringe benefits	17,400	2,802	2,802	-
Total support services-pupil	<u>85,300</u>	<u>14,778</u>	<u>14,778</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	72,600	109,212	107,753	1,459
Fringe benefits	47,700	44,194	44,194	-
Purchased services	172,536	15,216	15,216	-
Supplies	-	1,205	1,205	-
Total support services-instructional staff	<u>292,836</u>	<u>169,827</u>	<u>168,368</u>	<u>1,459</u>
Support services-administration				
Salaries and wages	12,500	12,294	12,294	-
Fringe benefits	5,700	3,167	3,167	-
Purchased services	3,600	-	-	-
Total support services-administration	<u>21,800</u>	<u>15,461</u>	<u>15,461</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	18,200	17,971	17,971	-
Fringe benefits	6,100	2,789	2,789	-
Purchased services	2,300	-	-	-
Supplies	17,347	13,094	13,094	-
Total operation of non-instructional services	<u>43,947</u>	<u>33,854</u>	<u>33,854</u>	<u>-</u>
Total expenditures	<u>1,901,483</u>	<u>1,588,731</u>	<u>1,587,272</u>	<u>1,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(90,143)</u>	<u>(116,817)</u>	<u>(115,359)</u>	<u>1,458</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)
TITLE I (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (uses):				
Transfers in	\$ 5,034	\$ 4,091	\$ 4,091	\$ -
Transfers (out).	-	(4,091)	(4,091)	-
Advances in	33,626	27,326	27,325	(1)
Advances (out).	-	-	(3,000)	(3,000)
Total other financing sources (uses)	<u>38,660</u>	<u>27,326</u>	<u>24,325</u>	<u>(3,001)</u>
Net change in fund balance	(51,483)	(89,491)	(91,034)	(1,543)
Fund balance at beginning of year	90,353	90,353	90,353	-
Prior year encumbrances appropriated	9,083	9,083	9,083	-
Fund balance at end of year.	<u>\$ 47,953</u>	<u>\$ 9,945</u>	<u>\$ 8,402</u>	<u>\$ (1,543)</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 9,860	\$ 4,993	\$ 4,993	\$ -
Total revenues	<u>9,860</u>	<u>4,993</u>	<u>4,993</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special				
Supplies	7,700	4,118	4,118	-
Total instruction-special	<u>7,700</u>	<u>4,118</u>	<u>4,118</u>	<u>-</u>
Operation of non-instructional services				
Purchased services	1,000	946	946	-
Total operation of non-instructional services	<u>1,000</u>	<u>946</u>	<u>946</u>	<u>-</u>
Total expenditures	<u>8,700</u>	<u>5,064</u>	<u>5,064</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,160</u>	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	140	71	71	-
Transfers (out)	<u>-</u>	<u>(71)</u>	<u>(71)</u>	<u>-</u>
Total other financing sources (uses)	<u>140</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,300	(71)	(71)	-
Fund balance at beginning of year	<u>71</u>	<u>71</u>	<u>71</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,371</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)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 22,869	\$ 14,025	\$ 14,025	\$ -
Total revenues	<u>22,869</u>	<u>14,025</u>	<u>14,025</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	9,700	8,599	8,599	-
Fringe benefits	1,500	1,290	1,290	-
Purchased services	8,200	3,289	3,289	-
Supplies	3,600	2,810	2,810	-
Total instruction-regular	<u>23,000</u>	<u>15,988</u>	<u>15,988</u>	<u>-</u>
Total expenditures	<u>23,000</u>	<u>15,988</u>	<u>15,988</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(131)</u>	<u>(1,963)</u>	<u>(1,963)</u>	<u>-</u>
Other financing sources:				
Advances in	2,131	1,307	1,307	-
Total other financing sources	<u>2,131</u>	<u>1,307</u>	<u>1,307</u>	<u>-</u>
Net change in fund balance	2,000	(656)	(656)	-
Fund balance at beginning of year	<u>656</u>	<u>656</u>	<u>656</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,656</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)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 75,000	\$ 52,014	\$ 52,014	\$ -
Total revenues	<u>75,000</u>	<u>52,014</u>	<u>52,014</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special				
Purchased services	4,300	3,014	3,014	-
Supplies	5,120	4,253	4,253	-
Capital outlay	200	884	884	-
Total instruction-special	<u>9,620</u>	<u>8,151</u>	<u>8,151</u>	<u>-</u>
Support services-pupil				
Purchased services	900	-	-	-
Supplies	1,500	-	-	-
Total support services-pupil	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	21,700	21,095	21,095	-
Fringe benefits	10,100	9,131	9,131	-
Purchased services	5,800	-	-	-
Total support services-instructional staff	<u>37,600</u>	<u>30,226</u>	<u>30,226</u>	<u>-</u>
Support services-administration				
Salaries and wages	16,600	8,241	8,241	-
Fringe benefits	4,400	1,258	1,258	-
Purchased services	100	-	-	-
Supplies	200	36	36	-
Capital outlay	-	205	205	-
Total support services-administration	<u>21,300</u>	<u>9,740</u>	<u>9,740</u>	<u>-</u>
Total expenditures	<u>70,920</u>	<u>48,117</u>	<u>48,117</u>	<u>-</u>
Net change in fund balance	4,080	3,897	3,897	-
Fund balance at beginning of year	2,377	2,377	2,377	-
Prior year encumbrances appropriated	320	320	320	-
Fund balance at end of year	<u>\$ 6,777</u>	<u>\$ 6,594</u>	<u>\$ 6,594</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)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 350,000	\$ 336,767	\$ 336,767	\$ -
Total revenues	<u>350,000</u>	<u>336,767</u>	<u>336,767</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	244,300	223,251	223,251	-
Fringe benefits	84,000	102,530	102,530	-
Total instruction-special	<u>328,300</u>	<u>325,781</u>	<u>325,781</u>	<u>-</u>
Support services-instructional staff				
Purchased services	29,100	13,385	13,385	-
Total support services-instructional staff	<u>29,100</u>	<u>13,385</u>	<u>13,385</u>	<u>-</u>
Operation of non-instructional services				
Purchased services	600	697	697	-
Total operation of non-instructional services	<u>600</u>	<u>697</u>	<u>697</u>	<u>-</u>
Total expenditures	<u>358,000</u>	<u>339,863</u>	<u>339,863</u>	<u>-</u>
Net change in fund balance	(8,000)	(3,096)	(3,096)	-
Fund balance at beginning of year	<u>10,841</u>	<u>10,841</u>	<u>10,841</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,841</u>	<u>\$ 7,745</u>	<u>\$ 7,745</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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-federal	\$ 3,246,004	\$ 2,230,516	\$ 2,230,515	\$ (1)
Total revenues	<u>3,246,004</u>	<u>2,230,516</u>	<u>2,230,515</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	333,900	219,801	219,801	-
Fringe benefits	149,900	70,598	70,598	-
Purchased services	33,200	37,011	37,011	-
Supplies	67,875	52,015	52,015	-
Capital outlay	3,400	79,161	79,161	-
Dues and fees	-	17,871	17,871	-
Total instruction-regular	<u>588,275</u>	<u>476,457</u>	<u>476,457</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	507,800	466,202	466,202	-
Fringe benefits	182,700	152,948	152,948	-
Purchased services	41,567	165,290	165,290	-
Supplies	79,600	12,586	12,586	-
Capital outlay	5,200	-	-	-
Total support services-instructional staff	<u>816,867</u>	<u>797,026</u>	<u>797,026</u>	<u>-</u>
Support services-administration				
Purchased services	30,850	28,620	28,620	-
Total support services-administration	<u>30,850</u>	<u>28,620</u>	<u>28,620</u>	<u>-</u>
Support services-central				
Salaries and wages	243,500	229,107	229,107	-
Fringe benefits	113,700	63,605	63,605	-
Total support services-central	<u>357,200</u>	<u>292,712</u>	<u>292,712</u>	<u>-</u>
Operation of non-instructional services				
Salaries and wages	458,400	249,520	249,520	-
Fringe benefits	109,100	59,611	59,611	-
Purchased services	465,243	318,913	318,913	-
Supplies	169,365	81,158	81,158	-
Capital outlay	55,810	91,330	91,330	-
Total operation of non-instructional services	<u>1,257,918</u>	<u>800,532</u>	<u>800,532</u>	<u>-</u>
Total expenditures	<u>3,051,110</u>	<u>2,395,347</u>	<u>2,395,347</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>194,894</u>	<u>(164,831)</u>	<u>(164,832)</u>	<u>(1)</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 (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other financing sources (uses):				
Advances in	\$ 113,996	\$ 78,333	\$ 78,333	\$ -
Advances (out)	-	-	(4,000)	(4,000)
Total other financing sources (uses)	<u>113,996</u>	<u>78,333</u>	<u>74,333</u>	<u>(4,000)</u>
Net change in fund balance	308,890	(86,498)	(90,499)	(4,001)
Fund balance at beginning of year	57,090	57,090	57,090	-
Prior year encumbrances appropriated	33,409	33,409	33,409	-
Fund balance at end of year.	<u>\$ 399,389</u>	<u>\$ 4,001</u>	<u>\$ -</u>	<u>\$ (4,001)</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<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	\$ 178,371	\$ 280,759	\$ 280,759	\$ -
Other revenue	17	27	27	-
Intergovernmental-state	21,612	34,017	34,017	-
Total revenues	<u>200,000</u>	<u>314,803</u>	<u>314,803</u>	<u>-</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	6,000	5,930	5,930	-
Total support services-fiscal	<u>6,000</u>	<u>5,930</u>	<u>5,930</u>	<u>-</u>
Debt service:				
Principal retirement	215,733	215,733	215,733	-
Interest and fiscal charges	10,125	10,125	10,125	-
Total debt service	<u>225,858</u>	<u>225,858</u>	<u>225,858</u>	<u>-</u>
Total expenditures	<u>231,858</u>	<u>231,788</u>	<u>231,788</u>	<u>-</u>
Net change in fund balance	(31,858)	83,015	83,015	-
Fund balance at beginning of year	156,171	156,171	156,171	-
Prior year encumbrances appropriated	30,734	30,734	30,734	-
Fund balance at end of year	<u>\$ 155,047</u>	<u>\$ 269,920</u>	<u>\$ 269,920</u>	<u>\$ -</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 580,096	\$ 26,673	\$ 606,769
Receivables:			
Taxes	534,808	-	534,808
Total assets.	\$ 1,114,904	\$ 26,673	\$ 1,141,577
Liabilities:			
Accounts payable.	\$ 61,720	\$ -	\$ 61,720
Deferred revenue	49,808	-	49,808
Unearned revenue.	441,235	-	441,235
Total liabilities	552,763	-	552,763
Fund Balances:			
Reserved for encumbrances	309,791	-	309,791
Reserved for property tax unavailable for appropriation	43,765	-	43,765
Unreserved, undesignated, reported in:			
Capital projects	208,585	26,673	235,258
Total fund balances	562,141	26,673	588,814
Total liabilities and fund balances	\$ 1,114,904	\$ 26,673	\$ 1,141,577

**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, 2008

	Permanent Improvement	Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Taxes	\$ 529,331	\$ -	\$ -	\$ 529,331
Other local revenues	43,000	-	-	43,000
Other revenue	61	-	-	61
Intergovernmental - state	128,676	-	-	128,676
 Total revenue	 701,068	 -	 -	 701,068
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	5,712	5,712
Support services:				
Fiscal	11,242	-	-	11,242
Facilities acquisition and construction	807,741	-	-	807,741
 Total expenditures	 818,983	 -	 5,712	 824,695
 Net change in fund balances	 (117,915)	 -	 (5,712)	 (123,627)
Fund balances at beginning of year	680,056	26,673	5,712	712,441
Fund balances at end of year	\$ 562,141	\$ 26,673	\$ -	\$ 588,814

**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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 571,970	\$ 522,409	\$ 522,409	\$ -
Other local revenue	47,079	43,000	43,000	-
Other revenue	67	61	61	-
Intergovernmental-state	140,884	128,676	128,676	-
Total revenues.	<u>760,000</u>	<u>694,146</u>	<u>694,146</u>	<u>-</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	12,000	11,242	11,242	-
Total support services-fiscal	<u>12,000</u>	<u>11,242</u>	<u>11,242</u>	<u>-</u>
Facilities acquisition and construction				
Purchased services	1,196,053	1,121,053	1,113,356	7,697
Supplies	100,633	5,633	2,485	3,148
Capital outlay	57,300	77,300	75,677	1,623
Total facilities acquisition and construction.	<u>1,353,986</u>	<u>1,203,986</u>	<u>1,191,518</u>	<u>12,468</u>
Total expenditures	<u>1,365,986</u>	<u>1,215,228</u>	<u>1,202,760</u>	<u>12,468</u>
Net change in fund balance	(605,986)	(521,082)	(508,614)	12,468
Fund balance at beginning of year	313,213	313,213	313,213	-
Prior year encumbrances appropriated	403,986	403,986	403,986	-
Fund balance at end of year.	<u>\$ 111,213</u>	<u>\$ 196,117</u>	<u>\$ 208,585</u>	<u>\$ 12,468</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, 2008

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 25,000	\$ -	\$ -	\$ -
Total revenues	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing (uses):				
Refund of prior year's (receipts)	-	(5,712)	(5,712)	-
Total other financing (uses)	<u>-</u>	<u>(5,712)</u>	<u>(5,712)</u>	<u>-</u>
Net change in fund balance	25,000	(5,712)	(5,712)	-
Fund balance at beginning of year	5,712	5,712	5,712	-
Fund balance at end of year	<u>\$ 30,712</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, 2008

	<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	\$ 4,322	\$ 3,923	\$ 4,048	\$ 125
Decrease in fair market value of investments.	-	-	(16,852)	(16,852)
Total revenues.	<u>4,322</u>	<u>3,923</u>	<u>(12,804)</u>	<u>(16,727)</u>
Expenditures:				
Current:				
Support services-business				
Other	10,000	-	-	-
Total support services-business	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,678)	3,923	(12,804)	(16,727)
Fund balance at beginning of year	118,379	118,379	118,379	-
Fund balance at end of year	<u>\$ 112,701</u>	<u>\$ 122,302</u>	<u>\$ 105,575</u>	<u>\$ (16,727)</u>

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

PROPRIETARY FUND DESCRIPTION

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**

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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Other operating revenues	\$ 5,707,008	\$ 5,690,034	\$ 5,693,983	\$ 3,949
Total operating revenues	<u>5,707,008</u>	<u>5,690,034</u>	<u>5,693,983</u>	<u>3,949</u>
Operating expenses:				
Purchased services	5,620,108	4,653,399	4,640,095	13,304
Other operating expenses	700,000	545,000	540,198	4,802
Total operating expenses	<u>6,320,108</u>	<u>5,198,399</u>	<u>5,180,293</u>	<u>18,106</u>
Operating income (loss).	<u>(613,100)</u>	<u>491,635</u>	<u>513,690</u>	<u>22,055</u>
Nonoperating revenues:				
Interest revenue	62,992	62,804	62,848	44
Total nonoperating revenues	<u>62,992</u>	<u>62,804</u>	<u>62,848</u>	<u>44</u>
Net change in fund balance	(550,108)	554,439	576,538	22,099
Fund balance at beginning of year	1,652,152	1,652,152	1,652,152	-
Prior year encumbrances appropriated	70,108	70,108	70,108	-
Fund balance at end of year.	<u>\$ 1,172,152</u>	<u>\$ 2,276,699</u>	<u>\$ 2,298,798</u>	<u>\$ 22,099</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, 2008

	Private Purpose Trust	Agency	Totals
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,976,750	\$ 85,299	\$ 4,062,049
Investments	3,151,374	-	3,151,374
Receivables			
Taxes.	-	303,858	303,858
Accounts	-	120	120
Accrued interest	6,809	-	6,809
Total assets	7,134,933	389,277	7,524,210
Liabilities:			
Accounts payable	61	772	833
Intergovernmental payable	-	306,992	306,992
Due to students	-	81,513	81,513
Total liabilities.	61	\$ 389,277	389,338
Net Assets:			
Held in trust for scholarships	-		-
Total net assets	\$ 7,134,872		\$ 7,134,872

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2008

	Endowment Fund	Scholarship Trust Fund	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,379,293	\$ 597,457	\$ 3,976,750
Investments	3,151,374	-	3,151,374
Accrued interest	6,809	-	6,809
Total assets	6,537,476	597,457	7,134,933
Net Assets:			
Accounts payable	61	-	61
Held in trust for scholarships	6,537,476	597,457	7,134,933
Total net assets	\$ 6,537,537	\$ 597,457	\$ 7,134,994

**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, 2008

	<u>Endowment Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total</u>
Additions:			
Interest	\$ 274,840	\$ 22,271	\$ 297,111
Decrease in fair market value of investments.	(1,267,156)	-	(1,267,156)
Gifts and contributions.	<u>7,427</u>	<u>77,311</u>	<u>84,738</u>
Total additions	<u>(984,889)</u>	<u>99,582</u>	<u>(885,307)</u>
Deductions:			
Scholarships awarded	<u>224,304</u>	<u>82,254</u>	<u>306,558</u>
Change in net assets	(1,209,193)	17,328	(1,191,865)
Net assets at beginning of year	<u>7,746,608</u>	<u>580,129</u>	<u>8,326,737</u>
Net assets at end of year.	<u><u>\$ 6,537,415</u></u>	<u><u>\$ 597,457</u></u>	<u><u>\$ 7,134,872</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)
ENDOWMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<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	\$ 1,023,848	\$ 305,792	\$ 272,752	\$ (33,040)
Decrease in fair market value of investments.	-	-	(1,267,156)	(1,267,156)
Gifts and contributions	27,879	8,327	7,427	(900)
Total revenues.	<u>1,051,727</u>	<u>314,119</u>	<u>(986,977)</u>	<u>(1,301,096)</u>
Expenditures:				
Current:				
Support services-business				
Other	<u>234,080</u>	<u>223,755</u>	<u>223,753</u>	<u>2</u>
Total support services-business	<u>234,080</u>	<u>223,755</u>	<u>223,753</u>	<u>2</u>
Extracurricular activities				
Other	<u>779</u>	<u>622</u>	<u>622</u>	<u>-</u>
Total extracurricular activities.	<u>779</u>	<u>622</u>	<u>622</u>	<u>-</u>
Total expenditures	<u>234,859</u>	<u>224,377</u>	<u>224,375</u>	<u>-</u>
Net change in fund balance	816,868	89,742	(1,211,352)	(1,301,096)
Fund balance at beginning of year	7,741,894	7,741,894	7,741,894	-
Prior year encumbrances appropriated	59	59	59	-
Fund balance at end of year.	<u>\$ 8,558,821</u>	<u>\$ 7,831,695</u>	<u>\$ 6,530,601</u>	<u>\$ (1,301,096)</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, 2008

	<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	\$ 26,837	\$ 24,272	\$ 22,271	\$ (2,001)
Other local revenues	93,163	84,257	77,311	(6,946)
Total revenues.	<u>120,000</u>	<u>108,529</u>	<u>99,582</u>	<u>(8,947)</u>
Expenditures:				
Current:				
Support services-business				
Purchased services	1,200	1,225	1,225	-
Other	39,450	29,685	29,685	-
Total support services-business	<u>40,650</u>	<u>30,910</u>	<u>30,910</u>	<u>-</u>
Extracurricular activities				
Other	67,500	51,344	51,344	-
Total extracurricular activities.	<u>67,500</u>	<u>51,344</u>	<u>51,344</u>	<u>-</u>
Total expenditures	<u>108,150</u>	<u>82,254</u>	<u>82,254</u>	<u>-</u>
Net change in fund balance	11,850	26,275	17,328	(8,947)
Fund balance at beginning of year	580,129	580,129	580,129	-
Fund balance at end of year.	<u>\$ 591,979</u>	<u>\$ 606,404</u>	<u>\$ 597,457</u>	<u>\$ (8,947)</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2008</u>
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,861	\$ 347,694	\$ 348,421	\$ 3,134
Receivables				
Taxes.	344,640	303,858	344,640	303,858
Total assets	<u>\$ 348,501</u>	<u>\$ 651,552</u>	<u>\$ 693,061</u>	<u>\$ 306,992</u>
Liabilities:				
Intergovernmental payable	\$ 348,501	\$ 651,552	\$ 693,061	\$ 306,992
Total liabilities.	<u>\$ 348,501</u>	<u>\$ 651,552</u>	<u>\$ 693,061</u>	<u>\$ 306,992</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 81,264	\$ 126,723	\$ 125,822	\$ 82,165
Receivables				
Accounts	136	120	136	120
Total assets	<u>\$ 81,400</u>	<u>\$ 126,843</u>	<u>\$ 125,958</u>	<u>\$ 82,285</u>
Liabilities:				
Accounts payable	\$ -	\$ 772	\$ -	\$ 772
Due to students	81,400	126,071	125,958	81,513
Total liabilities.	<u>\$ 81,400</u>	<u>\$ 126,843</u>	<u>\$ 125,958</u>	<u>\$ 82,285</u>
Total				
Assets:				
Equity in pooled cash and cash equivalents	\$ 85,125	\$ 474,417	\$ 474,243	\$ 85,299
Receivables				
Taxes.	344,640	303,858	344,640	303,858
Accounts	136	120	136	120
Total assets	<u>\$ 429,901</u>	<u>\$ 778,395</u>	<u>\$ 819,019</u>	<u>\$ 389,277</u>
Liabilities:				
Accounts payable	\$ -	\$ 772	\$ -	\$ 772
Intergovernmental payable	348,501	651,552	693,061	306,992
Due to students	81,400	126,071	125,958	81,513
Total liabilities.	<u>\$ 429,901</u>	<u>\$ 778,395</u>	<u>\$ 819,019</u>	<u>\$ 389,277</u>

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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.	140-151
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	152-159
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.	160-163
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.	164-165
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.	166-175

Sources: This is the District's fifteenth comprehensive annual financial report. Sources are noted on the individual schedules. The District implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning in that year.

Note: The District implemented GASB Statement No. 44 *Economic Condition Reporting: The Statistical Section* during fiscal year 2006. The purpose of this statement is to improve the understandability and usefulness of the information presented in the statistical section.

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 9,733,381	\$ 9,618,666	\$ 9,904,226	\$ 9,577,678
Restricted	1,661,477	2,342,360	2,277,541	2,460,505
Unrestricted	2,064,130	1,209,184	638,540	1,678,633
Total governmental activities net assets	<u>13,458,988</u>	<u>13,170,210</u>	<u>12,820,307</u>	<u>13,716,816</u>
Business-Type Activities:				
Invested in capital assets, net of related debt	-	-	-	110,021
Unrestricted (deficit)	-	-	-	(36,805)
Total governmental activities net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,216</u>
Primary Government:				
Invested in capital assets, net of related debt	9,733,381	9,618,666	9,904,226	9,687,699
Restricted	1,661,477	2,342,360	2,277,541	2,460,505
Unrestricted	2,064,130	1,209,184	638,540	1,641,828
Total net assets - primary government	<u>\$ 13,458,988</u>	<u>\$ 13,170,210</u>	<u>\$ 12,820,307</u>	<u>\$ 13,790,032</u>

Source: School District financial records.

Note: During fiscal year 2007 the business-type activities were reclassified to governmental activities. 2006 amounts have been restated to reflect the fund reclassification.

	2004	2003	2002	2001
\$	9,514,906	\$ 8,076,773	\$ 7,737,789	\$ 7,631,409
	1,577,690	2,468,545	3,195,380	1,603,196
	1,155,888	3,315,419	3,070,685	1,895,271
	<u>12,248,484</u>	<u>13,860,737</u>	<u>14,003,854</u>	<u>11,129,876</u>
	118,279	115,191	105,959	37,197
	69,613	151,029	(49,663)	(235,638)
	<u>187,892</u>	<u>266,220</u>	<u>56,296</u>	<u>(198,441)</u>
	9,633,185	8,191,964	7,843,748	7,668,606
	1,577,690	2,468,545	3,195,380	1,603,196
	1,225,501	3,466,448	3,021,022	1,659,633
\$	<u>12,436,376</u>	<u>\$ 14,126,957</u>	<u>\$ 14,060,150</u>	<u>\$ 10,931,435</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 16,539,596	\$ 17,169,392	\$ 16,595,278	\$ 16,693,186
Special	8,625,588	8,484,449	8,200,870	7,667,920
Vocational	1,665,386	1,584,451	1,505,882	1,392,174
Adult/continuing	1,194,029	1,207,654	1,261,430	-
Other instructional	356,416	166,569	1,465,312	130,949
Support services:				
Pupil	1,966,662	1,848,395	1,892,558	1,795,398
Instructional staff	2,345,780	2,604,516	2,843,356	1,567,099
Board of education	225,384	251,748	262,873	290,483
Administration	3,260,728	3,294,800	3,093,269	3,155,898
Fiscal	827,379	816,087	773,037	747,826
Business	167,861	182,226	171,953	163,970
Operations and maintenance	4,266,515	4,441,639	4,597,967	4,278,015
Pupil transportation	1,605,498	1,678,854	1,505,074	1,424,910
Central	869,701	878,440	1,309,047	617,090
Operation of non-instructional services:				
Food service operations	1,926,881	1,892,231	1,889,370	-
Other non-instructional services	1,471,777	1,224,595	994,169	365,104
Extracurricular activities	1,434,639	1,259,230	1,151,621	1,091,654
Intergovernmental pass-through	-	466,340	425,781	475,587
Interest and fiscal charges	44,512	62,932	68,650	75,913
Total governmental activities expenses	<u>48,794,332</u>	<u>49,514,548</u>	<u>50,007,497</u>	<u>41,933,176</u>
Business-Type Activities:				
Food Service	-	-	-	1,918,480
Adult Education	-	-	-	820,179
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,738,659</u>
Total primary government expenses	<u>48,794,332</u>	<u>49,514,548</u>	<u>50,007,497</u>	<u>44,671,835</u>

	2004	2003	2002	2001
\$	16,827,737	\$ 16,782,965	\$ 16,420,485	\$ 15,310,959
	6,614,153	6,377,680	6,152,427	5,580,007
	1,270,983	1,413,514	1,473,087	1,581,925
	-	-	-	-
	144,899	169,770	146,898	133,531
	1,713,629	1,699,311	1,484,322	1,513,446
	1,596,772	1,698,801	1,538,623	1,712,630
	200,544	202,519	187,936	169,581
	2,899,700	3,082,433	2,916,382	2,691,724
	776,412	679,525	674,661	608,555
	149,517	245,576	216,076	213,928
	4,607,211	5,474,006	3,743,299	3,899,035
	1,408,368	1,375,321	1,269,200	1,207,351
	658,779	296,428	146,152	1,223,057
	-	-	-	-
	189,885	217,417	226,371	152,274
	1,057,758	1,006,609	1,114,411	1,087,111
	483,133	501,876	454,538	513,265
	91,145	82,383	106,047	119,368
	<u>40,690,625</u>	<u>41,306,134</u>	<u>38,270,915</u>	<u>37,717,747</u>
	1,857,460	1,753,978	1,722,271	1,967,634
	867,829	970,572	941,647	1,091,331
	<u>2,725,289</u>	<u>2,724,550</u>	<u>2,663,918</u>	<u>3,058,965</u>
	<u>43,415,914</u>	<u>44,030,684</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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 303,926	\$ 345,929	\$ 84,355	\$ 110,615
Vocational	34,023	39,330	41,557	36,023
Adult/continuing	664,868	652,428	589,793	-
Other instructional	-	-	-	-
Support services:				
Administration	-	5,833	-	-
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Operations and maintenance	24,900	16,965	28,694	31,429
Operation of non-instructional services:				
Food service operations	579,568	644,676	655,354	-
Other non-instructional services	577	-	-	-
Extracurricular activities	233,068	271,084	309,071	314,422
Operating grants and contributions:				
Instruction:				
Regular	1,517,306	1,701,832	1,237,097	1,585,351
Special	3,252,176	4,074,098	2,251,673	2,107,368
Vocational	390,307	397,466	84,893	154,035
Adult/continuing	466,812	698,186	349,259	-
Other	322,429	157,654	1,324,856	-
Support services:				
Pupil	83,919	251,380	224,718	176,315
Instructional staff	1,132,362	1,324,585	1,695,283	663,337
Board of education	-	-	54,053	-
Administration	153,673	358,704	185,020	221,279
Fiscal	13,136	13,477	14,304	13,395
Operations and maintenance	-	-	4,736	11,774
Pupil transportation	157,792	147,281	-	-
Central	278,739	253,872	320,732	34,599
Operation of non-instructional services:				
Food service operations	1,390,185	1,279,290	1,212,754	-
Other non-instructional services	1,373,311	1,152,732	999,582	884,804
Extracurricular activities	126,521	124,843	12,795	-
Intergovernmental pass-through	-	471,955	443,045	460,726
Capital grants and contributions:				
Instruction:				
Regular	-	24,846	-	-
Support services:				
Instructional staff	-	-	-	-
Operations and maintenance	43,061	95,031	-	-
Pupil transportation	17,646	27,072	-	-
Central	-	-	-	-
Total governmental program revenues	<u>12,560,305</u>	<u>14,530,549</u>	<u>12,123,624</u>	<u>6,805,472</u>

	2004	2003	2002	2001
\$	110,688	\$ 148,786	\$ 223,095	\$ 65,891
	17,363	31,507	36,208	31,123
	-	-	-	-
	39	54	-	-
	-	-	-	-
	9	63	-	-
	-	2,985	-	-
	29,151	28,166	170,000	61,854
	-	-	-	-
	-	-	-	-
	326,083	304,763	441,723	449,897
	1,676,653	1,527,191	1,734,477	1,610,930
	1,719,929	1,677,193	1,311,357	1,608,920
	104,712	30,222	297,059	114,422
	-	-	-	-
	159,504	164,592	22,396	154,163
	107,328	242,472	175,533	124,287
	548,005	334,004	352,699	336,291
	-	-	-	-
	143,209	124,506	127,574	122,333
	15,949	16,110	16,158	18,067
	1,167	-	-	-
	-	21,235	25,433	19,934
	36,635	45,332	104,062	90,286
	-	-	-	-
	150,808	205,118	154,969	182,748
	-	74,667	55,548	106,865
	474,829	471,584	493,335	477,444
	-	-	65,520	143,387
	88,275	-	-	-
	-	451,653	1,481,430	-
	-	-	-	102,231
	-	-	-	325,616
	<u>5,710,336</u>	<u>5,902,203</u>	<u>7,288,576</u>	<u>6,146,689</u>

--Continued

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Business-Type Activities:				
Charges for services:				
Food Service	-	-	-	662,188
Adult Education	-	-	-	575,775
Operating grants and contributions:				
Food Service	-	-	-	1,122,402
Adult Education	-	-	-	261,368
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,621,733</u>
Total primary government program revenues	<u>12,560,305</u>	<u>14,530,549</u>	<u>12,123,624</u>	<u>9,427,205</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (36,234,027)	\$ (34,983,999)	\$ (37,883,873)	\$ (35,127,704)
Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,926)</u>
Total primary government net expense	<u>(36,234,027)</u>	<u>(34,983,999)</u>	<u>(37,883,873)</u>	<u>(35,244,630)</u>
General Revenues and Other				
Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General purposes	17,786,660	17,988,435	18,310,310	18,066,764
Debt service	277,686	293,068	283,257	264,594
Capital projects	512,033	572,833	596,734	554,784
Grants and entitlements not restricted to specific programs	17,217,113	16,127,728	16,892,666	17,143,794
Investment earnings	406,737	545,097	440,921	227,824
Miscellaneous	322,576	350,511	390,260	340,526
Total governmental activities	<u>36,522,805</u>	<u>35,877,672</u>	<u>36,914,148</u>	<u>36,598,286</u>
Transfers	-	-	-	(2,250)
Special items	<u>-</u>	<u>(543,770)</u>	<u>-</u>	<u>-</u>
Business-Type Activities:				
Investment earnings	-	-	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
Change in Net Assets				
Governmental activities	288,778	349,903	(969,725)	1,468,332
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(114,676)</u>
Total primary government	<u>\$ 288,778</u>	<u>\$ 349,903</u>	<u>\$ (969,725)</u>	<u>\$ 1,353,656</u>

Source: School District financial records.

Note: During fiscal year 2007 the business-type activities were reclassified to governmental activities. 2006 amounts have been restated to reflect the fund reclassification.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
696,928	949,670	803,210	808,575
626,650	695,097	338,387	548,628
1,070,230	980,964	992,839	930,788
226,585	276,555	633,239	571,689
<u>2,620,393</u>	<u>2,902,286</u>	<u>2,767,675</u>	<u>2,859,680</u>
<u>8,330,729</u>	<u>8,804,489</u>	<u>10,056,251</u>	<u>9,006,369</u>
\$ (34,980,289)	\$ (35,403,931)	\$ (30,982,339)	\$ (31,571,058)
(104,896)	177,736	103,757	(199,285)
<u>(35,085,185)</u>	<u>(35,226,195)</u>	<u>(30,878,582)</u>	<u>(31,770,343)</u>
15,280,800	17,247,472	16,497,807	15,139,082
256,231	279,572	267,735	283,195
515,487	628,736	602,540	576,148
16,932,365	16,693,155	16,209,085	15,494,850
102,701	181,966	276,677	585,070
305,452	262,101	-	381,487
<u>33,393,036</u>	<u>35,293,002</u>	<u>33,853,844</u>	<u>32,459,832</u>
(25,000)	(32,188)	(101,352)	(25,000)
-	-	-	-
1,568	-	-	-
-	-	49,628	47,963
<u>1,568</u>	<u>-</u>	<u>49,628</u>	<u>47,963</u>
<u>25,000</u>	<u>32,188</u>	<u>101,352</u>	<u>25,000</u>
(1,612,253)	(143,117)	2,770,153	863,774
(78,328)	209,924	254,737	(126,322)
<u>\$ (1,690,581)</u>	<u>\$ 66,807</u>	<u>\$ 3,024,890</u>	<u>\$ 737,452</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:				
Reserved	\$ 1,903,046	\$ 1,506,725	\$ 1,664,279	\$ 1,915,740
Unreserved	<u>(340,751)</u>	<u>(81,769)</u>	<u>(167,288)</u>	<u>(143,758)</u>
Total general fund	<u>\$ 1,562,295</u>	<u>\$ 1,424,956</u>	<u>\$ 1,496,991</u>	<u>\$ 1,771,982</u>
All Other Governmental Funds:				
Reserved	\$ 464,214	\$ 544,164	\$ 379,096	\$ 503,733
Unreserved, reported in:				
Special revenue funds	(135,860)	(34,131)	61,438	324,138
Debt service funds	269,920	156,171	142,945	120,732
Capital projects funds	235,258	345,598	558,361	582,865
Permanent fund	<u>90,256</u>	<u>86,207</u>	<u>81,610</u>	<u>76,174</u>
Total all other governmental funds	<u>\$ 923,788</u>	<u>\$ 1,098,009</u>	<u>\$ 1,223,450</u>	<u>\$ 1,607,642</u>

Source: School District financial records.

Note: During fiscal year 2007 the nonmajor enterprise funds were reclassified to nonmajor special revenue funds. 2006 amounts have been restated to reflect the fund reclassification.

2004	2003	2002	2001	2000	1999
\$ 891,202 (715,758)	\$ 2,930,724 51,359	\$ 1,405,980 1,352,474	\$ 1,738,461 30,679	\$ 2,257,629 57,641	\$ 3,246,570 107,830
<u>\$ 175,444</u>	<u>\$ 2,982,083</u>	<u>\$ 2,758,454</u>	<u>\$ 1,769,140</u>	<u>\$ 2,315,270</u>	<u>\$ 3,354,400</u>
\$ 547,633	\$ 661,396	\$ 288,341	\$ 400,161	\$ 374,580	\$ 722,374
439,300	229,694	560,210	586,273	189,087	155,645
107,780	135,109	258,895	289,074	331,243	321,948
519,727	1,465,274	1,908,654	203,680	777,522	97,268
75,649	66,864	-	-	-	-
<u>\$ 1,690,089</u>	<u>\$ 2,558,337</u>	<u>\$ 3,016,100</u>	<u>\$ 1,479,188</u>	<u>\$ 1,672,432</u>	<u>\$ 1,297,235</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
From local sources:					
Taxes	\$ 18,915,186	\$ 18,269,526	\$ 18,632,648	\$ 19,936,270	\$ 15,580,501
Tuition	584,044	583,676	418,148	16,996	14,179
Charges for services	565,621	631,607	637,528	-	-
Earnings on investments	367,488	497,826	375,605	188,216	88,501
Decrease in fair market value of investments	(16,852)	-	-	-	-
Extracurricular	236,953	271,084	257,721	265,631	250,147
Classroom materials and fees	119,215	118,111	57,536	61,319	61,982
Other local revenues	671,731	1,151,853	646,334	470,774	511,143
Other revenue	135,064	80,125	81,817	71,598	4,617
Intergovernmental - State	21,478,637	20,276,250	20,054,027	18,993,559	18,964,681
Intergovernmental - Federal	7,134,955	7,245,259	7,335,697	3,716,828	3,205,226
Total revenues	<u>50,192,042</u>	<u>49,125,317</u>	<u>48,497,061</u>	<u>43,721,191</u>	<u>38,680,977</u>
Expenditures					
Current:					
Instruction:					
Regular	16,594,297	16,807,366	16,366,744	16,490,009	17,166,133
Special	8,882,210	8,411,417	8,072,621	7,662,198	6,669,449
Vocational	1,709,504	1,543,988	1,456,536	1,391,347	1,286,642
Adult/continuing	1,201,522	1,205,361	1,251,260	131,595	145,696
Other	356,416	166,569	1,464,108	-	-
Support services:					
Pupil	2,052,683	1,963,948	1,837,836	1,797,261	1,671,810
Instructional staff	2,542,778	2,540,088	2,732,868	1,529,453	1,605,101
Board of education	225,384	251,748	262,873	290,483	200,544
Administration	3,334,918	3,210,607	3,050,199	3,085,533	2,933,747
Fiscal	849,145	800,062	774,424	750,121	751,115
Business	170,505	179,790	166,666	165,455	157,280
Operations and maintenance	3,781,806	3,776,097	4,050,372	3,831,026	3,988,505
Pupil transportation	1,527,984	1,480,076	1,296,568	1,428,252	1,301,927
Central	892,227	846,349	723,054	613,444	639,614
Operation of non-instructional services:					
Food service operations	1,942,459	1,840,387	1,847,912	-	-
Operation of non-instructional services	1,521,894	1,292,923	966,801	325,029	154,312
Extracurricular activities	1,331,218	1,189,397	1,060,887	969,105	1,040,791
Intergovernmental pass-through	-	466,094	425,781	475,587	483,133
Facilities acquisitions and construction	807,741	899,370	859,839	577,370	1,630,296
Capital outlay	-	-	474,690	-	-
Debt service:					
Principal retirement	456,362	476,908	484,516	358,226	368,346
Interest and fiscal charges	45,198	63,618	69,354	76,618	102,414
Bond issuance expenses	-	-	-	-	-
Total expenditures	<u>50,226,251</u>	<u>49,412,163</u>	<u>49,695,909</u>	<u>41,948,112</u>	<u>42,296,855</u>
Excess of revenues over (under) expenditures	(34,209)	(286,846)	(1,198,848)	1,773,079	(3,615,878)
Other Financing Sources (Uses)					
Transfers in	166,354	-	40,000	-	40,000
Transfers (out)	(166,354)	-	(40,000)	(2,250)	(65,000)
Sale of assets	-	133,897	5,055	300	1,227
Capital lease transaction	-	-	474,690	-	-
Accrued interest on sale of bonds	-	-	-	-	-
Premium on bonds sold	-	-	-	-	-
Proceeds from sale of bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>133,897</u>	<u>479,745</u>	<u>(1,950)</u>	<u>(23,773)</u>
Net change in fund balances	<u>\$ (34,209)</u>	<u>\$ (152,949)</u>	<u>\$ (719,103)</u>	<u>\$ 1,771,129</u>	<u>\$ (3,639,651)</u>
Debt service as a percentage of noncapital expenditures	1.01%	1.11%	1.13%	1.05%	1.16%

Source: School District financial records.

Note: During fiscal year 2007 the nonmajor enterprise funds were reclassified to nonmajor special revenue funds. 2006 amounts have been restated to reflect the fund reclassification.

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	17,901,465	\$ 17,135,168	\$ 15,861,657	\$ 15,015,732	\$ 15,613,834
	15,138	53,183	22,679	49,891	33,921
	-	-	-	-	-
	165,834	250,564	556,133	513,766	443,225
	-	-	-	-	-
	301,273	441,808	381,498	-	-
	-	-	-	-	-
	1,029,049	1,959,907	693,879	673,924	759,714
	-	6,199	-	-	-
	18,632,833	18,270,681	18,287,000	17,048,680	15,365,467
	2,712,806	2,685,965	2,170,854	2,223,246	2,067,367
	<u>40,758,398</u>	<u>40,803,475</u>	<u>37,973,700</u>	<u>35,525,239</u>	<u>34,283,528</u>
	16,414,963	15,811,739	15,500,528	14,631,441	13,578,250
	6,323,095	5,985,367	5,824,123	5,555,919	5,040,353
	1,386,612	1,453,929	1,586,067	1,513,918	1,428,727
	169,924	145,869	143,529	139,422	220,641
	-	-	-	-	-
	1,693,620	1,541,838	1,430,273	1,348,923	1,338,776
	1,655,470	1,626,416	1,574,427	1,533,112	1,507,198
	202,519	185,540	168,475	170,249	138,754
	3,012,020	2,830,156	2,698,824	2,508,181	2,277,828
	661,892	661,551	609,743	587,700	559,741
	231,606	210,522	213,822	209,849	234,341
	3,922,833	3,622,467	3,911,341	3,781,643	3,416,041
	1,425,327	1,280,744	1,282,627	1,234,585	1,107,518
	464,240	143,586	1,225,102	414,020	181,560
	-	-	-	-	-
	164,257	243,554	180,215	140,892	87,452
	1,017,789	1,118,394	1,088,404	825,537	769,246
	501,876	454,538	513,265	480,154	483,805
	1,290,770	610,757	722,750	730,069	1,231,236
	1,068,959	-	-	-	-
	265,648	216,468	281,468	271,468	261,468
	75,847	107,492	120,575	135,035	148,670
	42,032	-	-	-	-
	<u>41,991,299</u>	<u>38,250,927</u>	<u>39,075,558</u>	<u>36,212,117</u>	<u>34,011,605</u>
	(1,232,901)	2,552,548	(1,101,858)	(686,878)	271,923
	-	14,000	223,184	582,166	284,272
	(25,000)	(39,000)	(248,184)	(632,166)	(284,272)
	3,689	-	3,615	2,948	123,855
	1,068,959	-	-	-	-
	2,156	-	-	-	-
	79,749	-	-	-	-
	1,090,000	-	-	-	-
	(1,277,717)	-	-	-	-
	<u>941,836</u>	<u>(25,000)</u>	<u>(21,385)</u>	<u>(47,052)</u>	<u>123,855</u>
\$	<u>(291,065)</u>	<u>\$ 2,527,548</u>	<u>\$ (1,123,243)</u>	<u>\$ (733,930)</u>	<u>\$ 395,778</u>

0.95%

0.85%

1.05%

1.15%

1.25%

**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							
2008	\$ 182,000	\$ -	\$ 16,896,990	\$ 128,508,900	\$ 329,775,550	\$ 4,386,250	\$ 479,749,690	
2007	182,000	-	17,525,390	124,550,440	329,449,350	3,337,540	475,044,720	
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	

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						
\$ 16,223,675	\$ 15,507,850	\$ 31,731,525	\$ 511,481,215	\$ 1,497,639,500	34.15%	
47,462,890	15,306,600	62,769,490	537,814,210	1,608,348,589	33.44%	
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%	

**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		
2007/2008	8.80	4.25	0.70	69.90	0.60	2.00	0.80	3.45	76.75
2006/2007	8.80	4.25	0.70	64.50	0.60	2.00	0.80	3.45	71.35
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

Source: Erie County Auditor's Office

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

PRINCIPAL REAL ESTATE PROPERTY TAX PAYERS
DECEMBER 31, 2007 AND DECEMBER 31, 1998

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Cedar Fair, L.P.	\$ 41,907,320	1	8.19%
Ohio Edison Company	8,175,830	2	1.60%
Firelands Regional Medical Center	4,248,000	3	0.83%
Norfolk & Western Railway Co	4,147,590	4	0.81%
S&S Realty	3,714,080	5	0.73%
Key Real Estate	2,881,790	6	0.56%
Ohio Bell Telephone Company	2,566,770	7	0.50%
Myers Industries Inc.	2,291,000	8	0.45%
Providence Care Center	2,194,100	9	0.43%
Sandusky Limited	1,844,400	10	0.36%
Total	\$ 73,970,880		14.46%

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Cedar Fair, L.P.	\$ 29,168,630	1	7.18%
S & S Realty	3,195,370	2	0.79%
Norfolk & Western Railway Co.	2,880,090	3	0.71%
Sandusky Foundry & Machine Co.	2,430,580	4	0.60%
Sandusky Housing Trust L.P.	1,994,710	5	0.49%
Hoty Marine Group	1,985,930	6	0.49%
Sandusky Limited	1,857,790	7	0.46%
Harbour Lagoons	1,227,470	8	0.30%
CP Bridge Co.	1,115,960	9	0.27%
Sandusky Plastics, Inc.	990,010	10	0.24%
Total	\$ 46,846,540		11.53%

Source: Erie County Auditor's Office

Note: Information is available by calendar year only.

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

PRINCIPAL PERSONAL PROPERTY TAX PAYERS
DECEMBER 31, 2006 AND DECEMBER 31, 1998

December 31, 2006*			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Cedar Fair, L.P.	\$ 9,356,670	1	1.74%
Sandusky International Inc	2,467,840	2	0.46%
FMC Technologies	1,798,350	3	0.33%
Engineering Chain Division	1,394,980	4	0.26%
Sandusky Limited	1,295,430	5	0.24%
Ohio Bell Telephone Co.	1,282,910	6	0.24%
Myers Industries	1,008,160	7	0.19%
Industrial Nut Corp	788,510	8	0.15%
Thermocolor LLC	638,530	9	0.12%
Glidden Company	616,120	10	0.11%
Total	\$ 20,647,500		3.84%

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Cedar Fair, L.P.	\$ 12,599,380	1	3.10%
Ohio Edison Company	12,046,720	2	2.97%
Sandusky International, Inc.	6,068,880	3	1.49%
Ohio Bell Telephone Company	5,471,830	4	1.35%
Columbia Gas of Ohio	5,469,810	5	1.35%
Sandusky Plastics, Inc.	3,931,680	6	0.97%
Norfolk & Western Railway Co.	2,880,090	7	0.71%
Stein & Associates, Inc.	2,796,678	8	0.69%
Union Chain Division of U.S. Tsubaki, Inc.	2,264,930	9	0.56%
Sandusky Limited	2,083,454	10	0.51%
Total	\$ 55,613,452		13.70%

Source: Erie County Auditor's Office

* The Erie County Auditor is unable to provide the top ten taxpayers as of December 31, 2007; therefore the top ten taxpayers as of December 31, 2006 will be disclosed. Information is available by calendar year only.

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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
2007	\$ 19,393,383	\$ 1,846,072	\$ 21,239,455	\$ 18,651,516	96.17%
2006	20,720,288	1,920,550	22,640,838	20,065,112	96.84%
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%

Source: Erie County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 964,089	\$ 19,615,605	92.35%
944,693	21,009,805	92.80%
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%

**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) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
	General Obligation Bonds	Asbestos Abatement Loan	Capital Leases				
2008	\$ 135,000	\$ -	\$ 581,716	\$ 716,716	0.14%	\$ 26	\$ 187
2007	320,000	30,733	822,345	1,173,078	0.23%	42	304
2006	505,000	92,201	1,052,785	1,649,986	0.33%	59	407
2005	695,000	153,669	811,143	1,659,812	0.33%	60	397
2004	885,000	215,137	917,901	2,018,038	0.40%	72	473
2003	1,090,000	276,605	1,019,779	2,386,384	0.47%	86	555
2002	1,395,000	338,073	-	1,733,073	0.34%	62	395
2001	1,550,000	399,541	-	1,949,541	0.39%	70	428
2000	1,770,000	461,009	-	2,231,009	0.65%	75	477
1999	1,980,000	522,477	-	2,502,477	0.72%	84	546
1998	2,180,000	583,945	-	2,763,945	0.80%	93	592

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, per capita, 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		
2008	\$ 135,000	\$ 135,000	0.01%	\$ 5
2007	320,000	320,000	0.02%	11
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

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, 2008

<u>Governmental Unit</u>	<u>Assessed Valuation (1)</u>	<u>Debt Outstanding (2)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt (2)</u>
Direct:				
Sandusky City School District	\$ 511,481,215	\$ 716,716	100.00%	\$ 716,716
	<u>511,481,215</u>	<u>716,716</u>		<u>716,716</u>
Overlapping:				
City of Sandusky	537,340,890	23,308,372	100.00%	23,308,372
Erie County	<u>2,088,890,675</u>	<u>5,188,740</u>	25.32%	<u>1,313,789</u>
Total Overlapping	<u>2,626,231,565</u>	<u>28,497,112</u>		<u>24,622,161</u>
Total direct and overlapping debt	<u>\$ 3,137,712,780</u>	<u>\$ 29,213,828</u>		<u>\$ 25,338,877</u>

(1) **Source:** Sandusky City School District, City of Sandusky Finance Department and Erie County Auditor.

(2) **Source:** Ohio Municipal Advisory Council. Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2007 collection year.

**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
2008	\$ 44,206,589	\$ 135,000	\$ 298,281	\$ (163,281)	\$ 44,369,870	-0.37%
2007	43,745,875	320,000	209,513	110,487	43,635,388	0.25%
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%

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.

Note: Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

Note: Beginning in fiscal year 2007 the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	Median Family Income (2)	School Enrollment (3)	Unemployment Rates (4)		
						Erie County	Ohio	United States
2007	27,844	\$ 18,111	\$ 504,282,684	\$37,749	3,836	5.9%	6.7%	5.7%
2006	27,844	18,111	504,282,684	37,749	3,864	5.9%	5.5%	4.6%
2005	27,844	18,111	504,282,684	37,749	4,058	6.4%	5.9%	5.1%
2004	27,844	18,111	504,282,684	37,749	4,186	6.5%	6.2%	5.5%
2003	27,844	18,111	504,282,684	37,749	4,262	6.1%	6.2%	6.0%
2002	27,844	18,111	504,282,684	37,749	4,302	5.7%	5.7%	5.8%
2001	27,844	18,111	504,282,684	37,749	4,386	4.7%	4.4%	4.7%
2000	27,844	18,111	504,282,684	37,749	4,555	4.2%	4.0%	4.0%
1999	29,764	11,620	345,857,680	28,544	4,674	4.4%	4.3%	4.2%
1998	29,764	11,620	345,857,680	28,544	4,582	5.0%	4.3%	4.5%

(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
DECEMBER 31, 2007 AND DECEMBER 31, 2004

Employer	2007			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Magnum Management Corp.	6,195	1	49.17%	6,583	1	51.43%
Firelands Regional Health System	1,600	2	12.70%	1,979	2	15.46%
Sandusky Board of Education	857	3	6.80%	914	3	7.14%
Erie County	727	4	5.77%	683	4	5.34%
Delphi Automotive Systems	500	5	3.97%	286	6	2.23%
City of Sandusky	295	6	2.34%	399	5	3.12%
Ford Motor Company	260	7	2.06%			
FMC Food Tech.	251	8	1.99%	228	7	1.78%
Sandusky International, Inc.	130	9	1.03%			
Sandusky Limited	121	10	0.96%	185	8	1.45%
The G & C Foundry				150	9	1.17%
Sandusky Internists, Inc.				26	10	0.20%
Total	10,936		86.79%	11,433		89.32%
Total City Employment	12,600			12,800		

Source: City of Sandusky

Note: Information on principal employers prior to 2004 was not available. Information is available by calendar year only.

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

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Type</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Administration:	29	30	30	30	31	31
Adult Education:	10	10	11	10	10	11
Certificated Staff:	342	345	360	346	352	358
Teaching Staff:						
Preschool	5	4	4	4	4	4
Elementary School K-6	127	130	145	138	146	149
Jr. High School 7-8	45	47	41	46	49	54
High School 9-12	86	87	89	88	87	93
Tutors	44	41	45	31	26	26
Others	17	17	17	20	21	16
Auxiliary Positions:						
Counselors	9	10	10	10	10	9
Speech Therapists	5	5	5	5	5	4
Psychologists	4	4	4	4	4	3
Support Staff:	173	171	175	175	191	197
Secretarial	33	33	34	32	31	32
Teacher Aides	36	35	38	38	48	57
Cafeteria Workers	34	34	36	38	39	39
Custodial	31	32	35	36	40	37
Maintenance	4	4	4	4	4	4
Bus Driver	33	31	26	25	27	26
Mechanics	2	2	2	2	2	2
Total	<u>554</u>	<u>556</u>	<u>576</u>	<u>561</u>	<u>584</u>	<u>597</u>

Source: School District records

2002	2001	2000	1999
30	30	33	33
11	11	10	10
358	355	354	342
4	3	3	3
149	150	152	148
54	54	53	52
94	93	92	89
26	21	20	14
14	19	18	20
9	9	9	9
5	4	5	5
3	2	2	2
203	202	204	181
31	31	33	33
60	59	58	43
40	41	40	40
40	40	40	38
4	4	4	4
26	25	27	21
2	2	2	2
602	598	601	566

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction:										
Regular and Special										
Enrollment (students)	3,836	3,961	4,058	4,186	4,262	4,302	4,386	4,555	4,674	4,582
Graduates	232	223	222	235	226	220	226	230	290	236
Support services:										
Board of education										
Regular meetings per year	15	15	15	17	16	18	18	18	19	19
Special meetings per year	2	4	5	7	4	27	10	7	5	6
Administration										
Student attendance rate	94.3	94.2	94.5	96.3	97.6	94.3	94.0	91.7	98.8	94.4
Fiscal										
Nonpayroll checks issued										
	4,950	5,192	5,285	4,968	5,132	5,359	5,703	5,661	5,536	5,444
Operations and maintenance										
Work orders completed	1,911	1,895	2,000	2,210	2,452	2,262	1,919	N/A	N/A	N/A
Square footage maintained	906,601	939,239	939,239	939,239	939,239	939,239	939,239	939,239	939,239	939,239
Pupil transportation										
Avg. students transported daily	2,005	2,005	2,070	2,132	2,753	2,711	2,684	2,366	2,130	2,018
Food service operations										
Meals served to students	654,471	639,947	623,447	593,701	587,303	534,960	518,247	529,618	516,365	508,798

Source: District records

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

**CAPITAL ASSET STATISTICS
LAST EIGHT FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities:							
Land	\$ 2,079,726	\$ 2,079,726	\$ 2,280,969	\$ 2,280,969	\$ 2,280,969	\$ 2,280,969	\$ 2,280,969
Land improvements	282,992	213,418	144,729	138,024	146,676	155,327	163,978
Buildings and improvements	6,001,876	6,262,563	6,700,918	6,688,271	6,981,376	6,170,418	5,474,194
Furniture, fixtures and equipment	1,140,813	1,057,782	1,130,783	1,032,066	1,063,138	708,959	490,367
Vehicles	822,158	918,297	943,298	1,098,160	1,060,785	1,147,484	1,061,354
Total Governmental Activities Capital Assets, net	<u>\$10,327,565</u>	<u>\$10,531,786</u>	<u>\$11,200,697</u>	<u>\$11,237,490</u>	<u>\$ 11,532,944</u>	<u>\$10,463,157</u>	<u>\$ 9,470,862</u>
Business-Type Activities:							
Furniture, fixtures and equipment	-	-	-	110,021	1,183	115,191	105,959
Total Business-Type Activities Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,021</u>	<u>\$ 1,183</u>	<u>\$ 115,191</u>	<u>\$ 105,959</u>
Primary Government:							
Land	\$ 2,079,726	\$ 2,079,726	\$ 2,280,969	\$ 2,280,969	\$ 2,280,969	\$ 2,280,969	\$ 2,280,969
Land improvements	282,992	213,418	144,729	138,024	146,676	155,327	163,978
Buildings and improvements	6,001,876	6,262,563	6,700,918	6,688,271	6,981,376	6,170,418	5,474,194
Furniture, fixtures and equipment	1,140,813	1,057,782	1,130,783	1,142,087	1,064,321	824,150	596,326
Vehicles	822,158	918,297	943,298	1,098,160	1,060,785	1,147,484	1,061,354
Total Primary Government Capital Assets, net	<u>\$10,327,565</u>	<u>\$10,531,786</u>	<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>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

Note: During fiscal year 2007 the business-type activities were reclassified to governmental activities. 2006 amounts have been restated to reflect the fund reclassification.

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2008	2007	2006	2005	2004	2003	2002
Campbell Elementary (1884/1991)							
Square feet	28,860	28,860	28,860	28,860	28,860	28,860	28,860
Capacity (students)	250	250	250	250	250	250	250
Enrollment	CLOSED	CLOSED	CLOSED	CLOSED	197	195	208
Hancock Elementary (1923/'28/'31/'49/'66)							
Square feet	47,223	47,223	47,223	47,223	47,223	47,223	47,223
Capacity (students)	525	525	525	525	525	525	525
Enrollment	323	320	336	342	344	335	322
Madison Elementary (1939/1991)							
Square feet	29,937	29,937	29,937	29,937	29,937	29,937	29,937
Capacity (students)	250	250	250	250	250	250	250
Enrollment	231	238	203	242	220	229	230
Mills Elementary (1954/1991)							
Square feet	38,605	38,605	38,605	38,605	38,605	38,605	38,605
Capacity (students)	475	475	475	475	475	475	475
Enrollment	304	317	278	295	301	301	314
Monroe Elementary (1894/1903/1991)							
Square feet	32,638	32,638	32,638	32,638	32,638	32,638	32,638
Capacity (students)	325	325	325	325	325	325	325
Enrollment	CLOSED	CLOSED	240	243	209	203	196
Ontario Elementary (1952/1968)							
Square feet	42,347	42,347	42,347	42,347	42,347	42,347	42,347
Capacity (students)	500	500	500	500	500	500	500
Enrollment	368	381	344	356	354	345	341
Osborne Elementary (1890/1991)							
Square feet	43,842	43,842	43,842	43,842	43,842	43,842	43,842
Capacity (students)	375	375	375	375	375	375	375
Enrollment	317	324	309	311	289	306	298
Venice Heights Elementary (1970)							
Square feet	43,740	43,740	43,740	43,740	43,740	43,740	43,740
Capacity (students)	550	550	550	550	550	550	550
Enrollment	392	400	358	357	324	362	368
Adams Jr. High (1867/1914/1977)							
Square feet	91,935	91,935	91,935	91,935	91,935	91,935	91,935
Capacity (students)	500	500	500	500	500	500	500
Enrollment	266	279	336	285	310	318	303
Jackson Jr. High (1898/1927/1937)							
Square feet	86,994	86,994	86,994	86,994	86,994	86,994	86,994
Capacity (students)	500	500	500	500	500	500	500
Enrollment	260	336	303	294	316	281	337
Sandusky High School (1957/'67/'70/'73)							
Square feet	370,000	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	2,250
Enrollment	1,252	1,191	1,184	1,220	1,238	1,288	1,290
Barker Alternative School (1874/1924)							
Square feet	24,635	24,635	24,635	24,635	24,635	24,635	24,635
Capacity (students)	175	175	175	175	175	175	175
Enrollment	CLOSED	CLOSED	57	35	46	52	46
Central office (1926)							
Square feet	24,488	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	14,845
Stadium (1935)							
Square feet	19,150	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.

2001	2000	1999
28,860	28,860	28,860
250	250	250
227	233	236
47,223	47,223	47,223
525	525	525
305	344	353
29,937	29,937	29,937
250	250	250
257	278	283
38,605	38,605	38,605
475	475	475
313	322	350
32,638	32,638	32,638
325	325	325
198	197	217
42,347	42,347	42,347
500	500	500
334	337	367
43,842	43,842	43,842
375	375	375
321	316	312
43,740	43,740	43,740
550	550	550
350	357	368
91,935	91,935	91,935
500	500	500
338	376	332
86,994	86,994	86,994
500	500	500
340	335	341
370,000	370,000	370,000
2,250	2,250	2,250
1,275	1,370	1,317
24,635	24,635	24,635
175	175	175
128	90	38
24,488	24,488	24,488
14,845	14,845	14,845
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	
2008	\$ 49,724,691	\$ 12,963	\$ 48,749,820	\$ 12,709	3,836
2007	48,871,637	12,648	49,451,616	12,798	3,864
2006	49,142,039	12,110	49,938,847	12,306	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

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2001.

Note: During fiscal year 2007 the business-type activities were reclassified to governmental activities. 2006 amounts have been restated to reflect the fund reclassification.

Percent Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage	Student Free & Reduced Lunch Percentage
-0.72%	324	11.84	95.30%	71.50%
-4.78%	326	11.85	94.20%	58.12%
-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%

**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
2008	-	32	24	88	103	44	51	342
2007	-	40	35	80	100	44	46	345
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

Source: District Records

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

TEACHER SALARIES
LAST TEN FISCAL YEARS

Teacher Salaries				
Year	Sandusky City School District			State
	BA Min.	MA Max.	Average	Average
2008	\$32,090	\$67,389	\$49,740	N/A
2007	31,230	65,583	52,215	\$53,536
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

Sources: District Records and Ohio Department of Education

N/A - Indicates that information was unavailable.

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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 5, 2009