

Sandusky City School District Erie County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared By:
Jeff M. Hall, Treasurer and
Treasurer's Office Staff

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
Sandusky City School District
407 Decatur St
Sandusky, OH 44870

We have reviewed the *Independent Auditor's Report* of the Sandusky City School District, Erie County, prepared by Rea & Associates, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

April 16, 2021

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Erie County, Ohio
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
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INTRODUCTORY SECTION

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Sandusky City Schools

407 Decatur Street, Sandusky, OH 44870-2442 • 419-984-1005 • www.scs-k12.net

Office of the Treasurer/CFO

Jeff M. Hall

March 1, 2021

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 “School District”) for the fiscal year ended June 30, 2020 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 School 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 School District. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School 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. Rea & Associates, Inc. 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 Auditors’ Report is included in this CAFR.

As a part of the School 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 School District’s independent audit for the fiscal year ended June 30, 2020 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 School 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 School District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditors' Report.

PROFILE OF SANDUSKY CITY SCHOOL DISTRICT

The School District ranks as 129th largest by total enrollment among the 612 public school districts in the state and is the largest in Erie County. As of the current school year (2019-2020), the average daily membership (ADM) was 3,291 students. The School District enrollment, has experienced slight decreases over the last few years, due to a charter school opening within the city.

The School District has 437 full time and 49 part time employees. The School District employs 263 certified staff members and 35 administrators. Additionally, the School District employs 6 full-time adult education instructors and 182 full-time and part-time non-teaching staff members.

The School 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 eleven (11) career technical education programs as well as a wide range of college preparatory offerings. Additionally, the adult continuing education program serves nearly 120 adults each year in degree programs. The School District provides extensive special education services and offers a kindergarten through twelfth grade accelerated and gifted program. All School District kindergarten students attend all-day, every day 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 School 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 School 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 School District. All elementary schools have full-time media aides and secondary schools are staffed by a certified media specialist. School nurses, psychologists, speech therapists, one media coordinator, 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 School District are listed below. The stated percentage is that percentage of the tax valuation of the overlapping entity that is located within the School District.

1. A portion (22% - approximately) 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%) has 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 School District also acts as fiscal agent for local tax revenues distributed to the Sandusky Library, located within the School District’s boundaries, with this revenue reported in the agency funds. The School District is not considered a component unit of another government.

The School 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 School 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 (2019-2020 school year) for a teacher with a bachelor’s degree is \$40,001, and the maximum salary for a teacher with a master’s degree plus 24 graduate hours and 29 years of experience is \$85,377.

The School 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 June 30, 2021.

All of the School 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, 2021.

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

Parochial Schools

The School District acts as fiscal agent for state funds distributed to parochial schools, with revenue reported in special revenue funds. The Early Childhood Center (Kindergarten Readiness and Preschool), St. Mary Elementary and Jr. High School (K-8) and St. Mary's Central Catholic High School (9-12) are all reported as a single entity under one IRN, are all located within the School District and serve students who reside both inside and outside the School District.

Budgetary Controls

In addition to the internal control structure mentioned above, the School 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 the Board at the fund level. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

ECONOMIC CONDITION

Local Economy

The School District is located in Erie County, in Northwest Ohio, approximately sixty miles west of Cleveland and sixty miles east of Toledo. All of the School 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 School District is served by diversified transportation facilities including immediate access to four State highways and Interstate 80 (Ohio Turnpike). The School District is served by CSX, Norfolk and Southern, and Amtrak Rail Services.

Major commercial banks with offices within the School District include PNC Bank, US Bank, Key Bank, Fifth Third Bank and Civista Bank.

Two daily newspapers serve the School District. The School 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 School District has a cable television license and broadcasts school information on cable Channel 81.

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

The School 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 School 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 School 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 School District's area the reputation of being one of the premier places in the country to live. The School 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 June of 2020 was 4.9%, compared with state and national unemployment rates of 4.0% and 3.7% respectively. The City of Sandusky has been involved with redevelopment through interested investors, slowly increasing the local economy. In 2020, the City of Sandusky was voted the best small coastal town in the United States of America from U.S.A. Today.

As further evidence of a struggling economy in Sandusky, according to the U.S. Census Bureau the median family income in the City was \$36,117 in the year 2018, compared with \$54,041 and \$60,336 state and national averages, respectively. Additionally, the median home value in Sandusky in 2020 was \$90,800, compared with \$140,400 and \$167,500 median home values in the state and the nation, respectively.

Long-Term Financial Planning

The School 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 School District's operating fund. The five-year forecast provides early warning signs of potential financial problems.

The School 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 School District's financial condition include the approval of a 4.9 mill operating levy in 2012, the closure of school buildings due to decreased enrollment which has resulted in the net reduction of paid staff positions, the combination of 7th and 8th grade students into a separate section of Sandusky High School, the successful replacement of a 2.0 mill permanent

improvement levy in 2009, the successful renewal of a five-year, \$1.5 million emergency levy in November, 2018, and a successful passage of a bond issue levy in November, 2016 for the construction of new school buildings. The School District has begun with preliminary site construction for grades 1-2 and 3-6, to be built and open for the 2020-21 school year. The PK-K grades will have a new building scheduled to open in 2022-2023 school year. The construction project begin during the 2017-18 school year, with the site preparation for two new buildings. The Ontario building was demolished and the Ontario students transitioned to the building located at the Adams street site for temporary placement until the new buildings open. The Ohio Facilities Construction Commission is assisting with funding the project contributing 64%. In addition the School District is preparing to fund locally funded initiatives. The information below summarizes the construction project:

Item	Description	Budget Amount	State Funded	Local Funded	Total
Preschool Classrooms	5 additional classrooms offering a full preschool experience for all Blue Streaks	\$2,100,000.00		\$2,100,000.00	\$2,100,000.00
Upgrade Science Labs	Upgrade 7 science labs with utilities, and 2 labs for general science rooms at the current SMS and SHS. Room 300/301 will include new finishes, lighting wiring, and seating.	\$2,900,000.00		\$2,900,000.00	\$2,900,000.00
Upgrades to the Planetarium	Renovation of the current SHS Planetarium to include new seating, and lighting. In addition, the implementation of new technology for advanced instructional delivery for all Blue Streaks.	\$1,000,000.00		\$1,000,000.00	\$1,000,000.00
2 Varsity-Sized Courts	Construction of 2 Varsity-Sized Courts for the proposed grades 3-6 building.	\$3,800,000.00		\$3,800,000.00	\$3,800,000.00
Global Educational Center	New Classroom spaces to offer global educational experiences to all Blue Streaks. In addition, the GEC will serve dual purpose to include an unprecedented professional development center.	\$2,400,000.00		\$2,400,000.00	\$2,400,000.00
STEAM Science Labs	2 State-Of-The-Art STEAM Labs located at the Global Educational Center	\$800,000.00		\$800,000.00	\$800,000.00
Renovate the current SHS Pool	Renovate the entire 1957 Natatorium Pool Structure Repair Deck/Seating/Foundation Air Handler/Ductwork/Lighting Locker rooms	\$2,000,000.00		\$2,000,000.00	\$2,000,000.00
High School Upgrades	SHS Auditorium, soundboard, curtains, roofing, sprinkler system (required) In addition, contingency funds to address current upgrades for SHS for soft construction costs	\$500,000.00		\$500,000.00	\$500,000.00
PK-K	Build a new facility for all PK-K Blue Streaks	\$11,215,979.00	\$7,178,226.56	\$4,037,752.44	\$11,215,979.00
1-2	Build a new facility for all grades 1-2 Blue Streaks	\$15,142,569.00	\$9,691,244.16	\$5,451,324.84	\$15,142,569.00
3-6	Build a new facility for all grades 3-6 Blue Streaks	\$25,527,497.00	\$16,337,598.08	\$9,189,898.92	\$25,527,497.00
Abatement/Demolition Budget	Abate and demolish budget older facilities (Ontario, Jackson, Osborne, Hancock)	\$3,196,133.00	\$2,045,525.12	\$1,150,607.88	\$3,196,133.00

The School District continues to monitor its finances, planning for long-term viability and financial responsibility, but the uncertainty of state funding due to consistent changes in the state funding formula and current funding for open enrollment, community and non-public schools, especially scholarship funding, creates a situation where the state funding for the future is unknown and future planning becomes reactionary based on the direction of state policy and legislation.

Major Initiatives for the Year

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

The School District continued to invest in technology in the 2019-2020 school year. The School District employs a computer technician and an instructional technology facilitator to provide support to School District staff. In addition, the School District contracts for additional technician services with outside companies.

During the 2014-2015 school year, the Sandusky City School District unveiled its latest drop-out prevention/student retention program, the Sandusky Digital Academy, an alternative high school option. Initial enrollment at the Academy was approximately 110 students and that figure remained steady for the 2019-2020 school year.

Major Initiatives for the Future

The School District will continue to upgrade all areas of technology in the 2020-2021 school year and beyond to meet demands of a global focused 21st century education. Our priority will be to enhance hardware and software upgrades that promote seamless technology integration into our instructional and systemic deliveries.

The Sandusky City School District launched The Great Lakes Visual and Performing Arts Academy during the 2015-2016 school year. The academy will provide students with a variety of personally relevant arts opportunities which will help cultivate the whole child as they discover and develop their unique skills and talents.

The School District also rolled out its Global Experience Program which will offer our senior students the opportunity to intern with local businesses, industries, colleges, non-profits and the military in their career choice and Blue Streak University which provided and organized system for our students to complete their high school education while earning college credits with the potential of acquiring up to an associates degree.

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

RELEVANT FINANCIAL POLICIES

The State of Ohio developed a new funding formula for funding public education in the state. The new formula allocates funding based on the number and demographic makeup of the School District's student population as well as the relative wealth (both property and income based) for a district. In addition to the formula aid, districts are guaranteed to not receive less funding than they did in the base year or are capped on their growth.

Another significant change in the budget bill was the restructuring of Tangible Personal Property (TPP) and Electric Deregulation Property Tax reimbursements. These reimbursements were restructured such that, for FY17, the reduction in the School District's phase out for each reimbursement is limited to 5/8 mil. Legislation was also passed in the fall of 2016 to hold harmless thus providing the School District with TPP supplement via the state funding formula. These funding limits, spending mandates and deduction increases all have to be taken into account in monitoring the operation of the Sandusky City School District and future decisions on pursuing additional revenue or expenditure reductions.

AWARDS AND ACKNOWLEDGEMENTS

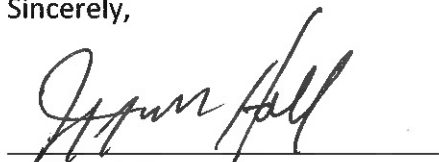
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Sandusky City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded 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 School District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the School District's comprehensive annual financial report for the fiscal year ended June 30, 2019. 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 CAFR 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, Rea & Associates, 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 Rea & Associates, Inc., who conducted a thorough audit of our finances.

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

Sincerely,



Jeff M. Hall
Treasurer & CFO



Eugene T.W. Sanders
Superintendent & CEO

SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY, OHIO

LIST OF PRINCIPAL OFFICERS
 JUNE 30, 2020

<u>Name</u>	Board of Education		<u>Vocation in Private Life</u>
	<u>Began Service as a Board Member January 1</u>	<u>Present Term Expires December 31</u>	
Ms. Ebony Sizemore	2020	2023	Nurse
Mrs. Martha Murray*	2012	2023	Homemaker
Mr. Thomas Patterson	2014	2023	Businessman
Mrs. Kate Vargo	2012+	2021	Pharm. Rep.
Brigitte Green-Churchwell**	2013+	2021	Instructor/BGSU

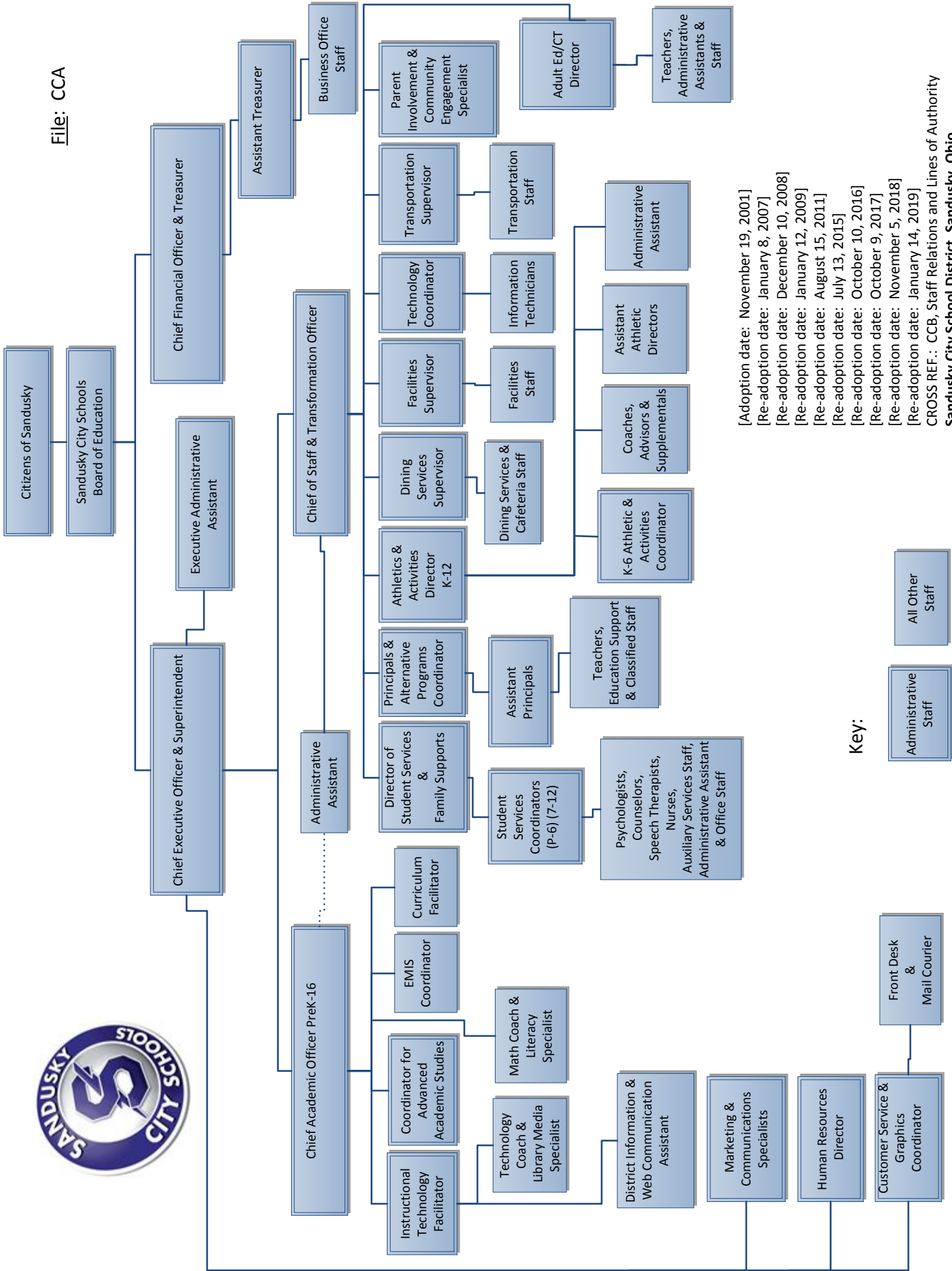
** President

* Vice President

+ Appointed to fill unexpired term due to a resignation

Central Office Administrative Staff

Dr. Eugene T.W. Sanders	Superintendent/CEO
Mrs. Gina Deppert	Treasurer/CFO
Mr. Stephen Sturgill	Chief of Staff/Transformation Officer
Dr. Vilicia Cade	Chief Academic Officer
Mrs. Yvonne Anderson	Assistant Treasurer
Mrs. Nancy Hall	Director of Adult & Vocational Education
Ms. Megan Peugeot	Director of Student Services
Melanie Thorbahn	Executive Assistant to Superintendent/CEO
Mr. Brad Kraft	Food Services Supervisor
Mr. Ted Peters	Transportation Supervisor
Mr. Kevin Toms	Supervisor of Building Services



- [Adoption date: November 19, 2001]
- [Re-adoption date: January 8, 2007]
- [Re-adoption date: December 10, 2008]
- [Re-adoption date: January 12, 2009]
- [Re-adoption date: August 15, 2011]
- [Re-adoption date: July 13, 2015]
- [Re-adoption date: October 10, 2016]
- [Re-adoption date: October 9, 2017]
- [Re-adoption date: November 5, 2018]
- [Re-adoption date: January 14, 2019]

Key:

- Administrative Staff
- All Other Staff

CROSS REF.: CCB, Staff Relations and Lines of Authority
Sandusky City School District, Sandusky, Ohio



Government Finance Officers Association

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, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Sandusky City School District, Ohio

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

David J. Lewis
Executive Director

Financial Section

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March 1, 2021

To the Board of Education and Management
Sandusky City School District
Erie County, Ohio
407 Decatur Street
Sandusky, OH 44870

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, Ohio, (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sandusky City School District, Erie County, Ohio, as of June 30, 2020, and the respective changes in financial position and cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 19, the financial impact of COVID-19 and the ensuing emergency measures will continue to impact subsequent periods of the School District. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of the School District's Proportionate Share of the Net Pension Liability, Schedule of School District's Contributions - Pension, Schedule of the School District's Proportionate Share of the Net OPEB Asset/Liability and Schedule of School District's Contributions - OPEB*, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Hea & Associates, Inc.

Medina, Ohio

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Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

The discussion and analysis of the Sandusky City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- Net position decreased \$4,552,362, which represents a 50 percent decrease from 2019.
- Capital assets increased \$30,485,551 during fiscal year 2020.
- During the fiscal year, outstanding debt decreased from \$32,830,000 to \$32,620,988.

Using this Annual Report

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general and classroom facilities funds are the most significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general and classroom facilities funds.

Governmental Funds Most of the School 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 School 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Fund The School District maintains one proprietary internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund accounts for self-insurance of the School District's medical, dental and vision benefits.

Reporting the School District's Fiduciary Responsibilities

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

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2020 compared to 2019:

	Table 1		
	Net Position		
	Governmental Activities		
	2020	2019	Change
Assets			
Current and Other Assets	\$ 68,438,501	\$ 99,361,819	\$ (30,923,318)
Net OPEB Asset	3,092,730	3,039,076	53,654
Capital Assets	58,341,684	27,856,133	30,485,551
<i>Total Assets</i>	129,872,915	130,257,028	(384,113)
Deferred Outflows of Resources			
Pension & OPEB	11,308,336	14,881,540	(3,573,204)
<i>Total Deferred Outflows of Resources</i>	11,308,336	14,881,540	(3,573,204)
Liabilities			
Current Liabilities	10,160,528	10,336,835	(176,307)
Long-Term Liabilities:			
Due Within One Year	1,393,287	975,980	417,307
Due in More Than One Year			
Pension & OPEB	59,181,447	58,921,453	259,994
Other Amounts	38,035,587	38,180,191	(144,604)
<i>Total Liabilities</i>	108,770,849	108,414,459	356,390
Deferred Inflows of Resources			
Property Taxes	19,702,921	19,151,400	551,521
Revenue in Lieu of Taxes	17,846	0	17,846
Pension & OPEB	8,219,628	8,550,340	(330,712)
<i>Total Deferred Inflows of Resources</i>	27,940,395	27,701,740	238,655
Net Position			
Net Investment in Capital Assets	32,937,677	16,849,363	16,088,314
Restricted	21,929,573	35,973,442	(14,043,869)
Unrestricted	(50,397,243)	(43,800,436)	(6,596,807)
<i>Total Net Position</i>	\$ 4,470,007	\$ 9,022,369	\$ (4,552,362)

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2020, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2020 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

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

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets represented 45 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets was \$32,937,677 at June 30, 2020. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$21,929,573 represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position was a deficit of \$50,397,243.

Cash and investments and intergovernmental receivable decreased due to the spending of bond and grant proceeds for the OFCC project. The increase in capital assets is due to OFCC project that was in progress during fiscal year 2020 and 2019. This also caused the correlating changes in restricted net position and net investment in capital assets.

There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

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Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Table 2 shows the changes in net position for fiscal year 2020 and 2019.

Table 2
Changes in Net Position

	2020	2019	Change
Revenues			
<i>Program Revenues:</i>			
Charges for Services	\$ 2,329,829	\$ 2,938,473	\$ (608,644)
Operating Grants	11,136,811	9,799,829	1,336,982
<i>General Revenues:</i>			
Property Taxes	21,839,982	21,995,438	(155,456)
Grants and Entitlements Not Restricted	22,489,251	24,468,154	(1,978,903)
Payments in Lieu of Taxes	2,271	43,950	(41,679)
Other	1,029,913	1,560,593	(530,680)
<i>Total General Revenues</i>	<u>45,361,417</u>	<u>48,068,135</u>	<u>(2,706,718)</u>
<i>Total Revenues</i>	<u>58,828,057</u>	<u>60,806,437</u>	<u>(1,978,380)</u>
Program Expenses			
Instruction:			
Regular	25,353,532	20,555,776	4,797,756
Special	11,134,727	8,892,351	2,242,376
Vocational	1,568,434	1,307,159	261,275
Adult/Continuing	1,634,463	1,508,484	125,979
Student Intervention Services	751	203	548
Other	0	61	(61)
Support Services:			
Pupils	3,092,367	2,428,648	663,719
Instructional Staff	1,965,197	1,564,929	400,268
Board of Education	190,761	308,466	(117,705)
Administration	4,014,354	3,243,804	770,550
Fiscal	874,902	898,763	(23,861)
Business	325,643	249,977	75,666
Operation and Maintenance of Plant	3,988,666	4,598,614	(609,948)
Pupil Transportation	2,125,788	1,996,342	129,446
Central	950,666	871,834	78,832
Operation of Non-Instructional Services:			
Food Service Operations	1,957,380	2,156,419	(199,039)
Community Services	1,289,960	1,265,048	24,912
Extracurricular Activities	1,479,342	1,293,630	185,712
Debt Service:			
Interest and Fiscal Charges	1,433,486	1,498,633	(65,147)
<i>Total Expenses</i>	<u>63,380,419</u>	<u>54,639,141</u>	<u>8,741,278</u>
<i>Increase (Decrease) in Net Position</i>	(4,552,362)	6,167,296	(10,719,658)
<i>Net Position at Beginning of Year</i>	<u>9,022,369</u>	<u>2,855,073</u>	<u>6,167,296</u>
<i>Net Position at End of Year</i>	<u>\$ 4,470,007</u>	<u>\$ 9,022,369</u>	<u>\$ (4,552,362)</u>

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Charges for services decreased due to decreases in tuition received from other districts and decreased adult education tuition revenue. Operating grants increased mainly due to the new Student Wellness grant. The decrease in grants and entitlements was due to State budget cuts related to COVID-19. Other revenues decreased due to a reduction of investment earnings from the spending of cash for the OFCC project.

Overall, program expenses increased significantly. The changes in program expenses are primarily associated to changes in the School District's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2020	2019	2020	2019
Instruction:				
Regular	\$ 25,353,532	\$ 20,555,776	\$ 24,009,263	\$ 19,099,644
Special	11,134,727	8,892,351	6,466,943	3,907,611
Vocational	1,568,434	1,307,159	1,088,592	815,327
Adult/Continuing	1,634,463	1,508,484	323,133	(76,177)
Student Intervention Services	751	203	751	203
Other	0	61	0	61
Support Services:				
Pupils	3,092,367	2,428,648	1,950,991	2,084,555
Instructional Staff	1,965,197	1,564,929	1,243,408	1,175,142
Board of Education	190,761	308,466	190,761	308,466
Administration	4,014,354	3,243,804	3,964,672	3,162,660
Fiscal	874,902	898,763	874,081	898,159
Business	325,643	249,977	292,067	235,897
Operation and Maintenance of Plant	3,988,666	4,598,614	3,931,610	4,558,640
Pupil Transportation	2,125,788	1,996,342	1,897,991	1,823,118
Central	950,666	871,834	855,930	829,599
Operation of Non-Instructional Services:				
Food Service Operations	1,957,380	2,156,419	109,114	395,894
Community Services	1,289,960	1,265,048	55,959	216,996
Extracurricular Activities	1,479,342	1,293,630	1,225,027	966,411
Debt Service:				
Interest and Fiscal Charges	1,433,486	1,498,633	1,433,486	1,498,633
<i>Total Expenses</i>	<u>\$ 63,380,419</u>	<u>\$ 54,639,141</u>	<u>\$ 49,913,779</u>	<u>\$ 41,900,839</u>

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

The dependence upon general revenues for governmental activities is apparent. Approximately 79 percent of governmental activities are supported through taxes and other general revenues; such revenues are 77 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Governmental Funds

The governmental funds are accounted for using the modified accrual basis of accounting.

The general fund's net change in fund balance for fiscal year 2020 was a decrease of \$1,813,229. This decrease was mainly due to a decrease in intergovernmental revenue from state budget cuts related to COVID-19.

The classroom facilities fund's net change in fund balance for fiscal year 2020 was a decrease of \$12,970,699, which was primarily caused by capital outlay expenditures for the OFCC project.

General Fund Budgeting Highlights

The School 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 year 2020, the School District did amend its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

There were no significant variances to discuss between actual revenues and other financing uses and final budget basis revenues and other financing uses.

The decrease between original basis revenues and other financing uses and final budget basis revenues and other financing uses is mainly due to the School District amending its budget when State funding was cut due to COVID-19.

Actual expenditures and other financing uses compared to the appropriations in the final budget yields an overestimation of support services expenditures.

There were no significant variances to discuss between final budget appropriations and other financing and original budget appropriations and other financing uses.

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2020 balances compared with 2019.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 3,056,368	\$ 3,056,368
Construction in Progress	44,995,624	14,286,659
Land Improvements	148,681	164,855
Buildings and Improvements	7,328,746	7,460,164
Furniture and Equipment	1,681,733	1,733,298
Vehicles	1,130,532	1,154,789
<i>Totals</i>	\$ 58,341,684	\$ 27,856,133

The increase in capital assets was attributable to construction in progress due to the OFCC project. See Note 9 for more information about the capital assets of the School District.

Debt

See Note 10 for additional details. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2020	2019
General Obligation Bonds	\$ 32,620,988	\$ 32,830,000

Current Issues

The Board of Education and administration closely monitor revenues and expenditures. The financial future of the School District relies heavily on the State's educational funding system. This funding system changes after each election. Due to the ever changing school funding system and the current pandemic management is required to plan carefully to provide the resources to meet student needs into the future. The School District has challenges locally as well; property tax revenue fluctuates greatly from refunds, delinquencies and decreased taxable values. Losses of tangible personal property tax and reimbursement from the State will continue to place a financial strain on the School District.

Sandusky City School District
Erie County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jeff Hall, Treasurer of the Sandusky City School District, 407 Decatur Street, Sandusky, OH 44870 or jhall@scs-k12.net.

Sandusky City School District
Erie County, Ohio
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 19,944,200
Cash and Investments in Segregated Accounts	9,218,745
Receivables:	
Accounts	233,031
Intergovernmental	16,442,307
Revenue in Lieu of Taxes	17,846
Property Taxes	22,524,026
Prepaid Items	58,346
Net OPEB Asset	3,092,730
Nondepreciable Capital Assets	48,051,992
Depreciable Capital Assets (Net)	10,289,692
<i>Total Assets</i>	129,872,915
 Deferred Outflows of Resources	
Pension	9,929,457
OPEB	1,378,879
<i>Total Deferred Outflows of Resources</i>	11,308,336
 Liabilities	
Accounts Payable	340,456
Accrued Wages and Benefits	4,905,428
Contracts Payable	2,583,621
Intergovernmental Payable	928,740
Retainage Payable	590,002
Matured Compensated Absences Payable	89,349
Accrued Interest Payable	198,412
Claims Payable	524,520
Long Term Liabilities:	
Due Within One Year	1,393,287
Due In More Than One Year:	
Net Pension Liability	53,826,984
Net OPEB Liability	5,354,463
Other Amonts Due in More Than One Year	38,035,587
<i>Total Liabilities</i>	108,770,849
 Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	19,702,921
Revenue in Lieu of Taxes Levied for the Next Year	17,846
Pension	2,818,005
OPEB	5,401,623
<i>Total Deferred Inflows of Resources</i>	27,940,395
 Net Position	
Net Investment in Capital Assets	32,937,677
Restricted For:	
Capital Outlay	17,242,898
Debt Service	1,648,334
Perpetual Care:	
Expendable	120,206
Nonexpendable	10,000
Other Grants	337,207
Education Foundation	169,440
District Managed Student Activities	173,263
Classroom Maintenance	674,125
State Grants	329,611
Federal Grants	693,367
Food Service	387,531
Other Purposes	143,591
Unrestricted	(50,397,243)
<i>Total Net Position</i>	\$ 4,470,007

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, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$ 25,353,532	\$ 1,027,475	\$ 316,794	\$ (24,009,263)
Special	11,134,727	0	4,667,784	(6,466,943)
Vocational	1,568,434	0	479,842	(1,088,592)
Adult/Continuing	1,634,463	1,031,651	279,679	(323,133)
Student Intervention Services	751	0	0	(751)
Support Services:				
Pupils	3,092,367	0	1,141,376	(1,950,991)
Instructional Staff	1,965,197	0	721,789	(1,243,408)
Board of Education	190,761	0	0	(190,761)
Administration	4,014,354	0	49,682	(3,964,672)
Fiscal	874,902	0	821	(874,081)
Business	325,643	0	33,576	(292,067)
Operation and Maintenance of Plant	3,988,666	1,174	55,882	(3,931,610)
Pupil Transportation	2,125,788	0	227,797	(1,897,991)
Central	950,666	0	94,736	(855,930)
Operation of Non-Instructional Services:				
Food Service Operations	1,957,380	51,488	1,796,778	(109,114)
Community Services	1,289,960	0	1,234,001	(55,959)
Extracurricular Activities	1,479,342	218,041	36,274	(1,225,027)
Debt Service:				
Interest and Fiscal Charges	1,433,486	0	0	(1,433,486)
Total	\$ 63,380,419	\$ 2,329,829	\$ 11,136,811	(49,913,779)

General Revenues

Property Taxes Levied for:	
General Purposes	19,111,641
Debt Service	1,707,766
Capital Outlay	809,172
Classroom Maintenance	211,403
Grants and Entitlements Not Restricted to Specific Programs	22,489,251
Payments in Lieu of Taxes	2,271
Investment Earnings	601,232
Miscellaneous	428,681
Total General Revenues	45,361,417
<i>Change in Net Position</i>	<i>(4,552,362)</i>
<i>Net Position Beginning of Year</i>	<i>9,022,369</i>
<i>Net Position End of Year</i>	\$ 4,470,007

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Balance Sheet
Governmental Funds
June 30, 2020

	General	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 9,669,164	\$ 4,387,360	\$ 5,887,676	\$ 19,944,200
Cash and Investments in Segregated Accounts	0	2,926,785	3,788,000	6,714,785
Receivables:				
Accounts	112,377	0	32,762	145,139
Interfund	599,504	0	0	599,504
Intergovernmental	5,858	14,680,798	1,755,651	16,442,307
Revenue in Lieu of Taxes	17,846	0	0	17,846
Property Taxes	19,741,777	0	2,782,249	22,524,026
Prepaid Items	57,050	0	1,296	58,346
Total Assets	\$ 30,203,576	\$ 21,994,943	\$ 14,247,634	\$ 66,446,153
Liabilities				
Accounts Payable	\$ 241,588	\$ 0	\$ 81,947	\$ 323,535
Accrued Wages and Benefits	4,376,314	0	529,114	4,905,428
Contracts Payable	0	2,166,285	417,336	2,583,621
Intergovernmental Payable	795,300	0	133,440	928,740
Retainage Payable	0	513,056	76,946	590,002
Matured Compensated Absences Payable	89,349	0	0	89,349
Interfund Payable	0	0	599,504	599,504
Total Liabilities	5,502,551	2,679,341	1,838,287	10,020,179
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	17,269,145	0	2,433,776	19,702,921
Revenue in Lieu of Taxes Levied for the Next Year	17,846	0	0	17,846
Unavailable Revenue	363,481	14,680,798	951,079	15,995,358
Total Deferred Inflows of Resources	17,650,472	14,680,798	3,384,855	35,716,125
Fund Balances				
Nonspendable	63,801	0	11,296	75,097
Restricted	0	4,634,804	9,232,916	13,867,720
Assigned	2,669,162	0	26,673	2,695,835
Unassigned	4,317,590	0	(246,393)	4,071,197
Total Fund Balances	7,050,553	4,634,804	9,024,492	20,709,849
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,203,576	\$ 21,994,943	\$ 14,247,634	\$ 66,446,153

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total Governmental Fund Balances		\$ 20,709,849
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		58,341,684
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	\$ 15,580,651	
Delinquent Property Taxes	414,707	15,995,358
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,050,411
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(198,412)
The net pension and OPEB assets/liabilities are not due and payable in the current period; therefore, the assets/liabilities and related deferred inflows/outflows are not reported in the funds.		
Net OPEB Asset	3,092,730	
Deferred Outflows - Pension	9,929,457	
Deferred Outflows - OPEB	1,378,879	
Net Pension Liability	(53,826,984)	
Net OPEB Liability	(5,354,463)	
Deferred Inflows - Pension	(2,818,005)	
Deferred Inflows - OPEB	(5,401,623)	(53,000,009)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
General Obligation Bonds	(31,985,000)	
Capital Appreciation Bonds	(484,051)	
Accretion of Interest - Capital Appreciation Bonds	(151,937)	
Bond Premium	(2,896,394)	
Compensated Absences	(3,911,492)	(39,428,874)
<i>Net Position of Governmental Activities</i>		\$ 4,470,007

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, 2020

	General	Classroom Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 19,232,480	\$ 0	\$ 2,752,244	\$ 21,984,724
Intergovernmental	25,880,976	12,056,320	6,879,591	44,816,887
Investment Income	210,449	271,430	117,042	598,921
Tuition and Fees	2,229,295	0	0	2,229,295
Extracurricular Activities	47,758	0	173,571	221,329
Rentals	10,843	0	0	10,843
Charges for Services	3,114	0	53,822	56,936
Contributions and Donations	47,305	0	376,250	423,555
Payments in Lieu of Taxes	17,846	0	2,271	20,117
Miscellaneous	521,932	0	3,973	525,905
<i>Total Revenues</i>	<u>48,201,998</u>	<u>12,327,750</u>	<u>10,358,764</u>	<u>70,888,512</u>
Expenditures				
Current:				
Instruction:				
Regular	23,293,082	0	457,854	23,750,936
Special	8,567,167	0	1,840,762	10,407,929
Vocational	1,432,811	0	72,459	1,505,270
Adult/Continuing	1,467,481	0	65,516	1,532,997
Student Intervention Services	751	0	0	751
Support Services:				
Pupils	2,214,544	0	855,059	3,069,603
Instructional Staff	1,199,172	0	554,905	1,754,077
Board of Education	190,761	0	0	190,761
Administration	3,568,095	0	47,096	3,615,191
Fiscal	777,909	0	51,603	829,512
Business	265,501	0	10,497	275,998
Operation and Maintenance of Plant	3,380,972	0	57,253	3,438,225
Pupil Transportation	1,700,238	0	171,240	1,871,478
Central	709,265	0	103,041	812,306
Extracurricular Activities	1,154,352	0	213,275	1,367,627
Operation of Non-Instructional Services:				
Food Service Operations	0	0	1,799,299	1,799,299
Community Services	92,791	0	1,181,176	1,273,967
Capital Outlay	335	25,298,449	5,601,382	30,900,166
Debt Service:				
Principal Retirement	0	0	355,000	355,000
Interest and Fiscal Charges	0	0	1,440,192	1,440,192
<i>Total Expenditures</i>	<u>50,015,227</u>	<u>25,298,449</u>	<u>14,877,609</u>	<u>90,191,285</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,813,229)</u>	<u>(12,970,699)</u>	<u>(4,518,845)</u>	<u>(19,302,773)</u>
Other Financing Sources (Uses)				
Issuance of Refunding Bonds	0	0	22,634,051	22,634,051
Premium on Refunding Bonds Issued	0	0	2,184,264	2,184,264
Payment to Refunding Escrow Agent	0	0	(24,538,936)	(24,538,936)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>279,379</u>	<u>279,379</u>
<i>Net Change in Fund Balance</i>	(1,813,229)	(12,970,699)	(4,239,466)	(19,023,394)
<i>Fund Balances Beginning of Year</i>	<u>8,863,782</u>	<u>17,605,503</u>	<u>13,263,958</u>	<u>39,733,243</u>
<i>Fund Balances End of Year</i>	<u>\$ 7,050,553</u>	<u>\$ 4,634,804</u>	<u>\$ 9,024,492</u>	<u>\$ 20,709,849</u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020*

Net Change in Fund Balances - Total Governmental Funds	\$	(19,023,394)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 31,146,083	
Current Year Depreciation	<u>(649,210)</u>	30,496,873
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(11,322)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(144,742)	
Accounts	(303,644)	
Intergovernmental	<u>(11,623,027)</u>	(12,071,413)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	355,000	
Payment to Refunded Bond Escrow Agent	<u>24,538,936</u>	24,893,936
Debt proceeds issued in the governmental funds that increase long-term in the statement of net position are not reported as revenues.		
General Obligation Bonds	(22,150,000)	
Capital Appreciation Bonds	(484,051)	
Premium on Bonds	<u>(2,184,264)</u>	(24,818,315)
In the statement of activities, interest is accrued on outstanding bonds; and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	51,814	
Amortization of Premium on Bonds	<u>106,829</u> *	158,643
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	4,002,052	
OPEB	<u>129,841</u>	4,131,893
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB assets/liabilities are reported as pension/OPEB expense in the statement of activities.		
Pension	(8,110,155)	
OPEB	<u>529,430</u>	(7,580,725)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		
		(273,385)
Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		(303,216)
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities.		
		<u>(151,937)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>(4,552,362)</u>

* Includes an accounting gain of \$82,627 from the current year debt refunding. This amount is immaterial and was therefore recognized in fiscal year 2020, rather than being amortized.

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 (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 19,166,465	\$ 19,548,379	\$ 19,548,379	\$ 0
Intergovernmental	27,127,046	25,436,306	25,852,695	416,389
Investment Income	101,500	201,500	210,449	8,949
Tuition and Fees	1,236,591	1,343,206	1,201,040	(142,166)
Rentals	13,682	13,682	10,243	(3,439)
Charges for Services	9,466	9,466	3,114	(6,352)
Contributions and Donations	3,683	3,683	400	(3,283)
Payments in Lieu of Taxes	18,865	18,865	17,846	(1,019)
Miscellaneous	174,424	34,935	34,680	(255)
<i>Total Revenues</i>	<u>47,851,722</u>	<u>46,610,022</u>	<u>46,878,846</u>	<u>268,824</u>
Expenditures				
Current:				
Instruction:				
Regular	22,672,308	23,856,593	23,214,916	641,677
Special	7,737,812	7,956,209	8,483,366	(527,157)
Vocational	1,450,148	1,439,484	1,433,725	5,759
Student Intervention Services	100,085	100,085	751	99,334
Support Services:				
Pupils	2,466,324	2,568,390	2,252,593	315,797
Instructional Staff	1,668,290	1,758,381	1,260,036	498,345
Board of Education	342,996	353,596	199,655	153,941
Administration	3,529,834	3,538,031	3,646,638	(108,607)
Fiscal	2,457,321	923,581	789,681	133,900
Business	183,593	183,593	270,063	(86,470)
Operation and Maintenance of Plant	3,714,368	3,670,115	3,519,246	150,869
Pupil Transportation	1,743,640	1,745,974	1,706,733	39,241
Central	789,715	746,118	734,970	11,148
Extracurricular Activities	986,592	1,003,255	1,093,588	(90,333)
Operation of Non-Instructional Services:				
Community Services	187,541	187,541	92,327	95,214
Capital Outlay	17,437	17,437	335	17,102
<i>Total Expenditures</i>	<u>50,048,004</u>	<u>50,048,383</u>	<u>48,698,623</u>	<u>1,349,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,196,282)</u>	<u>(3,438,361)</u>	<u>(1,819,777)</u>	<u>1,618,584</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	25,208	25,208	0	(25,208)
Refund of Prior Year Expenditures	126,587	335,800	335,800	0
Refund of Prior Year Receipts	(1,607)	(1,607)	0	1,607
Advances In	322,205	322,205	87,540	(234,665)
Advances Out	0	0	(677,471)	(677,471)
<i>Total Other Financing Sources (Uses)</i>	<u>472,393</u>	<u>681,606</u>	<u>(254,131)</u>	<u>(935,737)</u>
<i>Net Change in Fund Balance</i>	<u>(1,723,889)</u>	<u>(2,756,755)</u>	<u>(2,073,908)</u>	<u>682,847</u>
<i>Fund Balance Beginning of Year</i>	10,753,502	10,753,502	10,753,502	0
Prior Year Encumbrances Appropriated	441,360	441,360	441,360	0
<i>Fund Balance End of Year</i>	<u>\$ 9,470,973</u>	<u>\$ 8,438,107</u>	<u>\$ 9,120,954</u>	<u>\$ 682,847</u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Assets	
<i>Current Assets</i>	
Cash and Investments in Segregated Accounts	\$ 2,503,960
Accounts Receivable	87,892
<i>Total Current Assets</i>	<u>2,591,852</u>
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	16,921
Claims Payable	524,520
<i>Total Current Liabilities</i>	<u>541,441</u>
Net Position	
Unrestricted	<u>\$ 2,050,411</u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues	
Charges for Services	\$ 6,332,683
Other	343,051
<i>Total Operating Revenues</i>	<u>6,675,734</u>
Operating Expenses	
Purchased Services	1,015,617
Materials and supplies	3,480
Claims	5,940,885
Other	95
<i>Total Operating Expenses</i>	<u>6,960,077</u>
<i>Operating Income (Loss)</i>	<u>(284,343)</u>
Non-Operating Revenues	
Interest	<u>10,958</u>
<i>Change in Net Position</i>	(273,385)
<i>Net Position Beginning of Year</i>	<u>2,323,796</u>
<i>Net Position End of Year</i>	<u><u>\$ 2,050,411</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, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows From Operating Activities	
Cash Received from Customers	\$ 6,331,676
Other Cash Receipts	256,462
Cash Paid for Goods and Services	(3,480)
Cash Payments for Contractual Services	(937,890)
Cash Paid for Claims	(6,057,872)
Other Cash Payments	(95)
<i>Net Cash Used for Operating Activities</i>	<u>(411,199)</u>
 Cash Flows From Investing Activities	
Interest on Investments	<u>10,958</u>
 <i>Net Increase/(Decrease) in Cash and Investments</i>	(400,241)
 <i>Cash and Investments, Beginning of Year</i>	<u>2,904,201</u>
 <i>Cash and Investments, End of Year</i>	<u><u>\$ 2,503,960</u></u>
 Reconciliation of Operating (Loss) to Net Cash Used for Operating Activities	
Operating (Loss)	\$ (284,343)
(Increase) Decrease Assets/Deferred Outflows of Resources:	
Accounts Receivable	(16,566)
Increase (Decrease) in Liabilities/Deferred Inflows of Resources:	
Accounts Payable	6,697
Claims Payable	(116,987)
<i>Total Adjustments</i>	<u>(126,856)</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>\$ (411,199)</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 3,985,958	\$ 127,057
Cash and Cash Investments in Segregated Accounts	5,252,440	0
Intergovernmental Receivable	0	44,135
Taxes Receivable	0	645,934
Accounts Receivable	1,492	3,327
<i>Total Assets</i>	<u>9,239,890</u>	<u>\$ 820,453</u>
Liabilities		
Accounts Payable	0	\$ 941
Undistributed Monies	0	721,783
Due to Students	0	97,729
<i>Total Liabilities</i>	<u>0</u>	<u>\$ 820,453</u>
Net Position		
Held in Trust for Scholarships	<u>\$ 9,239,890</u>	

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2020

	Private Purpose Trust
Additions	
Gifts and Contributions	\$ 60,400
Investment Earnings	(745,768)
<i>Total Additions</i>	(685,368)
 Deductions	
Payments in Accordance with Trust Agreements	174,605
<i>Change in Net Position</i>	(859,973)
<i>Net Position Beginning of Year</i>	10,099,863
<i>Net Position End of Year</i>	\$ 9,239,890

See accompanying notes to the basic financial statements.

Sandusky City School District
Erie County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 – NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Sandusky City School District (the “School 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 School District serves an area of approximately 15 square miles.

The School 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 School District is vested in the Board of Education, consisting of five member elected at large for staggered four-year terms.

The reporting entity has been defined in accordance with the appropriate GASB Statement. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can assume the responsibility of finance the deficits of, or provide financial support to, the organization’s resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that the exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

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

Jointly Governed Organization - Northern Ohio Education Computer Association (NOECA) – The School District participated in NOECA, a computer consortium. NOECA is an association made up of various 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 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 School District paid NOECA \$98,480 during fiscal year 2020. Financial information can be obtained from the Director, 219 Howard Drive, Sandusky, Ohio 44870.

Public Entity Risk Pool – Workers’ Compensation – The School 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.

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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.

Related Organization - Sandusky Library Association - The Sandusky Library Association 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 School District for operational subsidies. Although the School 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 Library Association at 114 W. Adams Street, Sandusky, Ohio 44870.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School 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 School District's significant accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limitations. 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 School District.

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

B. Fund Accounting

The School District uses funds to report its financial position and the results of its operation. 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.

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 deferred outflows, and liabilities and deferred inflows is reported as fund balance. The following are the School District's major governmental funds:

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

Classroom Facilities Fund – A fund provided to account for monies received and expended in connection with the contracts entered into by the school district and the Ohio School Facilities Commission for the building and equipping of classroom facilities.

The other governmental funds of the School District are used to account for (a) the accumulation of the 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 the grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary funds are used to account for the School 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 School District has no enterprise funds. The following is a description of the School District's internal service fund:

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

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Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. 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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has two trust funds; a private purpose trust which accounts for a scholarship program for students and an endowment fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds account for student activities, and for the fiscal agent activity of the Sandusky Library Association.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows of resources, liabilities and deferred outflows of resources associated with the operation of the School District are included on the *Statement of Net Position*. The *Statement of Activities* presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the *Balance Sheet*. The *Statement of Revenues, Expenditures, and Changes in Fund Balances* reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund are included on the *Statement of Fund Net Position*. The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The *Statement of Cash Flows* provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

The private purpose trust fund is 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. The 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 School District, available means expected to be received within sixty days of the fiscal year-end.

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Non-exchange transactions, in which the School 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 7). 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 School District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources includes pension and other post-employment benefits. These amounts are reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, revenue in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

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.

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E. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the Balance Sheet.

During fiscal year 2020, the School District invested in STAR Ohio, First American Government Obligation, stocks, commercial paper, money market, Federal National Mortgage Association, Federal Home Loan Bank, US Treasury Note, Federal Farm Credit Bank and certificates of deposit. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 and non-negotiable certificates of deposit, are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2020 amounted to \$210,449 with \$43,393 being assigned from other School District funds.

While common stock is not an allowable investment according to Ohio Statute, the School 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 School District its value was \$5,496,360. The amount of common stock available for expenditure is reported in net position available in trust for scholarships on the statement of fiduciary net position. A committee has been created to authorize the spending of the investment income.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as "equity in pooled cash and investments." Investments with an original maturity of more than three months that are not made from the pool are reported as "investments."

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

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G. Capital Assets

The School District's only capital assets are general capital assets. 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 Position but are not reported in the fund financial statements.

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 acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. The School 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 capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	25 Years
Buildings and Improvements	25-100 Years
Furniture and Equipment	3-20 Years
Vehicles	5-15 Years

H. Interfund Activity

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them are reported as "due to/due from other funds." These amounts are eliminated in the governmental columns of the Statement of Net Position.

I. Compensated Absences

Compensated absences of the School 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 School District and the employee. Sick leave benefits are accrued as a liability using the vesting method.

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 a cash payment at termination or retirement. A liability for Certified staff sick leave is based on a policy whereby an employee who was hired prior to July 1, 1989 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 percent of accrued but unused sick leave up to a maximum of 75 days, plus 10 percent of all unused sick leave over 300 days. Employees hired on or after July 1, 1989 are eligible for sick leave pay only as in (2) above. A liability for classified staff sick leave is based on a policy whereby 25 percent of accrued but unused sick leave up to a maximum of 75 days, plus 10 percent of all unused sick leave over 300 days is compensated. 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.

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The School District has entered into a First Opportunity Retirement Incentive (FORI) whereby, upon election, a Classified employee reaching their first year of retirement eligibility (with a minimum age of 60 years or 30 or more years of service with a minimum of five (5) years in district employment) is entitled to receive an additional 30 days of sick leave pay or 12 percent of their unused sick leave balance, whichever is greater. A Certified employee reaching their first year of retirement eligibility (with a minimum age of 65 years or 31 or more years of service with a minimum of five (5) years in district employment) is entitled to receive an additional 30 days of sick leave pay or 12 percent 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 position. Amounts for FORI represent liabilities at June 30, 2020 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, 2020 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. On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the funds from which the employee will be paid.

J. Pensions and Other Postemployment Benefits (OPEB)

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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 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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

L. Bond Premiums

In the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium.

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On the governmental fund financial statements, bond premiums are recognized in the period in which debt is issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

M. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – Fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

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N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2020, none of the School District's net position was restricted by enabling legislation.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Parochial Schools

Within the School District boundaries, St. Mary's, Saints Peter and Paul and Holy Angels Elementary Schools 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 School District, as directed by the parochial school. These activities are reported as a governmental activity of the School District.

P. Interfund Activity

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as non-operating.

R. Estimates

The preparation of 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.

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S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2020.

T. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the Certificate of Estimated Resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate Board appropriations to the function and object levels within each fund.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts in the budgetary statements reflect the final appropriations passed by the Board during the fiscal year.

U. Implementation of New Accounting Principles

For the fiscal year ended June 30, 2020, the School District implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following statements are postponed by one year:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*

Certain provisions in the following statements are postponed by one year:

- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

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For the Fiscal Year Ended June 30, 2020

The following statement is postponed by 18 months:

- Statement No. 87, *Leases*

For the fiscal year ended June 30, 2020, the School District also implemented paragraphs 4 and 5 of Governmental Accounting Standards Board Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Paragraph 4 increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a government board typically would perform and paragraph 5 mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements. The implementation of paragraphs 4 and 5 of this Statement did not have an effect on the financial statements of the School District.

For the fiscal year ended June 30, 2020, the School District has early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and GASB Statement No. 92 *Omnibus 2020*.

GASB Statement No. 89 requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the School District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the School District.

NOTE 3 – ACCOUNTABILITY

Fund balances at June 30, 2020 included the following individual fund deficits:

<u>Non-Major Funds</u>	
Public Preschool	\$ 18,599
Carl Perkins Grant	15,420
Title VI-B	70,583
Improving Teachers Quality	14,405
Title I	119,130
Title III Limited English Proficiency	2,757
Miscellaneous Federal Grants	5,499

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.

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NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as assigned or committed fund balance (GAAP).
4. Some funds are included in the general fund, (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$ (1,813,229)
Net Adjustment for Revenue Accruals	620,009
Net Adjustment for Expenditure Accruals	(689,891)
Funds Budgeted Elsewhere**	(19,769)
Adjustment for Encumbrances	<u>(171,028)</u>
Budget Basis	<u>\$ (2,073,908)</u>

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, certain funds that are legally budgeted in separate special revenue funds is considered part of the general fund on a GAAP basis. This includes the unclaimed money, adult education, rotary and public school support funds.

NOTE 5 – DEPOSITS AND INVESTMENTS

State statues classify monies held by the School 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 School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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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.

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

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

- 1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
- 2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- 4) Bonds and any other obligations of the State of Ohio;
- 5) No-load money market mutual funds consisting exclusively of obligations described in terms (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 bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively, from the purchase date in any amount not to exceed 40 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 rating classifications by at least two nationally recognized rating agencies.

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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 School 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.

Deposits

At year-end, \$17,150,913 of the School District's bank balance of \$17,669,053 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Segregated Cash

Funds held by the School District for OFCC projects is maintained separately from the School District's deposits. The carrying amount of the deposits is reported as "Cash and Investments in Segregated Accounts."

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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Investments

As of June 30, 2020, the School District had the following investments and maturities:

S&P Global Rating	Investment Type	Investment Maturities			
		Measurement Amount	12 Months or Less	13-36 Months	Percent of Total
	Net Asset Value (NAV):				
AAAm	STAR Ohio	\$ 9,199,423	\$ 9,199,423	\$ 0	43.97%
N/A	First American Treasury Obligations Fund	323,542	323,542	0	1.55%
N/A	Citizens Investments Money Market	587,982	587,982	0	2.81%
	Fair Value:				
A-1	Commercial Paper	498,900	498,900	0	2.39%
AA+	Federal Farm Credit Bank	706,470	0	706,470	3.38%
AA+	Federal Home Loan Banks	125,370	125,370	0	0.60%
AA+	Federal National Mortgage	530,471	380,474	149,997	2.54%
N/A	Negotiable Certificates of Deposit	2,901,118	1,370,340	1,530,778	13.87%
AA+	US Treasury Note	1,498,790	1,498,790	0	7.17%
AA - CCC	Stocks	4,544,868	4,544,868	0	21.72%
		<u>\$ 20,916,934</u>	<u>\$ 18,529,689</u>	<u>\$ 2,387,245</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2020. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the School District's investment policy limits investment portfolio maturities to five years or less for investments with a fixed interest rate and two years or less for investments with a variable interest rate.

Credit Risk The School District's investments during fiscal year 2020 included STAR Ohio, Commercial Paper, certificates of deposit, First American Government Obligations, money market, FNMA notes, FHLB notes, FFCB notes, US treasury note and stocks. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2020, is 42 days. The School District has no investment policy dealing with investment credit risk beyond the requirements in state statutes.

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Concentration of Credit Risk The School District places no limit on the amount the School District may invest in any one issuer. The School District’s policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

NOTE 6 – INTERFUND BALANCES

Interfund balances at June 30, 2020 consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
General Fund	\$ 599,504	\$ 0
Other Governmental Funds:		
Carl Perkins Grant	0	15,420
IDEA Part B	0	3,420
Title III	0	2,757
Title I	0	566,240
Improving Teacher Quality	0	507
Miscellaneous Federal Grants	0	11,160
Total	\$ 599,504	\$ 599,504

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

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 and public utility property located in the School District. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected in 2020 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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The School District receives property taxes from Erie County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020, 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 inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second-Half Collections		2020 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 443,557,540	95%	\$ 445,778,720	95%
Public Utility Personal Property	23,240,630	5%	24,480,490	5%
 Total Assessed Value	\$ 466,798,170	100%	\$ 470,259,210	100%
 Tax rate per \$1,000 of Assessed Value	\$ 86.52		\$ 86.45	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2020, consisted of taxes, revenue in lieu of taxes, accounts, intergovernmental, and interfund 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, with the possible exception of accounts receivable related to the School District's adult education services.

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

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NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020
Governmental Activities:				
<i>Nondepreciable Capital Assets:</i>				
Land	\$ 3,056,368	\$ 0	\$ 0	\$ 3,056,368
Construction in Progress	14,286,659	30,708,965	0	44,995,624
<i>Total Nondepreciable Capital Assets</i>	<u>17,343,027</u>	<u>30,708,965</u>	<u>0</u>	<u>48,051,992</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	393,047	0	0	393,047
Buildings and Improvements	17,658,317	123,535	0	17,781,852
Furniture and Equipment	4,134,401	140,843	(5,754)	4,269,490
Vehicles	2,936,228	172,740	(112,366)	2,996,602
<i>Total Capital Assets, Being Depreciated</i>	<u>25,121,993</u>	<u>437,118</u>	<u>(118,120)</u>	<u>25,440,991</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(228,192)	(16,174)	0	(244,366)
Buildings and Improvements	(10,198,153)	(254,953)	0	(10,453,106)
Furniture and Equipment	(2,401,103)	(191,832)	5,178	(2,587,757)
Vehicles	(1,781,439)	(186,251)	101,620	(1,866,070)
Total Accumulated Depreciation	<u>(14,608,887)</u>	<u>(649,210) *</u>	<u>106,798</u>	<u>(15,151,299)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>10,513,106</u>	<u>(212,092)</u>	<u>(11,322)</u>	<u>10,289,692</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$ 27,856,133</u>	<u>\$ 30,496,873</u>	<u>\$ (11,322)</u>	<u>\$ 58,341,684</u>

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Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 354,861
Speical	4,097
Vocational	12,298
Adult/Continuing Education	1,254
Support Services:	
Pupils	404
Operation and Maintenance of Plant	34,462
Pupil Transportation	161,051
Central	26,606
Operation of Non-Instructional Services:	
Food Service Operations	21,434
Community Services	13,579
Extracurricular Activities	19,164
Total Depreciation Expense	\$ 649,210

NOTE 10 – LONG-TERM OBLIGATIONS

The changes in the School District’s long-term obligations during the fiscal year 2020 were as follows:

	Outstanding 06/30/2019	Additions	Deductions	Outstanding 6/30/2020	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds:					
Classroom Facilities Bonds Series 2017-1	\$ 23,720,000	\$ 0	\$ (22,990,000)	\$ 730,000	\$ 360,000
Unamortized Premium	2,005,552	0	(2,005,552)	0	0
Classroom Facilities Bonds Series 2017-2	9,110,000	0	(5,000)	9,105,000	5,000
Unamortized Premium	712,343	0	(213)	712,130	0
Classroom Facilities Refunding Bonds Series 2020					
Term and Serial Bonds	0	22,150,000	0	22,150,000	0
Capital Appreciation Bonds	0	484,051	0	484,051	229,231
Accretion on Capital Appreciation Bonds	0	151,937	0	151,937	72,249
Unamortized Premium	0	2,184,264	0	2,184,264	0
<i>Total General Obligation Bonds</i>	35,547,895	22,785,988	(25,000,765)	35,517,382	666,480
Net Pension/OPEB Liability:					
Pension	53,236,824	590,160	0	53,826,984	0
OPEB	5,684,629	0	(330,166)	5,354,463	0
<i>Total Net Pension/OPEB Liability</i>	58,921,453	590,160	(330,166)	59,181,447	0
Compensated Absences	3,608,276	841,337	(538,121)	3,911,492	726,807
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	\$ 98,077,624	\$ 26,401,749	\$ (25,869,052)	\$ 98,610,321	\$ 1,393,287

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There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the General Fund and Food Service Fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

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 various other governmental funds.

Classroom Facilities Bonds Series 2017-1 Classroom Facilities general obligation bonds were issued for \$24,935,000 on May 9, 2017 and bear an average interest rate of 3.5 percent. The bonds' purpose is for constructing, furnishing and equipping new elementary school buildings and otherwise constructing, adding to, renovating, remodeling, furnishing, equipping and improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites.

On January 22, 2020, the School District refunded \$22,640,000 of Classroom Facilities Bonds Series 2017-1. The unrefunded bonds mature on November 1, 2022. Principal and interest are paid from the debt service fund.

Classroom Facilities Bonds Series 2017-2 Classroom Facilities general obligation bonds were issued for \$9,215,000 on May 9, 2017 and bear an average interest rate of 3.0 percent. The bonds' purpose is for constructing, furnishing and equipping new elementary school buildings and otherwise constructing, adding to, renovating, remodeling, furnishing, equipping and improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites. The bonds mature on November 1, 2037. Principal and interest are paid from the debt service fund.

Classroom Facilities Refunding Bonds Series 2020 On January 22, 2020, the School District issued \$22,634,051 of general obligation bonds, which consisted of term, serial and capital appreciation bonds. The bonds were issued to partially refund the Series 2017-1 Classroom Facilities Bonds. The bonds were issued for a twenty-eight year period with final maturity at May 1, 2048. The term and serial bonds had an interest rate of 2.97 percent to 3.85 percent.

At the date of refunding, \$24,818,315 (including premium and after underwriting fees, and other issuance costs) was received to pay off old debt. As a result, \$22,640,000 of the Series 2017-1 Classroom Facilities Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. At June 30, 2020, \$22,640,000 of the defeased bonds are outstanding.

The bonds were issued with a premium of \$2,184,264, which was reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs reported as an expenditure. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$5,000,985. The issuance resulted in an economic gain of \$2,766,538.

The capital appreciation bonds have a final maturity date of November 1, 2031. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as a liability. The final maturity amount of the bonds is \$3,030,000. For fiscal year 2020, \$151,937 was accreted, for a total bond liability of \$635,988.

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

Fiscal Year Ending June 30,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Accretion	Principal	Interest/Accretion
2021	\$ 365,000	\$ 2,297,083	\$ 229,231	\$ 135,769	\$ 594,231	\$ 2,432,852
2022	375,000	2,289,171	63,749	121,251	438,749	2,410,422
2023	5,000	1,174,558	100,212	429,788	105,212	1,604,346
2024	5,000	1,174,408	54,982	475,018	59,982	1,649,426
2025	150,000	1,172,646	24,760	410,240	174,760	1,582,886
2026-2030	2,505,000	5,616,290	10,869	814,131	2,515,869	6,430,421
2031-2035	4,350,000	4,967,169	248	159,752	4,350,248	5,126,921
2036-2040	5,805,000	4,106,729	0	0	5,805,000	4,106,729
2041-2045	7,190,000	2,814,478	0	0	7,190,000	2,814,478
2046-2050	9,160,000	1,296,773	0	0	9,160,000	1,296,773
2051	2,075,000	39,954	0	0	2,075,000	39,954
Total	\$ 31,985,000	\$ 26,949,258	\$ 484,051	\$ 2,545,949	\$ 32,469,051	\$ 29,495,207

NOTE 11 – RISK MANAGEMENT

A. Comprehensive

The School District is exposed to various risk 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 2020, the School District has contracted with Indiana Insurance Company to provide insurance coverage in the amounts below.

Limits of Coverage	Coverage	Deductible
General Liability	\$ 1,000,000	\$ 2,500
Each Occurrence	2,000,000	0
Aggregate		
Fleet:		
Comprehensive/Collision	1,000,000	1,000
Umbrella Liability and Fleet	3,000,000	10,000
Buildings and Contents	154,497,377	10,000

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

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B. Health Benefits

The School 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 \$175,000 for each health benefits claim. The School 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 School 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 \$524,520 reported in the basic financial statements at June 30, 2020, 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 years are as follows:

		Beginning Balance	Current Year Claims	Claims Payments	Balance End of Year
2020	\$	641,507	5,940,885	6,057,872	\$ 524,520
2019	\$	637,331	5,429,593	5,425,417	\$ 641,507

C. Workers’ Compensation Rating Program

The School District participates in the Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan (GRP), a public entity risk pool (Note 1). The intent of the GRP is to achieve the benefit of a reduced premium for the School 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 worker’s compensation premium to the state based on the rate for its 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 Comp Management, Inc. provides administrative, cost control, assistance with safety programs and actuarial services to the GRP.

NOTE 12 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

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Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

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Age and service requirements for retirement are as follows:

	Eligible to Retire before August 1, 2017*	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2020.

The School District’s contractually required contribution to SERS was \$967,969 for fiscal year 2020. Of this amount, \$81,561 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Benefits are established by Ohio Revised Code Chapter 3307.

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The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Retirement eligibility for reduced benefits will be five years of service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability 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.

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Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$3,034,083 for fiscal year 2020. Of this amount, \$523,712 is reported as an intergovernmental payable.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the employer’s share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.20945920%	0.18673206%	
Prior Measurement Date	0.20345190%	0.18912689%	
Change in Proportionate Share	0.00600730%	-0.00239483%	
Proportionate Share of the Net			
Pension Liability	\$ 12,532,311	\$ 41,294,673	\$ 53,826,984
Pension Expense	\$ 2,389,570	\$ 5,720,585	\$ 8,110,155

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District’s proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 317,790	\$ 336,208	\$ 653,998
Changes of Assumptions	0	4,850,858	4,850,858
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	321,750	100,799	422,549
School District Contributions Subsequent to the Measurement Date	967,969	3,034,083	4,002,052
Total Deferred Outflows of Resources	<u>\$ 1,607,509</u>	<u>\$ 8,321,948</u>	<u>\$ 9,929,457</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 178,757	\$ 178,757
Net Difference between Projected and Actual Earnings on Pension Plan Investments	160,869	2,018,261	2,179,130
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	0	460,118	460,118
Total Deferred Inflows of Resources	<u>\$ 160,869</u>	<u>\$ 2,657,136</u>	<u>\$ 2,818,005</u>

\$4,002,052 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2021	\$ 630,559	\$ 2,486,503	\$ 3,117,062
2022	(232,415)	394,300	161,885
2023	(10,706)	(414,473)	(425,179)
2024	91,233	164,399	255,632
	<u>\$ 478,671</u>	<u>\$ 2,630,729</u>	<u>\$ 3,109,400</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2035.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The asset allocation, as used in the June 30, 2015 five-year experience study, is summarized as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 25-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net Pension Liability	\$ 17,562,248	\$ 12,532,311	\$ 8,314,079

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, are presented below:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Projected Payroll Growth	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the July 1, 2019 valuation, were based on the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

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Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 60,347,564	\$ 41,294,673	\$ 25,165,425

NOTE 13 – DEFINED BENEFIT BENEFITS (OPEB) PLANS

A. Net OPEB Asset/Liability

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

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Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the School District's surcharge obligation was \$129,841, which is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.21291900%	0.18673200%	
Prior Measurement Date	0.20490500%	0.18912700%	
Change in Proportionate Share	0.00801400%	-0.00239500%	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 5,354,463	\$ (3,092,730)	
OPEB Expense	\$ 290,698	\$ (820,128)	\$ (529,430)

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At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 78,599	\$ 280,379	\$ 358,978
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	12,851	0	12,851
Changes of Assumptions	391,083	65,008	456,091
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	405,423	15,695	421,118
School District Contributions Subsequent to the Measurement Date	129,841	0	129,841
Total Deferred Outflows of Resources	<u>\$ 1,017,797</u>	<u>\$ 361,082</u>	<u>\$ 1,378,879</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 1,176,340	\$ 157,348	\$ 1,333,688
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	0	194,244	194,244
Changes of Assumptions	300,049	3,390,821	3,690,870
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	0	182,821	182,821
Total Deferred Inflows of Resources	<u>\$ 1,476,389</u>	<u>\$ 3,925,234</u>	<u>\$ 5,401,623</u>

\$129,841 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2021	\$ (199,071)	\$ (769,847)	\$ (968,918)
2022	(80,097)	(769,846)	(849,943)
2023	(76,324)	(691,996)	(768,320)
2024	(76,937)	(664,690)	(741,627)
2025	(101,026)	(651,743)	(752,769)
Thereafter	(54,978)	(16,030)	(71,008)
	<u>\$ (588,433)</u>	<u>\$ (3,564,152)</u>	<u>\$ (4,152,585)</u>

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Actuarial Assumptions – SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate	
Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.70 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2029. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e., municipal bond rate).

Sandusky City School District
Erie County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.22 percent) and higher (4.22 percent) than the current discount rate (3.22 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 6,499,305	\$ 5,354,463	\$ 4,444,183
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 4,290,011	\$ 5,354,463	\$ 6,766,738

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.87 percent	4.00 percent
Medicare	4.93 percent	4.00 percent
Prescription Drug		
Pre-Medicare	7.73 percent	4.00 percent
Medicare	9.62 percent	4.00 percent

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Sandusky City School District
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The actuarial assumptions used in the June 30, 2019 valuation, were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB liability as of June 30, 2019, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

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	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB (Asset)	\$ (2,639,029)	\$ (3,092,730)	\$ (3,474,186)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB (Asset)	\$ (3,507,014)	\$ (3,092,730)	\$ (2,585,333)

NOTE 14 – CONTINGENCIES

School District Funding

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2020 are finalized. As a result, the net impact of the adjustments on the fiscal year 2020 financial statements was a receivable of the School District.

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure 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 General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2020, if applicable, cannot be determined at this time.

Litigation

The School District is party to legal proceedings, but management believes that any liability not covered by insurance would be immaterial to the District.

NOTE 15 – FUND BALANCES

Fund balance can be classified as nonspendable, restricted, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Sandusky City School District
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For the Fiscal Year Ended June 30, 2020

	General	Classroom Facilities Maintenance	Other Governmental Funds	Total
Nonspendable for:				
Prepays	\$ 57,050	\$ 0	\$ 1,296	\$ 58,346
Perpetual Care	0	0	10,000	10,000
Unclaimed Monies	6,751	0	0	6,751
Total Nonspendable	63,801	0	11,296	75,097
Restricted for:				
Debt Service	0	0	1,815,142	1,815,142
Building	0	0	4,167,850	4,167,850
Classroom Facilities	0	4,634,804	0	4,634,804
Student Activities	0	0	173,263	173,263
Education Foundation	0	0	169,440	169,440
Facilities Maintenance	0	0	670,194	670,194
Food Service	0	0	466,771	466,771
Permanent Improvement	0	0	808,799	808,799
Permanent	0	0	120,206	120,206
Other Grants	0	0	337,194	337,194
Special Trust	0	0	143,591	143,591
Federal Grants	0	0	39,078	39,078
State Grants	0	0	321,388	321,388
Total Restricted	0	4,634,804	9,232,916	13,867,720
Assigned for:				
Subsequent Year Appropriations	2,580,566	0	0	2,580,566
Public Schools	77,183	0	0	77,183
Capital Asset Replacement	0	0	26,673	26,673
Encumbrances:				
Support Services	11,413	0	0	11,413
Total Assigned	2,669,162	0	26,673	2,695,835
Unassigned	4,317,590	0	(246,393)	4,071,197
Total Fund Balance	\$ 7,050,553	\$ 4,634,804	\$ 9,024,492	\$ 20,709,849

NOTE 16 – STATUTORY RESERVES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

Sandusky City School District
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Notes to the Basic Financial Statements
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The following cash basis information describes the change in the year-end set-aside amounts for capital acquisitions. Disclosure of this information is required by State statute.

	Capital Improvements
Set-aside Restricted Balance as of June 30, 2019	\$ 0
Current Year Set-Aside Requirement	543,888
Current Year Qualifying Disbursements	(173,357)
Current Year Offset	(1,169,572)
Totals	\$ (799,041)
Balance Carried Forward to Fiscal Year 2021	\$ 0
Set-Aside Restricted Balance as of June 30, 2020	\$ 0

Although the School District had qualifying disbursements and offset credits during the fiscal year that reduced the set-aside amount below zero, this amount may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years.

NOTE 17 – CONSTRUCTION AND OTHER COMMITMENTS

A. Encumbrance Commitments

Outstanding encumbrances for governmental funds include \$12,468 and \$4,603,064 in the general and classroom facilities funds, respectively, and \$290,427 in nonmajor governmental funds.

B. Contractual Commitments

At June 30, 2020, the School District had the following contractual commitments for:

	Amount of Contracts	Expenditures as of 6/30/20	Amount Remaining on Contracts
OFCC Project	\$ 46,570,928	45,081,501	\$ 1,489,427

NOTE 18 – TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone Agreement (“EZA”) programs with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the School District, the City of Sandusky has entered into CRA and EZA agreements. Under these agreements, the School District’s property taxes were reduced by \$632,149 in 2020. None of these agreements are individually significant to require disclosure individually.

Sandusky City School District
Erie County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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Sandusky City School District
Erie County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Seven Fiscal Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net Pension Liability	0.20945920%	0.20345190%	0.19197120%	0.18762710%
School District's Proportionate Share of the Net Pension Liability	\$ 12,532,311	\$ 11,652,067	\$ 11,469,856	\$ 13,732,572
School District's Covered Payroll	\$ 6,492,304	\$ 6,547,600	\$ 6,432,664	\$ 6,591,600
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	193.03%	177.96%	178.31%	208.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%	62.98%
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net Pension Liability	0.18673206%	0.18912689%	0.19024870%	0.18973511%
School District's Proportionate Share of the Net Pension Liability	\$ 41,294,673	\$ 41,584,757	\$ 45,193,986	\$ 63,510,061
School District's Covered Payroll	\$ 22,479,821	\$ 21,520,200	\$ 21,212,829	\$ 20,499,943
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	183.70%	193.24%	213.05%	309.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.31%	75.30%	66.80%

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.18504840%	0.18421100%	0.18421100%
\$ 10,559,041	\$ 9,322,814	\$ 10,957,722
\$ 6,815,053	\$ 5,406,883	\$ 6,396,590
154.94%	172.42%	171.31%
69.16%	71.70%	65.52%
0.18915164%	0.18958761%	0.18958761%
\$ 52,275,981	\$ 46,114,268	\$ 54,783,081
\$ 20,033,743	\$ 20,860,662	\$ 20,954,031
260.94%	221.06%	261.44%
72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information.

Sandusky City School District
Erie County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 967,969	\$ 876,461	\$ 883,926	\$ 900,573
Contributions in Relation to the Contractually Required Contribution	<u>(967,969)</u>	<u>(876,461)</u>	<u>(883,926)</u>	<u>(900,573)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 6,914,064	\$ 6,492,304	\$ 6,547,600	\$ 6,432,664
Pension Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	14.00%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 3,034,083	\$ 3,147,175	\$ 3,012,828	\$ 2,969,796
Contributions in Relation to the Contractually Required Contribution	<u>(3,034,083)</u>	<u>(3,147,175)</u>	<u>(3,012,828)</u>	<u>(2,969,796)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 21,672,021	\$ 22,479,821	\$ 21,520,200	\$ 21,212,829
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 922,824	\$ 898,224	\$ 749,394	\$ 885,288	\$ 852,576	\$ 874,680
<u>(922,824)</u>	<u>(898,224)</u>	<u>(749,394)</u>	<u>(885,288)</u>	<u>(852,576)</u>	<u>(874,680)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 6,591,600	\$ 6,815,053	\$ 5,406,883	\$ 6,396,590	\$ 6,338,855	\$ 6,958,473
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%
\$ 2,869,992	\$ 2,804,724	\$ 2,711,886	\$ 2,724,024	\$ 3,134,760	\$ 3,236,004
<u>(2,869,992)</u>	<u>(2,804,724)</u>	<u>(2,711,886)</u>	<u>(2,724,024)</u>	<u>(3,134,760)</u>	<u>(3,236,004)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 20,499,943	\$ 20,033,743	\$ 20,860,662	\$ 20,954,031	\$ 24,113,538	\$ 24,892,338
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

Sandusky City School District
Erie County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability/(Asset)
Last Four Fiscal Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net OPEB Liability	0.212919%	0.20490540%	0.19439700%	0.18953099%
School District's Proportionate Share of the Net OPEB Liability	\$ 5,354,463	\$ 5,684,629	\$ 5,217,105	\$ 5,402,334
School District's Covered Payroll	\$ 6,492,304	\$ 6,547,600	\$ 6,432,664	\$ 6,591,600
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	82.47%	86.82%	81.10%	81.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net OPEB Liability/(Asset)	0.186732%	0.18912689%	0.19024870%	0.18973511%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (3,092,730)	\$ (3,039,076)	\$ 7,422,802	\$ 10,147,083
School District's Covered Payroll	\$ 22,479,821	\$ 21,520,200	\$ 21,212,829	\$ 20,499,943
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-13.76%	-14.12%	34.99%	49.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

Sandusky City School District
Erie County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Five Fiscal Years (2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>School Employees Retirement System (SERS)</i>					
Contractually Required Contribution (1)	\$ 129,841	\$ 121,825	\$ 136,790	\$ 104,057	\$ 93,289
Contributions in Relation to the Contractually Required Contribution	<u>(129,841)</u>	<u>(121,825)</u>	<u>(136,790)</u>	<u>(104,057)</u>	<u>(93,289)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 6,914,064	\$ 6,492,304	\$ 6,547,600	\$ 6,432,664	\$ 6,591,600
OPEB Contributions as a Percentage of Covered Payroll (1)	1.88%	1.88%	2.09%	1.62%	1.42%
<i>State Teachers Retirement System (STRS)</i>					
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 21,672,021	\$ 22,479,821	\$ 21,520,200	\$ 21,212,829	\$ 20,499,943
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

(2) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Sandusky City School District
Erie County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - SERS

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

Sandusky City School District
Erie County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Note 2 - Net OPEB Liability (Asset)

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Sandusky City School District
Erie County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Changes in Benefit Terms – STRS

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

Combining Statements and
Individual Fund Schedules

Sandusky City School District
Erie County, Ohio
Fund Descriptions – Major Governmental Fund

Classroom Facilities Fund A fund provided to account for monies received and expended in connection with contracts entered into by the School District and the Ohio Facilities Construction Commission for the building and equipping of classroom facilities.

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Classroom Facilities Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 12,002,969	\$ 12,056,320	\$ 53,351
Investment Income	337,454	344,740	7,286
<i>Total Revenues</i>	<u>12,340,423</u>	<u>12,401,060</u>	<u>60,637</u>
Expenditures:			
Capital Outlay	<u>32,168,362</u>	<u>32,123,950</u>	<u>44,412</u>
<i>Net Change in Fund Balance</i>	(19,827,939)	(19,722,890)	105,049
<i>Fund Balance at Beginning of Year</i>	5,179,466	5,179,466	0
Prior Year Encumbrances Appropriated	<u>14,603,165</u>	<u>14,603,165</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ (45,308)</u>	<u>\$ 59,741</u>	<u>\$ 105,049</u>

Sandusky City School District
Erie County, Ohio
Fund Descriptions – Nonmajor Governmental Funds

Special Revenue Funds The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. With the implementation of GASB No. 54, adult education, rotary, public school support, other grants and unclaimed special revenue funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, an Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds. The title of each special revenue fund is descriptive of the activities accounted for therein.

Capital Project Funds These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of capital facilities or other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Fund This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service fund.

Permanent Fund This fund accounts for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Sandusky City School District
Erie County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 2,257,445	\$ 1,868,268	\$ 1,631,757	\$ 130,206	\$ 5,887,676
Cash and Investments in Segregated Accounts	249,714	3,538,286	0	0	3,788,000
Receivables:					
Accounts	32,762	0	0	0	32,762
Intergovernmental	1,755,651	0	0	0	1,755,651
Property Taxes	213,523	852,229	1,716,497	0	2,782,249
Prepaid Items	1,296	0	0	0	1,296
<i>Total Assets</i>	<u>\$ 4,510,391</u>	<u>\$ 6,258,783</u>	<u>\$ 3,348,254</u>	<u>\$ 130,206</u>	<u>\$ 14,247,634</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 81,947	\$ 0	\$ 0	\$ 0	\$ 81,947
Accrued Wages and Benefits	529,114	0	0	0	529,114
Contracts Payable	0	417,336	0	0	417,336
Intergovernmental Payable	133,440	0	0	0	133,440
Retainage Payable	0	76,946	0	0	76,946
Interfund Payable	599,504	0	0	0	599,504
<i>Total Liabilities</i>	<u>1,344,005</u>	<u>494,282</u>	<u>0</u>	<u>0</u>	<u>1,838,287</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Fiscal Year	186,780	745,488	1,501,508	0	2,433,776
Unavailable Revenue	903,784	15,691	31,604	0	951,079
<i>Total Deferred Inflows of Resources</i>	<u>1,090,564</u>	<u>761,179</u>	<u>1,533,112</u>	<u>0</u>	<u>3,384,855</u>
Fund Balances (Deficit)					
Nonspendable	1,296	0	0	10,000	11,296
Restricted	2,320,919	4,976,649	1,815,142	120,206	9,232,916
Assigned	0	26,673	0	0	26,673
Unassigned (Deficit)	(246,393)	0	0	0	(246,393)
<i>Total Fund Balances</i>	<u>2,075,822</u>	<u>5,003,322</u>	<u>1,815,142</u>	<u>130,206</u>	<u>9,024,492</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 4,510,391</u>	<u>\$ 6,258,783</u>	<u>\$ 3,348,254</u>	<u>\$ 130,206</u>	<u>\$ 14,247,634</u>

Sandusky City School District
Erie County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and Other Local Taxes	\$ 213,205	\$ 816,390	\$ 1,722,649	\$ 0	\$ 2,752,244
Intergovernmental	6,731,335	94,927	53,329	0	6,879,591
Investment Income	8,647	123,539	2,239	(17,383)	117,042
Extracurricular Activities	173,571	0	0	0	173,571
Charges for Services	53,822	0	0	0	53,822
Contributions and Donations	376,250	0	0	0	376,250
Payments in Lieu of Taxes	173	689	1,409	0	2,271
Miscellaneous	3,684	0	289	0	3,973
<i>Total Revenues</i>	<u>7,560,687</u>	<u>1,035,545</u>	<u>1,779,915</u>	<u>(17,383)</u>	<u>10,358,764</u>
Expenditures:					
Current:					
Instruction:					
Regular	285,389	172,465	0	0	457,854
Special	1,840,762	0	0	0	1,840,762
Vocational	72,459	0	0	0	72,459
Adult/Continuing	65,516	0	0	0	65,516
Support Services:					
Pupils	855,059	0	0	0	855,059
Instructional Staff	554,905	0	0	0	554,905
Administration	47,096	0	0	0	47,096
Fiscal	3,948	15,759	31,896	0	51,603
Business	10,497	0	0	0	10,497
Operation and Maintenance of Plant	48,327	8,926	0	0	57,253
Pupil Transportation	0	171,240	0	0	171,240
Central	82,788	20,253	0	0	103,041
Extracurricular Activities	206,416	6,859	0	0	213,275
Operation of Non-Instructional Services:					
Food Service Operations	1,799,299	0	0	0	1,799,299
Community Services	1,181,176	0	0	0	1,181,176
Capital Outlay	0	5,601,382	0	0	5,601,382
Debt Service:					
Principal Retirement	0	0	355,000	0	355,000
Interest and Fiscal Charges	0	0	1,440,192	0	1,440,192
<i>Total Expenditures</i>	<u>7,053,637</u>	<u>5,996,884</u>	<u>1,827,088</u>	<u>0</u>	<u>14,877,609</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	507,050	(4,961,339)	(47,173)	(17,383)	(4,518,845)
Other Financing Sources (Uses):					
Issuance of Refunding Bonds	0	0	22,634,051	0	22,634,051
Premium on Refunding Bonds Issued	0	0	2,184,264	0	2,184,264
Payment to Refunding Escrow Agent	0	0	(24,538,936)	0	(24,538,936)
<i>Total Other Financing Sources and (Uses)</i>	<u>0</u>	<u>0</u>	<u>279,379</u>	<u>0</u>	<u>279,379</u>
<i>Excess of Revenue and Other Financing Sources Over Net Change in Fund Balance</i>	507,050	(4,961,339)	232,206	(17,383)	(4,239,466)
<i>Fund Balance (Deficit) at Beginning of Year</i>					
<i>Fund Balance at Beginning of Year</i>	1,568,772	9,964,661	1,582,936	147,589	13,263,958
<i>Fund Balance at End of Year</i>	<u>\$ 2,075,822</u>	<u>\$ 5,003,322</u>	<u>\$ 1,815,142</u>	<u>\$ 130,206</u>	<u>\$ 9,024,492</u>

Sandusky City School District
Erie County, Ohio
Combining Statements – Nonmajor Special Revenue Funds

Fund Descriptions

Food Service Fund To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the School District students and staff.

Special Trust Fund This fund accounts for monies from local donations for the purpose of scholarships for students.

Other Grant Fund This fund accounts for proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

Education Foundation Fund This fund accounts for local monies received for specific grant requests made by staff members to the Educational Foundation.

Classroom Facilities Maintenance Fund This fund accounts for proceeds of levy for maintenance of facilities.

District Managed Activities Fund This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Auxiliary Services Fund This fund accounts for State monies used to provide services and materials for pupils attending non-public schools within the School District.

Public School Preschool Fund This fund assists in paying the cost of preschool programs for three and four olds.

Data Communications Fund This fund accounts for State monies appropriated for Ohio Educational Computer Network Connections.

Student Wellness and Success Grant This fund accounts for state funds used to assist districts in supporting their students' academic achievement through mental health counseling, wraparound services, mentoring and after-school programs.

Miscellaneous State Grants Fund This fund accounts for other State Grants which are not required to be accounted for in a separate fund.

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

Title VI-B Fund This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education Fund This fund accounts for monies to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondso ary, post-secondary, adult, disadvantage and handicapped

Sandusky City School District
Erie County, Ohio
Combining Statements – Nonmajor Special Revenue Funds
(Continued)

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 PELL Grant Program Fund This fund accounts for funds used for undergraduate post-secondary students who have demonstrated financial need with grant assistance to help meet educational expenses.

Title I School Improvement Fund This fund accounts for grant monies to help raise the achievement of students in the School District.

Title III Limited English Proficiency Fund To account for funds used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency. These programs provide structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction must incorporate the cultural heritage of these children and of other children in American society. The instruction must be, to the extent necessary, in all courses or subjects of study which will allow a child to meet grade promotion and graduation standards.

Title I Fund To account for federal funds for services provided to meet special educational needs of educationally deprived children.

IDEA Preschool Grant for the Handicapped Fund This fund accounts for Federal monies for improvement and expansion of services for handicapped children ages three through five years of age.

Improving Teachers Quality Fund This fund accounts for Federal monies to hire additional classroom teachers in grades 1-3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund This fund accounts for other Federal Grants which are not required to be accounted for in a separate fund.

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Sandusky City School District
Erie County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Food Service Fund	Special Trust Fund	Other Grant Fund	Education Foundation Fund
Assets				
Equity in Pooled Cash and Investments	\$ 535,794	\$ 143,591	\$ 354,034	\$ 0
Cash and Investments in Segregated Accounts	0	0	0	169,158
Receivables:				
Property Taxes	0	0	0	0
Accounts	0	0	21,684	282
Intergovernmental	101,385	0	0	0
Prepaid Items	1,283	0	13	0
<i>Total Assets</i>	<u>\$ 638,462</u>	<u>\$ 143,591</u>	<u>\$ 375,731</u>	<u>\$ 169,440</u>
Liabilities				
Accounts Payable	\$ 28,583	\$ 0	\$ 38,524	\$ 0
Accrued Wages and Benefits	116,098	0	0	0
Intergovernmental Payable	25,727	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>170,408</u>	<u>0</u>	<u>38,524</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Fiscal Year	0	0	0	0
Unavailable Revenue	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficit)				
Nonspendable	1,283	0	13	0
Restricted	466,771	143,591	337,194	169,440
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>468,054</u>	<u>143,591</u>	<u>337,207</u>	<u>169,440</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 638,462</u>	<u>\$ 143,591</u>	<u>\$ 375,731</u>	<u>\$ 169,440</u>

Classroom Facilities Maintenance Fund	District Managed Student Activity Fund	Auxiliary Services Fund	Public School Preschool Fund	Student Wellness and Success Fund	Miscellaneous State Grants Fund
\$ 647,382 0	\$ 163,972 0	\$ 0 80,556	\$ 0 0	\$ 328,477 0	\$ 26,468 0
213,523 0 0 0	0 10,796 0 0	0 0 0 0	0 0 38,325 0	0 0 0 0	0 0 0 0
<u>\$ 860,905</u>	<u>\$ 174,768</u>	<u>\$ 80,556</u>	<u>\$ 38,325</u>	<u>\$ 328,477</u>	<u>\$ 26,468</u>
\$ 0 0 0 0	\$ 1,505 0 0 0	\$ 491 0 32,490 0	\$ 0 26,659 3,443 0	\$ 0 79,972 1,160 0	\$ 0 0 0 0
<u>0</u>	<u>1,505</u>	<u>32,981</u>	<u>30,102</u>	<u>81,132</u>	<u>0</u>
186,780 3,931	0 0	0 0	0 26,822	0 0	0 0
<u>190,711</u>	<u>0</u>	<u>0</u>	<u>26,822</u>	<u>0</u>	<u>0</u>
0 670,194 0	0 173,263 0	0 47,575 0	0 0 (18,599)	0 247,345 0	0 26,468 0
<u>670,194</u>	<u>173,263</u>	<u>47,575</u>	<u>(18,599)</u>	<u>247,345</u>	<u>26,468</u>
<u>\$ 860,905</u>	<u>\$ 174,768</u>	<u>\$ 80,556</u>	<u>\$ 38,325</u>	<u>\$ 328,477</u>	<u>\$ 26,468</u>

(continued)

Sandusky City School District
Erie County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Adult Basic Education Fund	Title VI-B Fund	Vocational Education Fund	Basic PELL Grant Program Fund
Assets:				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,535	\$ 0	\$ 0
Cash and Investments in Segregated Accounts	0	0	0	0
Receivables:				
Property Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	33,651	254,182	9,125	24,431
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$ 33,651</u>	<u>\$ 266,717</u>	<u>\$ 9,125</u>	<u>\$ 24,431</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	1,118	107,680	0	0
Intergovernmental Payable	1,618	26,022	0	0
Interfund Payable	0	3,420	15,420	0
<i>Total Liabilities</i>	<u>2,736</u>	<u>137,122</u>	<u>15,420</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Fiscal Year	0	0	0	0
Unavailable Revenue	28,544	200,178	9,125	0
<i>Total Deferred Inflows of Resources</i>	<u>28,544</u>	<u>200,178</u>	<u>9,125</u>	<u>0</u>
Fund Balances (Deficit)				
Nonspendable	0	0	0	0
Restricted	2,371	0	0	24,431
Unassigned (Deficit)	0	(70,583)	(15,420)	0
<i>Total Fund Balances (Deficit)</i>	<u>2,371</u>	<u>(70,583)</u>	<u>(15,420)</u>	<u>24,431</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 33,651</u>	<u>\$ 266,717</u>	<u>\$ 9,125</u>	<u>\$ 24,431</u>

Title I School Improvement Fund	Title III Limited English Proficiency Fund	Title I Fund	IDEA Preschool For The Handicapped Fund	Improving Teachers Quality Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 16,370	\$ 17,155	\$ 507	\$ 11,160	\$ 2,257,445
0	0	0	0	0	0	249,714
0	0	0	0	0	0	213,523
0	0	0	0	0	0	32,762
130,000	0	974,642	2,624	60,220	127,066	1,755,651
0	0	0	0	0	0	1,296
<u>\$ 130,000</u>	<u>\$ 0</u>	<u>\$ 991,012</u>	<u>\$ 19,779</u>	<u>\$ 60,727</u>	<u>\$ 138,226</u>	<u>\$ 4,510,391</u>
\$ 0	\$ 0	\$ 11,900	\$ 0	\$ 307	\$ 637	\$ 81,947
0	0	173,378	4,226	19,983	0	529,114
0	0	31,024	653	2,528	8,775	133,440
0	2,757	566,240	0	507	11,160	599,504
0	2,757	782,542	4,879	23,325	20,572	1,344,005
0	0	0	0	0	0	186,780
130,000	0	327,600	2,624	51,807	123,153	903,784
130,000	0	327,600	2,624	51,807	123,153	1,090,564
0	0	0	0	0	0	1,296
0	0	0	12,276	0	0	2,320,919
0	(2,757)	(119,130)	0	(14,405)	(5,499)	(246,393)
0	(2,757)	(119,130)	12,276	(14,405)	(5,499)	2,075,822
<u>\$ 130,000</u>	<u>\$ 0</u>	<u>\$ 991,012</u>	<u>\$ 19,779</u>	<u>\$ 60,727</u>	<u>\$ 138,226</u>	<u>\$ 4,510,391</u>

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, 2020

	Food Service Fund	Special Trust Fund	Other Grant Fund	Education Foundation Fund
Revenues:				
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	1,836,258	0	0	0
Investment Income	0	674	0	6,890
Extracurricular Activities	0	0	0	0
Charges for Services	52,662	0	0	0
Contributions and Donations	1,500	744	314,817	26,104
Payments in Lieu of Taxes	0	0	0	0
Miscellaneous	2,402	0	1,000	282
<i>Total Revenues</i>	<u>1,892,822</u>	<u>1,418</u>	<u>315,817</u>	<u>33,276</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	46,076	0
Special	0	0	65,304	0
Vocational	0	0	0	0
Adult/Continuing	0	0	4,052	0
Support Services:				
Pupils	0	0	2,582	0
Instructional Staff	0	0	22,476	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	1,950	0	8,547
Operation and Maintenance of Plant	41,672	0	0	0
Central	0	0	0	0
Extracurricular Activities	0	0	2,500	0
Operation of Non-Instructional Services:				
Food Service Operations	1,799,299	0	0	0
Community Services	0	0	191,512	0
<i>Total Expenditures</i>	<u>1,840,971</u>	<u>1,950</u>	<u>334,502</u>	<u>8,547</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	51,851	(532)	(18,685)	24,729
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>416,203</u>	<u>144,123</u>	<u>355,892</u>	<u>144,711</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 468,054</u>	<u>\$ 143,591</u>	<u>\$ 337,207</u>	<u>\$ 169,440</u>

Classroom Facilities Maintenance Fund	District Managed Student Activity Fund	Auxiliary Services Fund	Public School Preschool Fund	Data Communications Fund	Student Wellness and Success Fund	Miscellaneous State Grants Fund
\$ 213,205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6,632	0	485,016	164,108	12,600	753,170	39,337
821	0	262	0	0	0	0
0	173,571	0	0	0	0	0
0	1,160	0	0	0	0	0
0	33,085	0	0	0	0	0
173	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>220,831</u>	<u>207,816</u>	<u>485,278</u>	<u>164,108</u>	<u>12,600</u>	<u>753,170</u>	<u>39,337</u>
0	0	0	170,788	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	505,825	0
0	0	0	0	0	0	25,001
0	0	0	0	0	0	0
3,948	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	6,655
0	0	0	0	12,600	0	0
0	203,916	0	0	0	0	0
0	0	0	0	0	0	0
0	0	451,972	0	0	0	0
<u>3,948</u>	<u>203,916</u>	<u>451,972</u>	<u>170,788</u>	<u>12,600</u>	<u>505,825</u>	<u>31,656</u>
216,883	3,900	33,306	(6,680)	0	247,345	7,681
<u>453,311</u>	<u>169,363</u>	<u>14,269</u>	<u>(11,919)</u>	<u>0</u>	<u>0</u>	<u>18,787</u>
<u>\$ 670,194</u>	<u>\$ 173,263</u>	<u>\$ 47,575</u>	<u>\$ (18,599)</u>	<u>\$ 0</u>	<u>\$ 247,345</u>	<u>\$ 26,468</u>

(continued)

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, 2020

	Adult Basic Education Fund	Title VI-B Fund	Vocational Education Fund	Basic PELL Grant Program Fund
Revenues:				
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	91,468	797,514	77,754	449,298
Investment Income	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>91,468</u>	<u>797,514</u>	<u>77,754</u>	<u>449,298</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	521,050	4,695	0
Vocational	0	0	72,459	0
Adult/Continuing	61,464	0	0	0
Support Services:				
Pupils	1,848	200,162	14,500	0
Instructional Staff	31,217	7,399	1,520	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	76,404	0	429,490
<i>Total Expenditures</i>	<u>94,529</u>	<u>805,015</u>	<u>93,174</u>	<u>429,490</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,061)	(7,501)	(15,420)	19,808
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>5,432</u>	<u>(63,082)</u>	<u>0</u>	<u>4,623</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,371</u>	<u>\$ (70,583)</u>	<u>\$ (15,420)</u>	<u>\$ 24,431</u>

Title I School Improvement Fund	Title III Limited English Proficiency Fund	Title I Fund	IDEA Preschool For The Handicapped Fund	Improving Teachers Quality Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 213,205
0	0	1,674,896	32,378	168,541	142,365	6,731,335
0	0	0	0	0	0	8,647
0	0	0	0	0	0	173,571
0	0	0	0	0	0	53,822
0	0	0	0	0	0	376,250
0	0	0	0	0	0	173
0	0	0	0	0	0	3,684
0	0	1,674,896	32,378	168,541	142,365	7,560,687
0	0	0	0	0	68,525	285,389
0	2,757	1,230,566	16,390	0	0	1,840,762
0	0	0	0	0	0	72,459
0	0	0	0	0	0	65,516
0	0	82,055	409	0	47,678	855,059
577	0	300,879	1,694	164,142	0	554,905
0	0	47,096	0	0	0	47,096
0	0	0	0	0	0	3,948
0	0	0	0	0	0	10,497
0	0	0	0	0	0	48,327
0	0	43,959	0	0	26,229	82,788
0	0	0	0	0	0	206,416
0	0	0	0	0	0	1,799,299
0	0	13,324	0	13,042	5,432	1,181,176
577	2,757	1,717,879	18,493	177,184	147,864	7,053,637
(577)	(2,757)	(42,983)	13,885	(8,643)	(5,499)	507,050
577	0	(76,147)	(1,609)	(5,762)	0	1,568,772
\$ 0	\$ (2,757)	\$ (119,130)	\$ 12,276	\$ (14,405)	\$ (5,499)	\$ 2,075,822

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,531,288	\$ 1,531,288	\$ 0
Charges for Services	52,662	52,662	0
Gifts and Donations	1,500	1,500	0
<i>Total Revenues</i>	<u>1,585,450</u>	<u>1,585,450</u>	<u>0</u>
Expenditures:			
Current:			
Support Services			
Operation and Maintenance of Plant	28,724	28,724	0
Operation of Non-Instructional Services:			
Food Service Operations	<u>1,986,759</u>	<u>1,611,040</u>	<u>375,719</u>
<i>Total Expenditures</i>	<u>2,015,483</u>	<u>1,639,764</u>	<u>375,719</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(430,033)	(54,314)	375,719
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	<u>4,442</u>	<u>4,442</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(425,591)	(49,872)	375,719
<i>Fund Balance at Beginning of Year</i>	559,697	559,697	0
Prior Year Encumbrances Appropriated	<u>15,483</u>	<u>15,483</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 149,589</u>	<u>\$ 525,308</u>	<u>\$ 375,719</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 5,089	\$ 674	\$ (4,415)
Gifts and Donations	25,000	744	(24,256)
<i>Total Revenues</i>	<u>30,089</u>	<u>1,418</u>	<u>(28,671)</u>
Expenditures:			
Current:			
Support Services:			
Business	5,000	1,950	3,050
Extracurricular Activities	47,827	0	47,827
<i>Total Expenditures</i>	<u>52,827</u>	<u>1,950</u>	<u>50,877</u>
<i>Net Change in Fund Balance</i>	(22,738)	(532)	22,206
<i>Fund Balance at Beginning of Year</i>	144,125	144,125	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 121,387</u>	<u>\$ 143,593</u>	<u>\$ 22,206</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Other Grant Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Gifts and Donations	\$ 293,133	\$ 293,133	\$ 0
Miscellaneous	1,000	1,000	0
<i>Total Revenues</i>	<u>294,133</u>	<u>294,133</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	129,346	46,200	83,146
Special	181,042	82,125	98,917
Vocational	2,040	0	2,040
Adult/Continuing	8,293	4,052	4,241
Support Services:			
Pupils	3,036	3,036	0
Instructional Staff	32,995	24,678	8,317
Extracurricular Activities	2,500	2,500	0
Operation of Non-Instructional Services:			
Community Services	221,899	221,899	0
Capital Outlay	5,050	0	5,050
<i>Total Expenditures</i>	<u>586,201</u>	<u>384,490</u>	<u>201,711</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(292,068)</u>	<u>(90,357)</u>	<u>201,711</u>
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(269)	(57)	212
<i>Net Change in Fund Balance</i>	(292,337)	(90,414)	201,923
<i>Fund Balance at Beginning of Year</i>	366,016	366,016	0
Prior Year Encumbrances Appropriated	8,989	8,989	0
<i>Fund Balance at End of Year</i>	<u>\$ 82,668</u>	<u>\$ 284,591</u>	<u>\$ 201,923</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Education Foundation Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 6,890	\$ 6,890	\$ 0
Gifts and Donations	26,104	26,104	0
<i>Total Revenues</i>	<u>32,994</u>	<u>32,994</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	9,252	0	9,252
Business	127,425	8,547	118,878
<i>Total Expenditures</i>	<u>136,677</u>	<u>8,547</u>	<u>128,130</u>
<i>Net Change in Fund Balance</i>	(103,683)	24,447	128,130
<i>Fund Balance at Beginning of Year</i>	<u>144,712</u>	<u>144,712</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 41,029</u>	<u>\$ 169,159</u>	<u>\$ 128,130</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 224,568	\$ 227,521	\$ 2,953
Intergovernmental	8,158	6,632	(1,526)
Investment Income	506	821	315
Payments in Lieu of Taxes	1,600	173	(1,427)
<i>Total Revenues</i>	<u>234,832</u>	<u>235,147</u>	<u>315</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	221,592	3,948	217,644
Operation and Maintenance of Plant	28,408	0	(28,408)
<i>Total Expenditures</i>	<u>250,000</u>	<u>3,948</u>	<u>246,052</u>
<i>Net Change in Fund Balance</i>	(15,168)	231,199	246,367
<i>Fund Balance at Beginning of Year</i>	<u>416,183</u>	<u>416,183</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 401,015</u>	<u>\$ 647,382</u>	<u>\$ 246,367</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 173,768	\$ 173,768	\$ 0
Gifts and Donations	23,919	23,919	0
Charges for Services	1,160	1,160	0
<i>Total Revenues</i>	<u>198,847</u>	<u>198,847</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	284,440	222,870	61,570
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(85,593)</u>	<u>(24,023)</u>	<u>61,570</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	175	175	0
<i>Net Change in Fund Balance</i>	(85,418)	(23,848)	61,570
<i>Fund Balance at Beginning of Year</i>	165,959	165,959	0
Prior Year Encumbrances Appropriated	10,368	10,368	0
<i>Fund Balance at End of Year</i>	<u>\$ 90,909</u>	<u>\$ 152,479</u>	<u>\$ 61,570</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 485,016	\$ 485,016	\$ 0
Investment Income	262	262	0
<i>Total Revenues</i>	<u>485,278</u>	<u>485,278</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services	526,896	495,391	31,505
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(41,618)</u>	<u>(10,113)</u>	<u>31,505</u>
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(14,715)	(14,715)	0
<i>Net Change in Fund Balance</i>	(56,333)	(24,828)	31,505
<i>Fund Balance at Beginning of Year</i>	13,261	13,261	0
Prior Year Encumbrances Appropriated	43,111	43,111	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 39</u>	<u>\$ 31,544</u>	<u>\$ 31,505</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 161,766	\$ 161,766	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	169,643	169,643	0
Support Services:			
Pupils	40	40	0
<i>Total Expenditures</i>	<u>169,683</u>	<u>169,683</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,917)	(7,917)	0
<i>Fund Balance at Beginning of Year</i>	<u>7,876</u>	<u>7,876</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>40</u>	<u>40</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 0</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 12,600	\$ 12,600	\$ 0
Expenditures:			
Current:			
Support Services:			
Central	12,600	12,600	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Student Wellness and Success Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 753,170	\$ 753,170	\$ 0
Expenditures:			
Current:			
Support Services:			
Pupil	753,000	430,310	322,690
<i>Net Change in Fund Balance</i>	170	322,860	322,690
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$ 170	\$ 322,860	\$ 322,690

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 39,337	\$ 39,337	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	25,191	0	25,191
Support Services:			
Instructional Staff	25,001	25,001	0
Operation and Maintenance of Plant	7,809	6,655	1,154
<i>Total Expenditures</i>	58,001	31,656	26,345
<i>Net Change in Fund Balance</i>	(18,664)	7,681	26,345
<i>Fund Balance at Beginning of Year</i>	18,790	18,790	0
<i>Fund Balance at End of Year</i>	\$ 126	\$ 26,471	\$ 26,345

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 94,582	\$ 94,582	\$ 0
Expenditures:			
Current:			
Instruction:			
Adult/Continuing:	62,160	62,160	0
Support Services:			
Instructional Staff	32,422	32,422	0
<i>Total Expenditures</i>	94,582	94,582	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 681,383	\$ 818,050	\$ 136,667
Expenditures:			
Current:			
Instruction:			
Special	532,855	532,855	0
Support Services:			
Pupils	201,772	201,772	0
Instructional Staff	7,399	7,399	0
Operation of Non-Instructional Services:			
Community Services	82,693	82,693	0
<i>Total Expenditures</i>	824,719	824,719	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(143,336)	(6,669)	136,667
Other Financing Sources (Uses):			
Advances In	140,087	3,420	(136,667)
Advances Out	(3,040)	(3,040)	0
<i>Total Other Financing Sources (Uses)</i>	137,047	380	(136,667)
<i>Net Change in Fund Balance</i>	(6,289)	(6,289)	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	6,289	6,289	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 90,232	\$ 113,812	\$ 23,580
Expenditures:			
Current:			
Instructional:			
Special	4,695	4,695	
Vocational	108,517	108,517	0
Support Services:			
Pupils	14,500	14,500	0
Instructional Staff	1,520	1,520	0
<i>Total Expenditures</i>	<u>129,232</u>	<u>129,232</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(39,000)</u>	<u>(15,420)</u>	<u>23,580</u>
Other Financing Sources (Uses):			
Advances In	39,000	15,420	(23,580)
Advances Out	(36,240)	(36,240)	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,760</u>	<u>(20,820)</u>	<u>(20,820)</u>
<i>Net Change in Fund Balance</i>	(36,240)	(36,240)	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	36,240	36,240	0
<i>Fund Balance at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Sandusky City School District
Erie County, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Basic PELL Grant Program Fund
For the Fiscal Year Ended June 30, 2020*

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 429,490	\$ 429,490	\$ 0
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services	429,490	429,490	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I School Improvement Fund
For the Fiscal Year Ended June 30, 2020*

	Final Budget	Actual	Variance
Expenditures:			
Current:			
Support Services:			
Instructional Staff	\$ 578	\$ 578	\$ 0
<i>Net Change in Fund Balance</i>	(578)	(578)	0
<i>Fund Balance at Beginning of Year</i>	578	578	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title III Limited English Proficiency Fund
For the Fiscal Year Ended June 30, 2020*

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 5,501	\$ 2,744	\$ (2,757)
Expenditures:			
Current:			
Instructional:			
Special	2,757	2,757	0
<i>Excess of Revenues Over (Under) Expenditures</i>	2,744	(13)	(2,757)
Other Financing Sources (Uses):			
Advances In	0	2,757	2,757
Advances Out	(2,744)	(2,744)	0
<i>Total Other Financing Sources (Uses)</i>	(2,744)	13	13
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,251,461	\$ 1,251,461	\$ 0
Expenditures:			
Current:			
Instruction:			
Special	1,301,360	1,301,360	0
Support Services:			
Pupils	92,961	92,961	0
Instructional Staff	310,181	310,181	0
Administration	48,826	48,826	0
Central:	42,015	42,015	0
Operation of Non-Instructional Services:			
Community Services	22,358	22,358	0
<i>Total Expenditures</i>	<u>1,817,701</u>	<u>1,817,701</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(566,240)</u>	<u>(566,240)</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances In	566,240	566,240	0
Advances Out	(6,638)	(6,638)	0
<i>Total Other Financing Sources (Uses)</i>	<u>559,602</u>	<u>559,602</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,638)	(6,638)	0
<i>Fund Balance at Beginning of Year</i>	<u>6,638</u>	<u>6,638</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
IDEA Preschool Grant for the Handicapped Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 36,372	\$ 36,372	\$ 0
Expenditures:			
Current:			
Instruction:			
Special	34,529	18,750	15,779
Support Services:			
Pupils	435	409	26
Instructional Staff	3,035	1,694	1,341
<i>Total Expenditures</i>	37,999	20,853	17,146
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,627)	15,519	17,146
Other Financing Sources (Uses):			
Advances Out	(3,671)	(3,671)	0
<i>Net Change in Fund Balance</i>	(5,298)	11,848	17,146
<i>Fund Balance at Beginning of Year</i>	1,636	1,636	0
Prior Year Encumbrances Appropriated	3,671	3,671	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 9	\$ 17,155	\$ 17,146

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Improving Teachers Quality Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 209,274	\$ 209,274	\$ 0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	195,859	195,859	0
Operation of Non-Instructional Services:			
Community Services	13,917	13,917	0
<i>Total Expenditures</i>	209,776	209,776	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(502)	(502)	0
Other Financing Sources (Uses):			
Advances In	507	507	0
Advances Out	(28,458)	(28,458)	0
<i>Total Other Financing Sources (Uses)</i>	(27,951)	(27,951)	0
<i>Net Change in Fund Balance</i>	(28,453)	(28,453)	0
<i>Fund Balance at Beginning of Year</i>	21,960	21,960	0
Prior Year Encumbrances Appropriated	6,493	6,493	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 140,909	\$ 140,909	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	68,525	68,525	0
Support Services:			
Pupils	52,857	52,857	0
Central	25,255	25,255	0
Operation of Non-Instructional Services:			
Community Services	5,432	5,432	0
<i>Total Expenditures</i>	<u>152,069</u>	<u>152,069</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(11,160)</u>	<u>(11,160)</u>	<u>0</u>
Other Financing Sources (Uses):			
Advances In	11,160	11,160	0
Advances Out	(6,749)	(6,749)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,411</u>	<u>4,411</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,749)	(6,749)	0
<i>Fund Balance at Beginning of Year</i>	3,649	3,649	0
Prior Year Encumbrances Appropriated	3,100	3,100	0
<i>Fund Balance at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Sandusky City School District
Erie County, Ohio
Fund Description – Nonmajor Debt Service Fund

Debt Service Fund This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. deb payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service fund. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Retirement Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual follows this page.

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 1,814,975	\$ 1,840,178	\$ 25,203
Intergovernmental	58,574	53,329	(5,245)
Investment Income	3,643	2,239	(1,404)
Payments in Lieu of Taxes	1,390	1,409	19
Miscellaneous	20,088	289	(19,799)
<i>Total Revenues</i>	<u>1,898,670</u>	<u>1,897,444</u>	<u>(1,226)</u>
Expenditures:			
Current:			
Support Services			
Fiscal	34,018	31,896	2,122
Debt Service:			
Principal Retirement	956,052	355,000	601,052
Interest and Fiscal Charges	1,897,711	1,440,192	457,519
<i>Total Expenditures</i>	<u>2,887,781</u>	<u>1,827,088</u>	<u>1,060,693</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(989,111)</u>	<u>70,356</u>	<u>1,059,467</u>
Other Financing Sources (Uses):			
Refunding Bonds Issued	0	22,634,051	22,634,051
Premium on Refunding Bonds Issued	0	2,184,264	2,184,264
Payment to Refunded Bond Escrow Agent	(24,538,936)	(24,538,936)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(24,538,936)</u>	<u>279,379</u>	<u>279,379</u>
<i>Net Change in Fund Balance</i>	(25,528,047)	349,735	25,877,782
<i>Fund Balance at Beginning of Year</i>	<u>1,282,023</u>	<u>1,282,023</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ (24,246,024)</u>	<u>\$ 1,631,758</u>	<u>\$ 25,877,782</u>

Sandusky City School District
Erie County, Ohio
Fund Descriptions – Nonmajor Capital Projects Funds

Permanent Improvement Fund The permanent improvement fund accounts for property taxes levied to be used for various capital improvements within the School District.

Building Fund A fund used to account for the receipts and expenditures related to all specific bond funds in the district. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Replacement Fund The fund accounts for monies used in the building, 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 be used.

Sandusky City School District
Erie County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	Permanent Improvement Fund	Building Fund	Replacement Fund	Total Nonmajor Capital Projects Funds
Assets				
Equity in Pooled Cash and Investments	\$ 717,749	\$ 1,123,846	\$ 26,673	\$ 1,868,268
Cash and Investments in Segregated Accounts	\$ 0	\$ 3,538,286	\$ 0	\$ 3,538,286
Property Taxes Receivable	852,229	0	0	852,229
<i>Total Assets</i>	<u>\$ 1,569,978</u>	<u>\$ 4,662,132</u>	<u>\$ 26,673</u>	<u>\$ 6,258,783</u>
Liabilities				
Contracts Payable	0	417,336	0	417,336
Retainage Payable	0	76,946	0	76,946
<i>Total Liabilities</i>	<u>0</u>	<u>494,282</u>	<u>0</u>	<u>494,282</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Fiscal Year	745,488	0	0	745,488
Unavailable Revenue	15,691	0	0	15,691
<i>Total Deferred Inflows of Resources</i>	<u>761,179</u>	<u>0</u>	<u>0</u>	<u>761,179</u>
Fund Balances				
Restricted	808,799	4,167,850	0	4,976,649
Assigned	0	0	26,673	26,673
<i>Total Fund Balances</i>	<u>808,799</u>	<u>4,167,850</u>	<u>26,673</u>	<u>5,003,322</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,569,978</u>	<u>\$ 4,662,132</u>	<u>\$ 26,673</u>	<u>\$ 6,258,783</u>

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, 2020

	Permanent Improvement Fund	Building Fund	Replacement Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Property and Other Local Taxes	\$ 816,390	\$ 0	\$ 0	\$ 816,390
Intergovernmental	94,927	0	0	94,927
Investment Income	0	123,539	0	123,539
Payments in Lieu of Taxes	689	0	0	689
<i>Total Revenues</i>	<u>912,006</u>	<u>123,539</u>	<u>0</u>	<u>1,035,545</u>
Expenditures:				
Current:				
Instruction:				
Regular	172,465	0	0	172,465
Fiscal	15,759	0	0	15,759
Operation and Maintenance of Plant	8,926	0	0	8,926
Pupil Transportation	171,240	0	0	171,240
Central	20,253	0	0	20,253
Extracurricular Activities	6,859	0	0	6,859
Capital Outlay	389,796	5,211,586	0	5,601,382
<i>Total Expenditures</i>	<u>785,298</u>	<u>5,211,586</u>	<u>0</u>	<u>5,996,884</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>126,708</u>	<u>(5,088,047)</u>	<u>0</u>	<u>(4,961,339)</u>
<i>Net Change in Fund Balance</i>	126,708	(5,088,047)	0	(4,961,339)
<i>Fund Balance at Beginning of Year</i>	<u>682,091</u>	<u>9,255,897</u>	<u>26,673</u>	<u>9,964,661</u>
<i>Fund Balance at End of Year</i>	<u>\$ 808,799</u>	<u>\$ 4,167,850</u>	<u>\$ 26,673</u>	<u>\$ 5,003,322</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 839,631	\$ 839,631	\$ 0
Intergovernmental	94,927	94,927	0
Payments in Lieu of Taxes	689	689	0
<i>Total Revenues</i>	<u>935,247</u>	<u>935,247</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	276,166	240,654	(35,512)
Support Services:			
Fiscal	20,200	15,759	4,441
Operation and Maintenance of Plant	82,015	81,917	98
Pupil Transportation	172,740	171,240	1,500
Central	20,253	20,253	0
Extracurricular Activities	206,859	6,859	200,000
Capital Outlay	515,565	389,796	125,769
<i>Total Expenditures</i>	<u>1,293,798</u>	<u>926,478</u>	<u>367,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(358,551)</u>	<u>8,769</u>	<u>367,320</u>
Other Financing Sources (Uses):			
Transfers Out	(276,132)	0	276,132
<i>Net Change in Fund Balance</i>	(634,683)	8,769	643,452
<i>Fund Balance at Beginning of Year</i>	570,861	570,861	0
Prior Year Encumbrances Appropriated	69,930	69,930	0
<i>Fund Balance at End of Year</i>	<u>\$ 6,108</u>	<u>\$ 649,560</u>	<u>\$ 643,452</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 137,208	165,281	\$ 28,073
Expenditures:			
Capital Outlay	9,992,394	5,963,637	4,028,757
<i>Net Change in Fund Balance</i>	(9,855,186)	(5,798,356)	4,056,830
<i>Fund Balance at Beginning of Year</i>	6,992,698	6,992,698	0
Prior Year Encumbrances Appropriated	2,836,497	2,836,497	0
<i>Fund Balance at End of Year</i>	\$ (25,991)	\$ 4,030,839	\$ 4,056,830

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Replacement Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
<i>Fund Balance at Beginning of Year</i>	\$ 26,673	\$ 26,673	\$ 0
<i>Fund Balance at End of Year</i>	\$ 26,673	\$ 26,673	\$ 0

Sandusky City School District
Erie County, Ohio
Fund Description – Nonmajor Permanent Fund

Permanent Fund This fund accounts for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual follows this page.

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 0	\$ (17,383)	\$ (17,383)
<i>Net Change in Fund Balance</i>	0	(17,383)	(17,383)
<i>Fund Balance at Beginning of Year</i>	147,589	147,589	0
<i>Fund Balance at End of Year</i>	\$ 147,589	\$ 130,206	\$ (17,383)

Sandusky City School District
Erie County, Ohio
Fund Descriptions – Other General Funds

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Adult Education Fund This fund accounts for transactions made in connection with adult education classes.

Rotary Fund This fund accounts for monies from local sources which provides for field trips for the students.

Public School Support Fund This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Unclaimed Monies Fund - This fund accounts for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 214,669	\$ 214,669	\$ 0
Tuition and Fees	1,007,123	1,007,123	0
Miscellaneous	173,313	173,313	0
<i>Total Revenues</i>	<u>1,395,105</u>	<u>1,395,105</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Adult/ Continuing	1,532,344	1,532,344	0
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(137,239)</u>	<u>(137,239)</u>	<u>0</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	2,595	2,595	0
Advances In	77,967	77,967	0
<i>Total Other Financing Sources (Uses)</i>	<u>80,562</u>	<u>80,562</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(56,677)	(56,677)	0
<i>Fund Balance at Beginning of Year</i>	51,411	51,411	0
Prior Year Encumbrances Appropriated	5,266	5,266	0
<i>Fund Balance at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Rotary Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 3,148	\$ 3,148	\$ 0
Gifts and Donations	23,660	23,660	0
Miscellaneous	1,182	1,182	0
<i>Total Revenues</i>	<u>27,990</u>	<u>27,990</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	73,137	46,513	26,624
Support Services:			
Pupils	2,678	0	2,678
Extracurricular Activities	4,268	3,873	395
<i>Total Expenditures</i>	<u>80,083</u>	<u>50,386</u>	<u>29,697</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(52,093)</u>	<u>(22,396)</u>	<u>29,697</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	136	136	0
<i>Net Change in Fund Balance</i>	(51,957)	(22,260)	29,697
<i>Fund Balance at Beginning of Year</i>	281,550	281,550	0
Prior Year Encumbrances Appropriated	881	881	0
<i>Fund Balance at End of Year</i>	<u>\$ 230,474</u>	<u>\$ 260,171</u>	<u>\$ 29,697</u>

Sandusky City School District
Erie County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 44,608	\$ 44,608	\$ 0
Gifts and Donations	23,245	23,245	0
<i>Total Revenues</i>	<u>67,853</u>	<u>67,853</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	132,878	68,035	64,843
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(65,025)</u>	<u>(184)</u>	<u>64,841</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	250	250	0
<i>Net Change in Fund Balance</i>	(64,775)	66	64,841
<i>Fund Balance at Beginning of Year</i>	74,491	74,491	0
Prior Year Encumbrances Appropriated	1,832	1,832	0
<i>Fund Balance at End of Year</i>	<u>\$ 11,548</u>	<u>\$ 76,389</u>	<u>\$ 64,841</u>

Sandusky City School District
Erie County, Ohio
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual*
Unclaimed Monies Fund
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance
Expenditures:			
Current:			
Support Services:			
Fiscal	203,937	0	(203,937)
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	2,877	0	(2,877)
<i>Net Change in Fund Balance</i>	(201,060)	0	201,060
<i>Fund Balance at Beginning of Year</i>	\$ 6,751	\$ 6,751	\$ 0
<i>Fund Balance at End of Year</i>	\$ (194,309)	\$ 6,751	\$ 201,060

Sandusky City School District
Erie County, Ohio
Fund Descriptions – Nonmajor Fiduciary Funds

Fiduciary funds types are used to account for assets held by a School District in a trustee capacity or as an agent for individuals, private organizations, other governmental entities and/or other funds.

Scholarship Trust (Private Purpose Trust) This fund accounts for monies set aside from endowments for scholarships for students enrolled in the School District. The principal and income from such a fund may be expended.

Endowment (Private Purpose Trust) This fund accounts for monies set aside from endowments for scholarships for students enrolled in the School District. The principal and income from such a fund may be expended, but the principal must remain intact.

District Agency (Agency Fund) This fund accounts for those assets held by a school district as an agent for individuals, private organization, other governmental units, and/or other funds.

Student Managed Activity (Agency Fund) This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

Sandusky City School District
Erie County, Ohio
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2020

	Scholarship Trust	Endowment	Total
Assets			
Equity in Pooled Cash and Investments	\$ 685,036	\$ 3,300,922	\$ 3,985,958
Cash and Investments in Segregated Accounts		\$ 5,252,440	\$ 5,252,440
Receivables:			
Accounts	84	1,408	1,492
 <i>Total Assets</i>	 \$ 685,120	 \$ 8,554,770	 \$ 9,239,890
 Net Position			
Held in Trust for Scholarships	\$ 685,120	\$ 8,554,770	\$ 9,239,890

Sandusky City School District
Erie County, Ohio
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

	Scholarship Trust	Endowment	Total
Additions:			
Gifts and Contributions	\$ 60,400	\$ 0	\$ 60,400
Investment Earnings	3,098	(749,211)	(746,113)
Miscellaneous	345	0	345
<i>Total Additions</i>	<u>63,843</u>	<u>(749,211)</u>	<u>(685,368)</u>
Deductions:			
Payments in Accordance with Trust Agreements	<u>46,111</u>	<u>128,494</u>	<u>174,605</u>
<i>Net Change in Fund Balance</i>	17,732	(877,705)	(859,973)
<i>Fund Balance at Beginning of Year</i>	<u>667,388</u>	<u>9,432,475</u>	<u>10,099,863</u>
<i>Fund Balance at End of Year</i>	<u>\$ 685,120</u>	<u>\$ 8,554,770</u>	<u>\$ 9,239,890</u>

Sandusky City School District
Erie County, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

	Beginning Balance 6/30/19	Additions	Deductions	Ending Balance 6/30/20
District Agency				
Assets				
Equity in Pooled Cash and Investments	\$ 22,952	\$ 1,621,704	\$ 1,612,942	\$ 31,714
Receivables:				
Taxes	684,042	645,934	684,042	645,934
Intergovernmental	13,488	44,135	13,488	44,135
Total Assets	<u>\$ 720,482</u>	<u>\$ 2,311,773</u>	<u>\$ 2,310,472</u>	<u>\$ 721,783</u>
Liabilities				
Undistributed Monies	<u>\$ 720,482</u>	<u>\$ 2,311,773</u>	<u>\$ 2,310,472</u>	<u>\$ 721,783</u>
Student Activities				
Assets				
Equity in Pooled Cash and Investments	\$ 117,260	\$ 75,063	\$ 96,980	\$ 95,343
Receivables:				
Accounts	1,358	3,327	1,358	3,327
Total Assets	<u>\$ 118,618</u>	<u>\$ 78,390</u>	<u>\$ 98,338</u>	<u>\$ 98,670</u>
Liabilities				
Accounts Payable	\$ 7,602	\$ 941	\$ 7,602	\$ 941
Intergovernmental Payable	578	0	578	0
Due to Students	110,438	86,570	99,279	97,729
Total Liabilities	<u>\$ 118,618</u>	<u>\$ 87,511</u>	<u>\$ 107,459</u>	<u>\$ 98,670</u>
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 140,212	\$ 1,696,767	\$ 1,709,922	\$ 127,057
Receivables:				
Taxes	684,042	645,934	684,042	645,934
Intergovernmental	13,488	44,135	13,488	44,135
Accounts	1,358	3,327	1,358	3,327
Total Assets	<u>\$ 839,100</u>	<u>\$ 2,390,163</u>	<u>\$ 2,408,810</u>	<u>\$ 820,453</u>
Liabilities				
Accounts Payable	\$ 7,602	\$ 941	\$ 7,602	\$ 941
Intergovernmental Payable	578	0	578	0
Undistributed Monies	720,482	2,311,773	2,310,472	721,783
Due to Students	110,438	86,570	99,279	97,729
Total Liabilities	<u>\$ 839,100</u>	<u>\$ 2,399,284</u>	<u>\$ 2,417,931</u>	<u>\$ 820,453</u>

Statistical Section

Sandusky City School District
Erie County, Ohio
Statistical Narrative

Statistical Section

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

Contents

Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.

Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Sources Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Sandusky City School District
Erie County, Ohio
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 1

	2020	2019	2018	Restated 2017	2016	2015	2014 (1)	2013	2012	2011
Governmental Activities:										
Net Investment in Capital Assets	\$ 32,937,677	\$ 16,849,363	\$ 8,723,039	\$ 10,627,825	\$ 10,691,843	\$ 10,635,896	\$ 10,570,451	\$ 9,650,349	\$ 8,095,561	\$ 8,898,289
Restricted	21,929,573	35,973,442	41,346,946	37,925,259	2,354,770	2,130,209	2,261,685	1,306,846	1,712,923	1,612,452
Unrestricted	(50,397,243)	(43,800,436)	(47,214,912)	(71,703,704)	(52,967,354)	(58,077,949)	(63,149,693)	(212,978)	(263,266)	2,185,093
<i>Total Governmental Activities</i>										
<i>Net Position</i>	<u>\$ 4,470,007</u>	<u>\$ 9,022,369</u>	<u>\$ 2,855,073</u>	<u>\$ (23,150,620)</u>	<u>\$ (39,920,741)</u>	<u>\$ (45,311,844)</u>	<u>\$ (50,317,557)</u>	<u>\$ 10,744,217</u>	<u>\$ 9,545,218</u>	<u>\$ 12,695,834</u>
Primary Government:										
Net Investment in Capital Assets	\$ 32,937,677	\$ 16,849,363	\$ 8,723,039	\$ 10,627,825	\$ 10,691,843	\$ 10,635,896	\$ 10,570,451	\$ 9,650,349	\$ 8,095,561	\$ 8,898,289
Restricted	21,929,573	35,973,442	41,346,946	37,925,259	2,354,770	2,130,209	2,261,685	1,306,846	1,712,923	1,612,452
Unrestricted	(50,397,243)	(43,800,436)	(47,214,912)	(71,703,704)	(52,967,354)	(58,077,949)	(63,149,693)	(212,978)	(263,266)	2,185,093
<i>Total Primary Government</i>										
<i>Net Position</i>	<u>\$ 4,470,007</u>	<u>\$ 9,022,369</u>	<u>\$ 2,855,073</u>	<u>\$ (23,150,620)</u>	<u>\$ (39,920,741)</u>	<u>\$ (45,311,844)</u>	<u>\$ (50,317,557)</u>	<u>\$ 10,744,217</u>	<u>\$ 9,545,218</u>	<u>\$ 12,695,834</u>

Source: School District Records

(1) - Fiscal year 2014 had a large decrease in unrestricted net position due to the implementation of GASB 68.

Note - Due to the implementation of GASB 75 in fiscal year 2018, fiscal year 2017 has been restated to reflect changes. However, we are unable to restate numbers for fiscal years 2010 to 2016 due to information not being available.

Sandusky City School District
Erie County, Ohio
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 2

	2020	2019	2018	2017	2016	2015	2014 (1)	2013	2012	2011
Expenses:										
Governmental Activities:										
Instruction	\$ 39,691,907	\$ 32,264,034	\$ 22,476,864	\$ 36,502,846	\$ 31,824,045	\$ 31,501,248	\$ 32,492,793	\$ 30,355,691	\$ 32,320,969	\$ 33,000,997
Pupil Support	3,092,367	2,428,648	1,480,059	2,645,569	2,478,935	2,235,545	2,054,942	1,964,202	1,905,257	1,808,990
Instructional Staff Support	1,965,197	1,564,929	626,711	2,242,858	2,008,040	1,951,925	1,730,658	2,762,425	2,891,614	2,178,795
Board of Education	190,761	308,466	344,959	204,630	182,920	193,601	203,832	162,727	194,969	237,888
Administration	4,014,354	3,243,804	589,210	3,437,227	3,206,215	3,190,007	2,926,608	2,621,850	2,844,207	3,078,638
Fiscal	874,902	898,763	625,243	895,004	888,242	718,377	790,525	757,378	775,946	772,658
Business	325,643	249,977	94,905	195,897	174,113	135,626	272,987	131,172	154,022	165,412
Operation and Maintenance of Plant	3,988,666	4,598,614	1,944,026	3,349,576	3,160,807	3,095,214	3,063,508	2,590,459	3,280,303	3,587,482
Pupil Transportation	2,125,788	1,996,342	838,067	2,058,289	1,997,595	1,688,292	1,680,628	1,362,330	1,918,458	1,541,087
Central	950,666	871,834	301,687	718,953	524,488	390,519	234,488	806,153	1,330,662	1,358,070
Operation of Non-Instructional Services	3,247,340	3,421,467	2,571,647	3,373,837	3,039,467	2,725,322	2,473,124	2,732,734	2,855,443	2,697,028
Extracurricular Activities	1,479,342	1,293,630	626,236	1,362,308	1,111,967	1,129,613	959,167	974,228	1,065,669	1,178,272
Interest and Fiscal Charges	1,433,486	1,498,633	1,501,259	957,888	23,994	24,129	66,312	69,213	49,997	47,986
Total Primary Government Expenses	\$ 63,380,419	\$ 54,639,141	\$ 34,020,873	\$ 57,944,882	\$ 50,620,828	\$ 48,979,418	\$ 48,949,572	\$ 47,290,562	\$ 51,587,516	\$ 51,653,303
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 2,059,126	\$ 2,561,534	\$ 2,077,702	\$ 1,448,617	\$ 1,360,636	\$ 1,397,406	\$ 1,368,131	\$ 1,297,573	\$ 1,096,887	\$ 1,202,149
Operation and Maintenance of Plant	1,174	646	13,471	49,153	80,554	65,518	75,775	67,628	20,345	20,367
Operation of Non-Instructional Services	51,488	89,243	82,284	105,070	104,431	128,010	258,744	303,114	316,374	361,815
Extracurricular Activities	218,041	287,050	270,534	271,479	224,213	196,680	206,555	203,577	258,825	227,689
Operating Grants and Contributions	11,136,811	9,799,829	11,177,521	10,347,117	10,961,374	7,178,726	9,015,833	8,411,980	9,296,132	10,799,672
Total Governmental Activities Program Revenues	13,466,640	12,738,302	13,621,512	12,221,436	12,731,208	8,966,350	10,925,038	10,283,872	10,988,563	12,611,692
Total Primary Government Net Expense	\$ (49,913,779)	\$ (41,900,839)	\$ (20,399,361)	\$ (45,723,446)	\$ (37,889,620)	\$ (40,013,068)	\$ (38,024,534)	\$ (37,006,690)	\$ (40,598,953)	\$ (39,041,611)

Source: School District records

Sandusky City School District
Erie County, Ohio
General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Schedule 3

	2019	2019	2018	2017	2016	2015	2014 (1)	2013	2012	2011
Net (Expense) Revenue:										
<i>Total Primary Government Net Expense</i>	\$ (49,913,779)	\$ (41,900,839)	\$ (20,399,361)	\$ (45,723,446)	\$ (37,889,620)	\$ (40,013,068)	\$ (38,024,534)	\$ (37,006,690)	\$ (40,598,953)	\$ (39,041,611)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property and Other Local Taxes Levied For:										
General Purposes	\$ 19,111,641	\$ 19,053,400	\$ 19,438,510	\$ 17,187,235	\$ 19,740,487	\$ 19,124,841	\$ 17,374,591	\$ 18,220,036	\$ 16,789,561	\$ 17,233,827
Debt Service	1,707,766	1,888,813	1,770,975	1,339,894	0	0	0	0	0	0
Special Revenue Purposes	211,403	232,623	219,185	165,834	0	0	0	0	0	0
Capital Projects	809,172	820,602	839,651	744,731	855,061	835,589	762,374	823,323	873,259	901,848
Grants and Entitlements not Restricted										
to Specific Programs	22,489,251	24,468,154	22,872,601	22,807,488	22,033,603	23,814,431	19,486,593	18,461,183	19,270,871	19,484,412
Payments in Lieu of Taxes	2,271	43,950	20,490	31,517	34,951	41,219	100,209	102,072	96,880	96,184
Investment Earnings	601,232	980,444	390,086	67,359	19,599	7,666	26,696	9,650	40,283	64,347
Miscellaneous	428,681	580,149	853,556	387,671	597,022	1,195,035	1,491,820	589,425	377,483	111,656
Capital Contributions	0	0	0	35,207,198	0	0	0	0	0	0
<i>Total Governmental Activities</i>	<u>45,361,417</u>	<u>48,068,135</u>	<u>46,405,054</u>	<u>77,938,927</u>	<u>43,280,723</u>	<u>45,018,781</u>	<u>39,242,283</u>	<u>38,205,689</u>	<u>37,448,337</u>	<u>37,892,274</u>
<i>Total Primary Government</i>	<u>\$ 45,361,417</u>	<u>\$ 48,068,135</u>	<u>\$ 46,405,054</u>	<u>\$ 77,938,927</u>	<u>\$ 43,280,723</u>	<u>\$ 45,018,781</u>	<u>\$ 39,242,283</u>	<u>\$ 38,205,689</u>	<u>\$ 37,448,337</u>	<u>\$ 37,892,274</u>
Change in Net Position										
Governmental Activities	\$ (4,552,362)	\$ 6,167,296	\$ 26,005,693	\$ 32,215,481	\$ 5,391,103	\$ 5,005,713	\$ 1,217,749	\$ 1,198,999	\$ (3,150,616)	\$ (1,149,337)
<i>Total Primary Government</i>	<u>\$ (4,552,362)</u>	<u>\$ 6,167,296</u>	<u>\$ 26,005,693</u>	<u>\$ 32,215,481</u>	<u>\$ 5,391,103</u>	<u>\$ 5,005,713</u>	<u>\$ 1,217,749</u>	<u>\$ 1,198,999</u>	<u>\$ (3,150,616)</u>	<u>\$ (1,149,337)</u>

Source: School District records

Sandusky City School District
Erie County, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Schedule 4

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 (1)
General Fund										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	\$ 63,801	\$ 64,763	\$ 4,671	\$ 0	\$ 30,961	\$ 0	\$ 0	\$ 64,541	\$ 81,158	\$ 81,158
Assigned	2,669,162	1,546,763	120,547	304,845	318,814	192,021	208,268	1,816,219	344,766	106,107
Unassigned	4,317,590	7,252,256	7,612,818	6,030,338	6,364,340	1,873,657	(897,206)	(2,580,760)	(1,381,982)	281,266
Total General Fund	7,050,553	8,863,782	7,738,036	6,335,183	6,714,115	2,065,678	(688,938)	(700,000)	(956,058)	468,531
All Other Governmental Funds										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, Reported in:										
Special Revenue Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Permanent Funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	11,296	15,785	10,594	10,000	13,452	10,000	10,000	22,129	18,950	18,674
Restricted	13,867,720	30,989,911	42,045,745	39,634,666	1,995,607	1,776,592	2,080,963	1,203,970	1,674,006	1,686,944
Assigned	26,673	26,673	26,673	26,673	26,673	26,673	26,673	26,673	26,673	26,673
Unassigned (Deficit)	(246,393)	(162,908)	(294,611)	(328,622)	(27,891)	(7,969)	(165,951)	(181,927)	(153,132)	(107,390)
Total All Other Governmental Funds	13,659,296	30,869,461	41,788,401	39,342,717	2,007,841	1,805,296	1,951,685	1,070,845	1,566,497	1,624,901
Total Governmental Funds	\$ 20,709,849	\$ 39,733,243	\$ 49,526,437	\$ 45,677,900	\$ 8,721,956	\$ 3,870,974	\$ 1,262,747	\$ 370,845	\$ 610,439	\$ 2,093,432

(1) For fiscal year 2011, the School District implemented GASB 54 which changes governmental fund classifications. The School District has elected not to restate fund balance amounts for fiscal years prior to implementation.

Source: School District records

Sandusky City School District
Erie County, Ohio
Governmental Funds Revenues
Last Ten Fiscal Years (1)
(Modified Accrual Basis of Accounting)
Schedule 5

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property and Other Local Taxes	\$ 21,984,724	\$ 22,325,941	\$ 22,425,968	\$ 19,719,291	\$ 21,221,664	\$ 20,137,379	\$ 18,307,878	\$ 19,140,681	\$ 17,743,250	\$ 18,130,698
Intergovernmental	44,816,887	33,875,149	42,398,993	32,912,425	32,759,032	30,835,766	28,166,554	26,822,780	28,730,119	30,435,115
Revenue in Lieu of Taxes	20,117	23,240	20,490	31,517	34,951	41,219	100,209	102,072	96,880	96,184
Investment Earnings	598,921	975,834	416,541	67,017	19,599	8,975	26,696	15,592	38,593	64,347
Tuition and Fees	2,229,295	2,352,254	2,063,686	1,417,570	1,348,300	1,387,475	1,354,777	1,288,703	1,091,477	1,152,390
Extracurricular Activities	221,329	281,773	267,030	293,590	220,360	189,331	203,708	203,122	253,148	217,955
Rentals	10,843	10,363	0	0	0	0	0	0	0	0
Charges for Services	56,936	105,503	99,806	114,348	120,622	145,300	350,721	382,958	326,882	419,837
Contributions and Donations	423,555	613,894	340,837	142,994	150,000	200,000	100,000	0	0	0
Miscellaneous	525,905	485,789	584,112	373,496	627,639	1,049,217	1,557,868	685,108	483,921	253,178
Total Revenues	\$ 70,888,512	\$ 61,049,740	\$ 68,617,463	\$ 55,072,248	\$ 56,502,167	\$ 53,994,662	\$ 50,168,411	\$ 48,641,016	\$ 48,764,270	\$ 50,769,704

Source: School District records

Sandusky City School District
Erie County, Ohio
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
Schedule 6

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenditures:										
Current:										
Instruction	\$ 37,197,883	\$ 36,199,438	\$ 35,467,908	\$ 34,562,996	\$ 32,050,211	\$ 32,880,203	\$ 31,348,010	\$ 29,676,350	\$ 31,433,897	\$ 32,600,905
Support Services:										
Pupils	3,069,603	2,781,640	2,743,797	2,527,682	2,488,927	2,299,340	2,164,420	1,922,813	1,873,481	1,836,465
Instructional Staff	1,754,077	1,814,406	1,870,311	2,010,985	2,074,358	2,014,057	1,764,700	2,839,513	2,737,651	2,206,983
Board of Education	190,761	308,466	356,839	203,529	183,299	194,630	203,832	162,727	194,969	237,888
Administration	3,615,191	3,603,362	3,521,258	3,051,312	3,260,548	3,310,284	2,848,770	2,717,723	2,850,302	3,117,435
Fiscal	829,512	864,824	982,380	859,360	896,818	729,998	822,485	762,283	767,150	802,536
Business	275,998	236,786	190,215	187,197	175,532	138,848	273,063	131,178	154,978	156,735
Operation and Maintenance of Plant	3,438,225	3,676,774	3,240,959	3,268,133	3,151,264	3,155,450	3,056,465	2,927,716	3,243,341	3,543,944
Pupil Transportation	1,871,478	1,992,016	1,883,377	1,916,040	1,824,172	1,649,338	1,696,551	1,578,101	1,711,856	1,433,007
Central	812,306	794,326	645,043	625,776	481,530	383,971	629,014	1,581,951	1,335,052	1,332,429
Extracurricular Activities	1,367,627	1,403,424	1,343,161	1,264,795	1,118,836	1,166,587	1,047,831	1,141,822	1,057,148	1,169,547
Operation of Non-Instructional Services	3,073,266	3,412,419	3,081,942	3,296,384	3,012,464	2,759,075	2,508,004	2,812,178	2,846,582	2,678,475
Capital Outlay	30,900,166	11,905,228	6,940,545	453,540	776,465	548,266	607,530	273,498	463,250	412,540
Debt Service:										
Principal Retirement	355,000	345,000	975,000	116,922	135,966	136,731	240,057	284,554	203,714	192,320
Interest and Fiscal Charges	1,440,192	1,504,825	1,550,659	668,033	23,994	24,129	66,312	69,213	49,997	47,986
Total Expenditures	\$ 90,191,285	\$ 70,842,934	\$ 64,793,394	\$ 55,012,684	\$ 51,654,384	\$ 51,390,907	\$ 49,277,044	\$ 48,881,620	\$ 50,923,368	\$ 51,769,195
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	<i>(19,302,773)</i>	<i>(9,793,194)</i>	<i>3,824,069</i>	<i>59,564</i>	<i>4,847,783</i>	<i>2,603,755</i>	<i>891,367</i>	<i>(240,604)</i>	<i>(2,159,098)</i>	<i>(999,491)</i>
Debt Service as a Percentage of Noncapital Expenditures	3.04%	3.12%	4.39%	1.44%	0.31%	0.32%	0.65%	0.73%	0.50%	0.47%
Source: School District records										

Sandusky City School District
Erie County, Ohio
Other Financing Sources and Uses and Net Change in Fund Balances
Last Ten Fiscal Year
(Modified Accrual Basis of Accounting)
Schedule 7

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Financing Sources (Uses):										
Issuance of Bonds	22,634,051	0	0	34,150,000	0	0	0	0	0	0
Issuance of Lease Purchase Agreement	0	0	0	0	0	0	0	0	674,475	0
Payment to Refund Bond Escrow Agent	(24,538,936)	0	0	0	0	0	0	0	0	0
Proceeds from Sale of Assets	0	0	24,468	12,522	3,199	4,472	535	1,010	1,630	2,138
Bond Premiums	2,184,264	0	0	2,733,858	0	0	0	0	0	0
Transfers In	0	114,590	110,240	19,999,836	16,513	40,000	1,976	40,719	75,000	271,377
Transfers Out	0	(114,590)	(110,240)	(19,999,836)	(16,513)	(40,000)	(1,976)	(40,719)	(75,000)	(271,377)
<i>Total Financing Sources and (Uses)</i>	279,379	0	24,468	36,896,380	3,199	4,472	535	1,010	676,105	2,138
<i>Net Change in Fund Balance</i>	<u>\$ (19,023,394)</u>	<u>\$ (9,793,194)</u>	<u>\$ 3,848,537</u>	<u>\$ 36,955,944</u>	<u>\$ 4,850,982</u>	<u>\$ 2,608,227</u>	<u>\$ 891,902</u>	<u>\$ (239,594)</u>	<u>\$ (1,482,993)</u>	<u>\$ (997,353)</u>

Source: School District records

Sandusky City School District
Erie County, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years (1)
Schedule 8

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total		Direct Rate
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	
2020	\$ 445,778,720	\$ 0	\$ 24,480,490	\$ 470,259,210	\$ 1,301,472,225	\$ 86.45
2019	443,557,540	0	23,240,630	466,798,170	1,293,717,064	86.52
2018	439,938,320	0	21,783,450	461,721,770	1,319,205,058	86.57
2017	439,675,310	0	20,622,650	460,297,960	1,315,137,028	86.57
2016	434,803,970	0	24,933,580	459,737,550	1,313,535,857	82.03
2015	442,355,190	0	17,826,120	460,181,310	1,314,803,742	82.03
2014	443,263,180	0	16,854,120	460,117,300	1,314,620,858	82.03
2013	444,717,630	0	15,218,660	459,936,290	1,314,103,686	82.03
2012	470,895,600	0	14,018,140	484,913,740	1,385,467,829	76.91
2011	474,487,430	0	13,386,270	487,873,700	1,393,924,857	76.90

Source: County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method the county auditors maintain this information.

Note: The assessed value of real property (including public utility real property) is 35% of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, the 2 1/2% and the homestead exemptions before being billed. House Bill 66 phased out tangible personal property with the last collection during 2010. Telephone personal property was assessed at 5% for 2010 and eliminated in 2011.

Sandusky City School District
Erie County, Ohio
Direct and Overlapping Property Tax Rates
Last Ten Collection Years
Schedule 9

Calendar Year	District Direct Rates (1)	Overlapping Rates (1)		
		Erie County	City of Sandusky	Library
2020	\$ 86.45	\$ 7.60	\$ 5.18	\$ 1.50
2019	86.52	9.00	5.25	1.50
2018	86.57	9.10	5.25	1.50
2017	86.57	9.10	5.25	1.50
2016	82.03	9.10	5.25	1.50
2015	82.03	8.90	4.25	1.50
2014	82.03	8.80	4.25	1.50
2013	82.02	8.80	4.25	1.50
2012	76.91	8.80	4.25	1.50
2011	76.90	8.80	4.25	1.50

Source: Erie County Auditor

(1) - The components that make up the District Direct Rate were not available from the County Auditor, only the Total Direct Rate is available.

Sandusky City School District
Erie County, Ohio
Principal Property Taxpayers
Current and Nine Calendar Years Ago
Schedule 10

Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
December 31, 2019		
Cedar Fair	\$ 41,361,570	8.86%
Ohio Edison Company	13,303,410	2.85%
Norfolk & Western Railway Company	5,256,880	1.13%
American Transmissions Systems	5,114,100	1.10%
Columbia Gas of Ohio	4,824,590	1.03%
Fireland Regional Medical Center	4,198,910	0.90%
S&S Reality Ltd.	2,923,200	0.63%
Key Real Estate Ltd.	2,163,060	0.46%
Sandusky One LLC	2,155,510	0.46%
Myers Industries Inc.	2,075,980	0.44%
Totals	\$ 83,377,210	17.86%
Total Assessed Valuation	\$ 466,798,170	
December 31, 2010		
Cedar Fair LP	\$ 39,355,890	9.83%
Ohio Edison Company	9,524,510	2.38%
American Transmissions Systems	4,205,200	1.05%
Norfolk & Western Railway Company	1,890,540	0.47%
Fireland Regional Medical Center	4,401,000	1.10%
S&S Reality Ltd.	3,456,310	0.86%
Sandusky One LLC	2,170,020	0.54%
Myers Industries	2,306,800	0.58%
CNL Income Sandusky Marina	2,494,360	0.62%
Sandusky Limited	1,835,400	0.46%
Totals	\$ 71,640,030	17.89%
Total Assessed Valuation	\$ 400,482,525	

Source: Erie County Auditor

Sandusky City School District
Erie County, Ohio
Property Tax Levies and Collections
Last Ten Collection Years
Schedule 11

Calendar Year (1)	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Current Collections (2)	Percent of Levy		Total Collection	Percent of Levy
2019	\$ 26,862,866	\$ 24,076,381	89.63%	\$ 1,119,174	\$ 25,195,555	93.79%
2018	26,725,443	23,730,473	88.79%	1,301,382	25,031,855	93.66%
2017	26,786,094	24,784,097	92.53%	1,143,322	25,927,419	96.79%
2016	25,907,539	23,418,250	90.39%	1,077,727	24,495,977	94.55%
2015	25,790,953	22,562,329	87.48%	1,024,376	23,586,705	91.45%
2014	25,586,853	22,316,070	87.22%	1,208,385	23,524,455	91.94%
2013	25,624,152	22,180,851	86.56%	1,122,650	23,303,501	90.94%
2012	23,609,523	20,103,937	85.15%	819,623	20,923,560	88.62%
2011	20,271,460	18,904,661	93.26%	1,106,137	20,010,798	98.71%
2010	20,126,714	18,994,615	94.38%	1,132,099	20,126,714	100.00%

Source: Erie County Auditor.

(1) Represents collection year. 2019 information cannot be presented because all collections have not been made by June 30.

(2) State reimbursements of rollback and homestead exemptions are included.

Sandusky City School District
Erie County, Ohio
Outstanding Debt by Type
Last Ten Fiscal Years
Schedule 12

Fiscal Year	Governmental Activities		Debt Service Fund Balance	Net Bonded General Obligation Bonds	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Actual Value of Taxable Property (1)	Total Debt Outstanding	Percentage of Personal Income (1)	Net Debt Per Capita
	General Obligation Bonds	Capital Leases							
2020	\$ 35,517,382	\$ 0	\$ 1,648,334	\$ 33,869,048	\$ 1,313	2.60%	\$ 35,517,382	0.77%	\$ 1,377
2019	35,547,895	0	1,379,197	34,168,698	1,325	2.64%	35,547,895	0.76%	1,378
2018	35,897,929	0	1,312,883	34,585,046	1,341	2.62%	35,897,929	0.75%	1,392
2017	36,883,858	0	2,000,011	34,883,847	1,352	2.65%	36,883,858	1.06%	1,430
2016	0	116,922	0	0	0	0.00%	116,922	0.00%	5
2015	0	252,888	0	0	0	0.00%	252,888	0.01%	10
2014	0	389,619	0	0	0	0.00%	389,619	0.01%	15
2013	0	629,676	0	0	0	0.00%	629,676	0.02%	24
2012	0	914,230	0	0	0	0.00%	914,230	0.03%	35
2011	0	443,469	0	0	0	0.00%	443,469	0.02%	17

Source: School District Records

(1) On the calendar year basis

Sandusky City School District
Erie County, Ohio
Direct and Overlapping General Obligation Bonded Debt
as of June 30, 2020
Schedule 13

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Application to School District
Direct:			
Sandusky City School District	\$ 32,469,051	100.00%	\$ 32,469,051
Overlapping:			
Erie County	9,121,538	21.63%	1,972,989
Sandusky City	10,185,000	100.00%	10,185,000
Total Overlapping	19,306,538		12,157,989
Total	\$ 51,775,589		\$ 44,627,040

Source: Ohio Municipal Advisory Council.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

Sandusky City School District
Erie County, Ohio
Legal Debt Margin Information
June 30, 2020
Schedule 14

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed Valuation (2)	<u>\$ 470,259,210</u>	<u>\$ 466,798,170</u>	<u>\$ 461,721,770</u>	<u>\$ 460,297,960</u>	<u>\$ 459,737,550</u>	<u>\$ 460,181,310</u>	<u>\$ 460,117,300</u>	<u>\$ 459,936,290</u>	<u>\$ 484,913,740</u>	<u>\$ 487,873,700</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 42,323,329	\$ 42,011,835	\$ 41,554,959	\$ 41,426,816	\$ 41,376,380	\$ 41,416,318	\$ 41,410,557	\$ 41,394,266	\$ 43,642,237	\$ 43,908,633
Outstanding debt:										
General Obligation Bonds	35,517,382	35,547,895	35,897,929	36,883,858	0	0	0	0	0	0
Less Amount Available in Debt Service Fund	<u>(1,648,334)</u>	<u>(1,379,197)</u>	<u>(1,312,883)</u>	<u>(2,000,011)</u>	0	0	0	0	0	0
Total	<u>33,869,048</u>	<u>34,168,698</u>	<u>34,585,046</u>	<u>34,883,847</u>	0	0	0	0	0	0
Amount of Debt Subject to Debt Limit:	<u>33,869,048</u>	<u>34,168,698</u>	<u>34,585,046</u>	<u>34,883,847</u>	0	0	0	0	0	0
Overall Debt Margin	<u>\$ 8,454,281</u>	<u>\$ 7,843,137</u>	<u>\$ 6,969,913</u>	<u>\$ 6,542,969</u>	<u>\$ 41,376,380</u>	<u>\$ 41,416,318</u>	<u>\$ 41,410,557</u>	<u>\$ 41,394,266</u>	<u>\$ 43,642,237</u>	<u>\$ 43,908,633</u>
Legal Debt Margin as a Percentage of Debt Limit	20%	19%	17%	16%	100%	100%	100%	100%	100%	100%
Bonded Debt Limit - .1% of Assessed Value (1)	\$ 470,259	\$ 466,798	\$ 461,722	\$ 460,298	\$ 459,738	\$ 460,181	\$ 460,117	\$ 459,936	\$ 484,914	\$ 487,874
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$ 470,259</u>	<u>\$ 466,798</u>	<u>\$ 461,722</u>	<u>\$ 460,298</u>	<u>\$ 459,738</u>	<u>\$ 460,181</u>	<u>\$ 460,117</u>	<u>\$ 459,936</u>	<u>\$ 484,914</u>	<u>\$ 487,874</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Sources: Erie County Auditor and School District Financial Records.

(1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

(2) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

Sandusky City School District
Erie County, Ohio
Demographic and Economic Statistics
Last Ten Years
Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars (2))	Per Capita Personal Income (3)	Unemployment Rate (4)
2020	24,564	\$ 4,591,197	\$ 61,821	5.2%
2019	25,793	4,670,236	62,591	4.0%
2018	25,793	4,799,998	64,157	5.0%
2017	25,793	3,471,576	46,222	5.9%
2016	25,793	3,723,307	49,283	5.0%
2015	25,793	3,260,811	43,003	6.2%
2014	25,793	3,201,413	42,097	7.5%
2013	25,793	3,112,036	40,735	7.3%
2012	25,793	2,928,925	38,161	8.7%
2011	25,793	2,786,959	36,177	10.4%

Sources:

- (1) Population estimates provided by the U.S. Census Bureau
- (2) Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie County
- (3) Per Capita Personal income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie County
- (4) Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information - Annual Average for Erie County

Sandusky City School District
Erie County, Ohio
Major Employers (1)
Current and Nine Calendar Years Ago
Schedule 16

Major Employers	Type	2019	
		Number of Employees	Percentage of Total Employment
Cedar Fair L.P./Magnum	Entertainment	5,000	14.12%
Ventra (was ACH)	Automotive	1,935	5.47%
Firelands Regional Medical Center	Hospital	1,731	4.89%
Klahari Resort	Entertainment	1,196	3.38%
Erie Caounty	Government	1,052	2.97%
International Automotive Components	Automotive	684	1.93%
Ohio Veterans Home	Health Care Facility	598	1.69%
Sandusky City School District	Education	480	1.36%
JBT Corporation	Food Equipment	369	1.04%
Freudenberg-NOK	Packaging Facility	260	0.73%
Total		13,305	37.58%
Total County Civilian Workforce		35,400	

Major Employers	Type	2010	
		Number of Employees	Percentage of Total Employment
Cedar Fair L.P./Magnum	Entertainment	4,850	12.73%
Ventra (was ACH)	Automotive	646	1.70%
Firelands Regional Medical Center	Hospital	1,902	4.99%
Klahari Resort	Entertainment	1,200	3.15%
Erie Caounty	Government	863	2.27%
International Automotive Components	Automotive	530	1.39%
Ohio Veterans Home	Health Care Facility	600	1.57%
Sandusky City School District	Education	614	1.61%
Kyklos Bearing International	Automotive	812	2.13%
Walmart	Retail	300	0.79%
Total		12,317	32.33%
Total County Civilian Workforce		38,100	

Source: Erie County Economic Development Corporation Bureau of Labor Statistics.

(1) - Major Employers for all of Erie County.

Sandusky City School District
Erie County, Ohio
Certified Staff Training
Last Ten Fiscal Years
Schedule 17

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Certified Staff Training										
Bachelors Degree	31	35	40	35	30	21	18	13	15	19
Bachelors Degree +12	18	19	20	18	11	10	8	7	10	16
Bachelors Degree +24	34	30	15	41	37	38	36	43	52	64
Masters Degree	42	48	73	62	54	63	66	69	88	100
Masters Degree +12	53	52	35	59	51	55	55	58	54	62
Masters Degree +24	77	73	90	88	76	72	68	68	60	67
Total Certified Staff Training	255	257	273	303	259	259	251	258	279	328

Source: School District records

Sandusky City School District
Erie County, Ohio
School District Employees by Function/Program
Last Ten Fiscal Years
Schedule 18

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration:	34	35	30	32	28	28	26	26	27	27
Adult Education:	6	6	7	4	5	5	5	5	6	6
Certified Staff:										
Teaching Staff:										
Preschool	7	7	7	7	6	7	5	5	5	5
Elementary School K-6	117	119	128	120	120	119	107	107	107	128
Jr. High School 7-8	31	31	32	35	29	28	34	34	40	34
High School 9-12	62	62	61	66	63	54	61	66	82	92
Tutors	13	13	21	20	15	13	13	15	15	27
Others	7	7	0	0	9	22	15	15	12	27
Auxiliary Positions:										
Counselors	7	7	7	7	7	7	7	7	8	9
Speech Therapists	7	7	6	6	6	6	6	6	6	4
Psychologists	4	4	4	6	4	3	3	3	4	4
Total Certified Staff	255	257	266	267	259	259	251	258	279	330
Support Staff:										
Secretarial	32	32	37	37	26	30	36	32	31	32
Teacher Aides	58	60	55	50	50	52	39	39	40	50
Technical	3	3	1	1	1	2	1	1	1	1
Cafeteria Workers	29	29	27	25	25	25	23	23	29	30
Custodial	26	26	23	25	23	22	21	22	24	29
Maintenance	4	4	3	4	4	4	4	4	4	4
Bus Driver	26	26	26	28	25	26	30	31	32	30
Mechanics	2	2	2	2	2	1	1	1	2	2
Total Support Staff	180	182	174	172	156	162	155	153	163	178
Totals	475	480	477	475	448	454	437	442	475	541

Source: School District Records.

Sandusky City School District
Erie County, Ohio
Per Pupil Cost
Last Ten Fiscal Years
Schedule 19

Year	Enrollment	Operating Expenditures (1)	Expenses (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage	% Students Receiving Reduced or No Cost Lunches
2020	3,234	\$ 57,495,927	\$ 63,380,419	\$ 17,779	0.28%	255	13	94.50%	100.00%
2019	3,220	57,087,881	54,639,141	17,729	20.33%	257	13	92.40%	100.00%
2018	3,755	55,327,190	34,020,873	14,734	3.03%	303	12	93.20%	100.00%
2017	3,760	53,774,189	57,944,882	14,302	9.33%	303	12	95.80%	100.00%
2016	3,877	50,717,959	50,620,828	13,082	-13.12%	259	15	94.30%	100.00%
2015	3,366	50,681,781	48,979,418	15,057	2.32%	259	13	94.30%	100.00%
2014	3,291	48,429,457	48,949,572	14,716	17.39%	251	13	93.90%	77.73%
2013	3,855	48,323,568	47,290,562	12,535	-4.94%	258	15	94.20%	76.34%
2012	3,811	50,256,404	51,587,516	13,187	-12.37%	279	14	93.70%	69.77%
2011	3,400	51,164,335	51,653,303	15,048	#REF!	330	10	93.70%	68.32%

Source: School District Financial Records, Ohio Department of Education

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6.

(2) - Expenses is Total Expenses from Schedule 2.

(3) - Operating Expenditure by Enrollment.

Sandusky City School District
Erie County, Ohio
Building Enrollment and Capacity
Last Ten Fiscal Years
Schedule 20

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Hancock Elementary										
Constructed in 1923 with an addition in 1928, 1931, 1949, & 1966										
Total Building Square Footage	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223	47,223
Enrollment	403	403	423	485	496	462	409	343	349	327
Student Capacity	525	525	525	525	525	525	525	525	525	525
Percentage of Capacity (1)	76.8%	76.8%	80.6%	92.4%	94.5%	88.0%	77.9%	65.3%	66.5%	62.3%
Mills Elementary										
Constructed in 1939 with an addition in 1991										
Total Building Square Footage	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605	38,605
Enrollment	364	364	378	412	424	390	371	316	305	333
Student Capacity	475	475	475	475	475	475	475	475	475	475
Percentage of Capacity	76.6%	76.6%	79.6%	86.7%	89.3%	82.1%	78.1%	66.5%	64.2%	70.1%
Ontario Elementary (3)										
Constructed in 1952 with additions in 1968										
Total Building Square Footage	0	0	0	42,347	42,347	42,347	42,347	42,347	42,347	42,347
Enrollment	0	0	0	396	420	440	452	429	422	415
Student Capacity	0	0	0	500	500	500	500	500	500	500
Percentage of Capacity	0.0%	0.0%	0.0%	79.2%	84.0%	88.0%	90.4%	85.8%	84.4%	83.0%
Osborn Elementary										
Constructed in 1952 with additions in 1968										
Total Building Square Footage	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842	43,842
Enrollment	353	353	353	383	384	371	380	374	385	340
Student Capacity	375	375	375	375	375	375	375	375	375	375
Percentage of Capacity	94.1%	94.1%	94.1%	102.1%	102.4%	98.9%	101.3%	99.7%	102.7%	90.7%
Venice Heights Elementary										
Constructed in 1970										
Total Building Square Footage	43,740	43,740	43,740	43,740	43,740	43,740	43,740	43,740	43,740	43,740
Enrollment	282	282	279	345	390	399	403	363	402	408
Student Capacity	550	550	550	550	550	550	550	550	550	550
Percentage of Capacity	51.3%	51.3%	50.7%	62.7%	70.9%	72.5%	73.3%	66.0%	73.1%	74.2%
Adams Jr. High										
Constructed in 1867 with additions in 1914 and 1977										
Total Building Square Footage	91,935	91,935	91,935	91,935	91,935	91,935	91,935	91,935	91,935	91,935
Enrollment	348	348	367	(2)	(2)	(2)	(2)	(2)	444	450
Student Capacity	500	500	500	(2)	(2)	(2)	(2)	(2)	500	500
Percentage of Capacity	69.6%	69.6%	73.4%	(2)	(2)	(2)	(2)	(2)	88.8%	90.0%

Source: School District Records

(1) - Enrollment divided by Capacity

(2) - School was closed

(3) - School was demolished in 2018 as part of the new construction project.

Sandusky City School District
Erie County, Ohio
Building Enrollment and Capacity
Last Ten Fiscal Years
Schedule 20

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Jackson Jr. High										
Constructed in 1898 with additions in 1927 and 1937										
Total Building Square Footage	86,994	86,994	86,994	86,994	86,994	86,994	86,994	86,994	86,994	86,994
Enrollment	102	102	102	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Student Capacity	500	500	500	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Percentage of Capacity	20.4%	20.4%	20.4%	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Sandusky High School										
Constructed in 1957 with additions in 1967, 1970, 1973, and 2019										
Total Building Square Footage	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000
Enrollment	725	725	848	1,323	1,219	1,304	1,276	1,170	861	1,119
Student Capacity	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Percentage of Capacity	32.2%	32.2%	37.7%	58.8%	54.2%	58.0%	56.7%	52.0%	38.3%	49.7%

Source: School District Records

(1) - Enrollment divided by Capacity

(2) - School was closed

(3) - School was demolished in 2018 as part of the new construction project.

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

SINGLE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

Sandusky City School District
Erie County, Ohio
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March 1, 2021

To the Board of Education and Management
Sandusky City School District
Erie County, Ohio
407 Decatur Street
Sandusky, OH 44870

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sandusky City School District, Erie County, Ohio (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 1, 2021, in which we noted that the financial impact of COVID-19 and the ensuing emergency measures will continue to impact subsequent periods of the School District.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Medina, Ohio

March 1, 2021

To Board of Education and Management
Sandusky City School District
Erie County, Ohio
407 Decatur Street
Sandusky, OH 44870

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Report on Compliance for Each Major Federal Program

We have audited the Sandusky City School District's, Erie County, Ohio (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Sandusky City School District, Erie County, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise School District's basic financial statements. We issued our report thereon dated March 1, 2021, which contained unmodified opinions on those financial statements. In that report we noted that the financial impact of COVID-19 and the ensuing emergency measures will continue to impact subsequent periods of the School District. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hea & Associates, Inc.

Medina, Ohio

Sandusky City School District
Erie County, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Year	Federal Disbursements	Passed Through to Subrecipients
U.S. Department of Education				
<i>Direct Program</i>				
<i>Student Financial Aid Cluster</i>				
Federal Pell Grant Program	84.063	2019	\$ 4,623	\$ 0
Federal Pell Grant Program	84.063	2020	424,867	0
Federal Direct Student Loans	84.268	2020	831,572	0
<i>Total Student Financial Aid Cluster</i>			1,261,062	0
<i>Passed Through Ohio Board of Regents:</i>				
Adult Education - Basic Grants to States	84.002	2019	14,893	0
Adult Education - Basic Grants to States	84.002	2020	79,689	0
<i>Total Adult Education - Basic Grants to States</i>			94,582	0
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	2019	356,187	0
Title I Grants to Local Educational Agencies	84.010	2020	1,447,901	0
<i>Total Title I</i>			1,804,088	0
<i>Special Education Cluster</i>				
IDEA-B	84.027	2019	137,666	0
IDEA-B	84.027	2020	674,518	0
<i>Total IDEA-B</i>			812,184	0
Preschool Grants	84.173	2019	3,058	0
Preschool Grants	84.173	2020	14,134	0
Preschool Grants - Restoration 6B	84.173	2020	3,661	0
<i>Total Preschool Grants</i>			20,853	0
<i>Total Special Education Cluster</i>			833,037	0
Career and Technical Education - Basic Grants to States	84.048	2019	36,058	0
Career and Technical Education - Basic Grants to States	84.048	2020	93,174	0
<i>Total Career and Technical Education</i>			129,232	0
Title II-A Improving Teacher Quality	84.367	2019	50,770	0
Title II-A Improving Teacher Quality	84.367	2020	158,504	0
<i>Total Title II-A Improving Teacher Quality</i>			209,274	0
Title IV-A - Student Support and Academic Enrichment	84.424	2019	2,457	0
Title IV-A - Student Support and Academic Enrichment	84.424	2020	84,949	0
<i>Total Title IV-A - Student Support and Academic Enrichment</i>			87,406	0
Title V-B Rural and Low Income	84.358	2020	53,503	0
Total U.S. Department of Education			4,472,184	0
U. S. Department of Agriculture				
(Passed Through Ohio Department of Education):				
<i>Child Nutrition Cluster:</i>				
<i>Non-Cash Assistance (Food Distribution):</i>				
School Breakfast Program	10.553	2020	62,083	0
National School Lunch Program	10.555	2020	144,202	0
<i>Non-Cash Assistance Subtotal:</i>			206,285	0
<i>Cash Assistance:</i>				
School Breakfast Program	10.553	2020	296,106	0
School Breakfast Program - COVID	10.553	2020	142,700	0
National School Lunch Program	10.555	2020	733,969	0
National School Lunch Program - COVID	10.555	2020	285,259	0
<i>Cash Assistance Subtotal:</i>			1,458,034	0
<i>Total Child Nutrition Cluster</i>			1,664,319	0
Child and Adult Care Food Program	10.558	2020	40,395	0
Child and Adult Care Food Program - COVID	10.558	2020	2,155	0
<i>Child and Adult Care Food Program Subtotal:</i>			42,550	0
Total U.S. Department of Agriculture			1,706,869	0
Total Federal Assistance			\$ 6,179,053	\$ 0

See accompanying notes to schedule of expenditures of federal awards.

Sandusky City School District
Erie County, Ohio
Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Fiscal Year Ended June 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Sandusky City School District (the School District) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

The School District reports commodities consumed on the Schedule at the entitlement value. The School District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE F - FEDERAL DIRECT LOAN PROGRAM

The School District participates in the William D. Ford Federal Direct Loan Program. The School District originates the loans which are then funded through the U.S. Department of Education.

Federal Subsidized Loans	\$ 361,262
Federal Unsubsidized Loans	470,310
Total Federal Direct Student Loans	<u>\$ 831,572</u>

Sandusky City School District
Erie County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
June 30, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None reported
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None reported
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): Special Education Cluster Nutrition Cluster	CFDA # 84.027/84.173 10.553/10.555
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

Sandusky City School District
Erie County, Ohio
Schedule of Findings and Questioned Costs (Continued)
2 CFR Section 200.515
June 30, 2020

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

Material Non-Compliance – Budgeting Procedures

Criteria: Ohio Rev. Code section 5705.39 states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official certificate or amended official certificate. When the appropriation does not exceed such official certificate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

Condition: The School District had final appropriations exceeding the certified estimated resources for the following funds:

	Total Estimated Resources	Final Appropriations	Excess
Debt Service	\$ 3,180,693	\$ 27,426,717	\$ 24,246,024

Cause: The School District did not include the proceeds from a bond refunding in the certificate of estimated resources. Since the proceeds are considered to be automatically appropriated upon Board approval this resulted in appropriations exceeding estimated resources

Potential Effect: Failure to monitor budgetary expenditures and appropriations could result in unauthorized expenditures.

Recommendation: Ensure all bond issuances are properly accounted for within the budgetary system.

Management’s Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.



Sandusky City Schools

407 Decatur Street • Sandusky, Ohio 44870-2442 • 419-984-1005

Jeff M. Hall
Treasurer/CFO

Sandusky City School District
Erie County, Ohio
Corrective Action Plan
2 CFR Section 200.511(c)
June 30, 2020

Finding Number:	2020-001
Planned Corrective Action:	This was a one time occurrence due to a bond refunding. We will ensure all refundings are properly reflected within the budgetary system going forward.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Jeff Hall, Treasurer

OHIO AUDITOR OF STATE KEITH FABER



SANDUSKY CITY SCHOOL DISTRICT

ERIE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/6/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov