

**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
Sandusky City School District
407 Decatur Street
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of the Sandusky City School District, Erie County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. 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

January 19, 2024

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY
FOR THE YEAR ENDED JUNE 30, 2023**

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**SANDUSKY CITY SCHOOL DISTRICT
ERIE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Assistance Listing Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
School Breakfast Program	3L70	10.553	\$52,166
National School Lunch Program	3L60	10.555	<u>168,319</u>
Total Non-Cash Assistance:			220,485
Cash Assistance:			
School Breakfast Program	3L70	10.553	520,066
National School Lunch Program	3L60	10.555	1,415,307
COVID-19 National School Lunch Program	3L60	10.555	<u>80,436</u>
Total National School Lunch Program			1,495,743
Total Child Nutrition Cluster			<u>2,236,294</u>
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative	3HF0	10.649	3,135
Child and Adult Care Food Program	3L80	10.558	<u>89,724</u>
Total U.S. Department of Agriculture			<u>2,329,153</u>
U.S. DEPARTMENT OF EDUCATION			
Direct Assistance:			
COVID-19 Higher Education Emergency Relief Fund - Student Aid Portion	N/A	84.425E	127,029
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	N/A	84.425F	218,172
Passed Through Ohio Department of Education:			
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund			
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Round II	3HS0	84.425U	3,107,722
Total Education Stabilization Fund	3HZ0	84.425W	<u>34,461</u>
			3,487,384
Direct Assistance:			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	N/A	84.063	284,747
Federal Direct Student Loans	N/A	84.268	<u>524,828</u>
Total Student Financial Assistance Cluster			809,575
Passed Through Ohio Board of Regents:			
Adult Education - Basic Grants to States	3120	84.002	118,151
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	3M20	84.027	1,005,235
COVID-19 Special Education-Grants to States	3IA0	84.027X	104,974
Special Education-Preschool Grants	3C50	84.173	11,682
COVID-19 Special Education-Preschool Grants	3IA0	84.173X	<u>9,436</u>
Total Special Education Cluster			1,131,327
Career and Technical Education - Basic Grants to States	3L90	84.048	124,844
English Language Acquisition State Grants	3Y70	84.365	4,023
Title I Grants to Local Educational Agencies	3M00	84.010	1,983,996
Student Support and Academic Enrichment Program	3H10	84.424	123,805
Supporting Effective Instruction State Grants	3Y60	84.367	116,802
Title V-B Rural Education	3Y80	84.358	<u>112,575</u>
Total U.S. Department of Education			<u>8,012,482</u>
FEDERAL COMMUNICATIONS COMMISSION			
Direct Award:			
Emergency Connectivity Fund Program	N/A	32.009	77,448
Total Federal Communications Commission			<u>77,448</u>
Total Expenditures of Federal Awards			<u><u>\$10,419,083</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

**SANDUSKY CITY SCHOOL DISTRICT
 ERIE COUNTY
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 2 CFR 200.510(b)(6)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 fiscal year ended June 30, 2023. 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 or changes in net position 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 Uniform Guidance 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.

ALN	Program Name	Amount
84.268	Federal Subsidized Loans	\$187,526
84.268	Federal Unsubsidized Loans	337,302
	Total Federal Direct Student Loans	<u>\$524,828</u>

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

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

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 the Sandusky City School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 27, 2023.

Required by Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Required by Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 27, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sandusky City School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 27, 2023

**SANDUSKY CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Child Nutrition Cluster
Special Education Cluster
Education Stabilization Fund -ALN’s 84.425E, 84.425F, 84.425U and 84.425W

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None



**SANDUSKY CITY SCHOOL DISTRICT
 SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
 2 CFR 200.511(b)
 JUNE 30, 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Student Financial Assistance Cluster-Special Tests and Provisions-Enrollment Reporting.	Fully Corrected	N/A
2022-002	Higher Education Emergency Relief Fund-Reporting.	Fully Corrected	N/A

Annual Comprehensive Financial Report

for the year ended June 30, 2023



**Sandusky City Schools
Erie County, Ohio**

SANDUSKY CITY SCHOOL DISTRICT ERIE COUNTY, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:
Yvonne Anderson, CFO/Treasurer
And Treasurer's Office Staff

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INTRODUCTORY SECTION



Sandusky City Schools

407 Decatur Street, Sandusky, OH 44870-2442 • 419-984-1005 • www.scs-kl2.net

Office of the Treasurer/CFO

Yvonne Anderson

December 27, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the Sandusky City School District (the "School District") for the fiscal year ended June 30, 2023 is hereby submitted. This report was prepared by the Treasurer's Office in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and includes an unmodified opinion from the Auditor of State. Responsibility for accurate, complete, and fair representation of data, including all disclosures, rests with the District. This report will provide the taxpayers of the Three Rivers Local School District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions, and other interested parties.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

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, 2023 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Copies of this report will be widely available through the District's and the Auditor of State of Ohio website. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties as needed. It is located at www.ohioauditor.gov, in the Audit Search section of the website.

THE REPORTING ENTITY AND SERVICES PROVIDED

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, college, gifted, special education and vocational levels. The District offers a broad range of co-curricular and extra-curricular activities in the areas of academics, athletics, music, and clubs.

THE DISTRICT AND ITS FACILITIES

The School District operates 1 pre-K to K school, 1 first to second grade school, 1 third to sixth grade school, 1 middle school, and 1 comprehensive high school. The School District operates under current standards as prescribed by the State of Ohio Board of Education, as provided in Division (D) of Section 3301.07 and Section 110.01 of the Ohio Revised Code.

The School District ranks as 128th 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 (2022-2023), the average daily membership (ADM) was 3,183 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 436 full time and 52 part time employees. The School District employs 260 certified staff members and 36 administrators. Additionally, the School District employs 6 full-time adult education instructors and 187 full-time and part-time non-teaching staff members.

<i>Constructed</i>	<i>School</i>	<i>Enrollment</i>
1957	Sandusky High School	1,182
1867	Adams Jr. High- RCAAS	104
1898	Jackson Jr. High-Digital Academy	355
2020	Sandusky Primary	433
2020	Sandusky Intermediate	753
2021	Sandusky Early Learning Academy	356

See schedule 20 for additional information (age, capacity, etc.) on the District's school buildings.

SERVICES PROVIDED

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.

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.

EMPLOYEE RELATIONS

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2022-2023 school year) for a teacher with a bachelor's degree is \$41,617, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 35 years of experience is \$96,196.

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, 2024.

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, 2025.

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.

ECONOMIC CONDITION AND OUTLOOK

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 Erie County unemployment rate in June of 2023 was 3.8%, compared with state and national unemployment rates of 3.4% and 3.6% 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.

RELEVANT FINANCIAL POLICIES AND 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 recently completed construction of three new school buildings for grades PK-K, 1-2, and 3-6. The PK-K building was opened during the 2021-2022 school year. The 1-2 and 3-6 buildings opened in the 2020-2021 school year.

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 CURRENT AND FUTURE INITIATIVES

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 2022-2023 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 has increased since the program opening.

Major Initiatives for the Future

The School District will continue to upgrade all areas of technology 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 program offered by the School District.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. The Budgetary basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

All funds, other than the custodial funds, are legally required to be budgeted and appropriated. The legal level of control has been established by the Board at the fund level. At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. Appropriations are monitored, changed, and amended/adopted continually.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the individual administrators/supervisors and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the required supplementary information.

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 fiscal year 2017, 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.

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg & Associates, Inc. performed the audit for the fiscal year which ended June 30, 2023. The auditor's unmodified opinion rendered on the District's basic financial statements is included in the financial section of this Annual Comprehensive Financial Report.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

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 annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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.

ASBO Certificate of Excellence in Financial Reporting

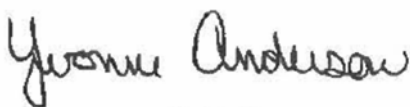
The School District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the School District's annual comprehensive financial report for the fiscal year ended June 30, 2022. The award is granted only after 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.

ACKNOWLEDGEMENTS

The preparation of the ACFR 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, Plattenburg & 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 Plattenburg & 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,



Treasurer & CFO



Superintendent & CEO

SANDUSKY CITY SCHOOL DISTRICT ERIE COUNTY, OHIO

LIST OF PRINCIPAL OFFICERS JUNE 30, 2023

<u>Name</u>	Board of Education		Vocation in Private Life
	Began Service as a Board Member <u>January 1</u>	Present Term Expires <u>December 31</u>	
Ms. Ebony Sizemore	2020	2023	Nurse
Mrs. Martha Murray*	2012	2023	Homemaker
Mr. Thomas Patterson**	2014	2023	Businessman
Mrs. Jennifer Chapman	2022	2025	Homemaker
Mrs. Shelisa Johnson	2023+	2023	Probation Officer

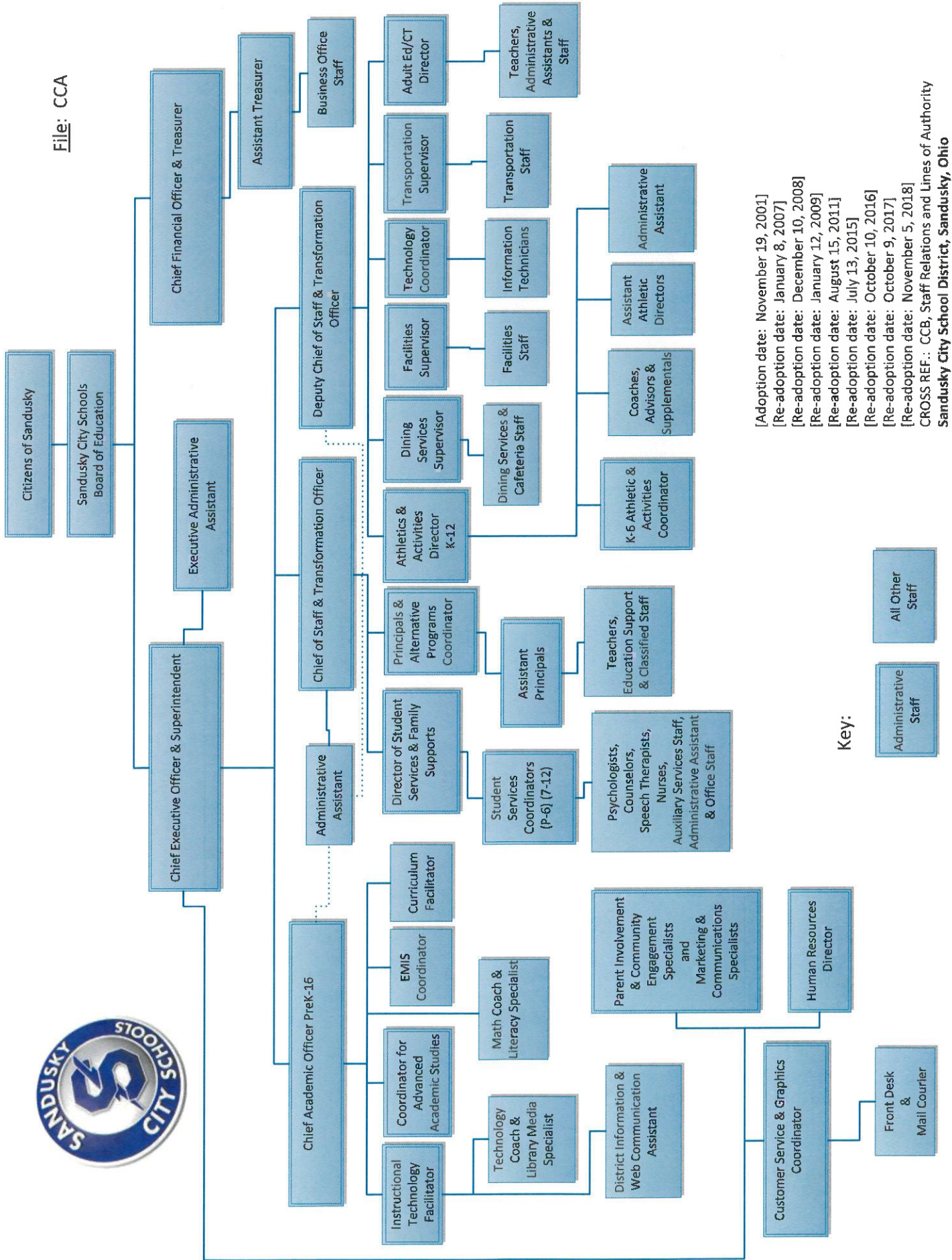
** President

* Vice President

+ Appointed to fill unexpired term due to a resignation

Central Office Administrative Staff

Mr. Dan Rambler	Superintendent/CEO
Mrs. Yvonne Anderson	Treasurer/CFO
Mr. Dennis Muratori	Chief of Staff/Transformation Officer
Dr. Tracey Reed (Resigned February 2023)	Chief Academic Officer
Mr. Zachary Meyers	Assistant Treasurer
Mrs. Christine Stark	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
Mrs. Jerralina Shafrath	Transportation Supervisor
Mr. Kevin Toms	Supervisor of Building Services
Mrs. Christine Norwell-Fisher	Interim- Chief Academic Officer



- [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]

Key:



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

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 Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are 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 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 nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 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 District's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 27, 2023

Sandusky City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

The discussion and analysis of Sandusky City School District, Ohio's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- Net Position of governmental activities increased \$775,597 which represents a 3% increase from 2022.
- General revenues accounted for \$45,341,438 in revenue or 72% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$17,991,582 or 28% of total revenues of \$63,333,020.
- The District had \$62,557,423 in expenses related to governmental activities; \$17,991,582 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$45,341,438 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Government-wide Financial Statements 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, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

These two statements report the District's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities. The District's programs and services include instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds are presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The District as a Whole

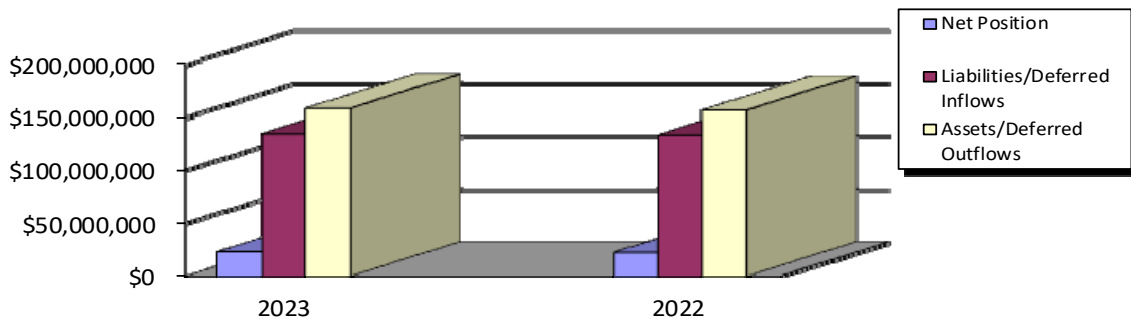
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2023 compared to 2022:

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Sandusky City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Table 1
 Net Position

	Governmental Activities	
	2023	2022
Assets:		
Current and Other Assets	\$63,533,423	\$62,199,518
Net OPEB Asset	4,642,210	3,908,100
Capital Assets	76,359,894	76,724,046
Total Assets	144,535,527	142,831,664
Deferred Outflows of Resources:		
OPEB	1,268,894	1,361,462
Pension	12,395,834	12,227,987
Total Deferred Outflows of Resources	13,664,728	13,589,449
Liabilities:		
Other Liabilities	8,428,721	8,904,085
Long-Term Liabilities	92,378,368	72,280,858
Total Liabilities	100,807,089	81,184,943
Deferred Inflows of Resources:		
Property Taxes	20,913,356	19,804,292
Revenue in Lieu of Taxes	0	19,754
OPEB	7,281,318	7,059,225
Pension	5,575,903	25,505,907
Total Deferred Inflows of Resources	33,770,577	52,389,178
Net Position:		
Net Investment in Capital Assets	43,408,024	43,232,957
Restricted	28,728,513	22,842,484
Unrestricted	(48,513,948)	(43,228,449)
Total Net Position	\$23,622,589	\$22,846,992



Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2023, the District’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,622,589.

Sandusky City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

At year-end, capital assets represented 53% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2023, was \$43,408,024. These capital assets are used to provide services to the students and are not available for future spending. Although the 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 District’s net position, \$28,728,513 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets decreased mainly due to current year additions being less than current year depreciation expense. Long-Term Liabilities increased mainly due to an increase in Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2023 and 2022.

Table 2
Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues:		
Program Revenues		
Charges for Services	\$2,985,942	\$2,112,102
Operating Grants, Contributions	15,005,640	12,256,249
Capital Grants, Contributions	0	25,822
General Revenues:		
Property Taxes	21,906,543	24,459,852
Grants and Entitlements	19,953,537	22,081,926
Other	3,481,358	1,103,029
Total Revenues	63,333,020	62,038,980
Program Expenses:		
Instruction	36,210,492	30,477,691
Support Services:		
Pupil and Instructional Staff	6,568,275	5,068,728
School Administrative, General		
Administration, Fiscal, and Business	5,842,523	4,974,839
Operations and Maintenance	5,005,864	4,298,728
Pupil Transportation	2,040,183	2,621,630
Central	819,271	1,029,747
Operation of Non-Instructional Services	3,339,124	3,013,604
Extracurricular Activities	1,642,731	1,473,162
Interest and Fiscal Charges	1,088,960	1,383,757
Total Program Expenses	62,557,423	54,341,886
Change in Net Position	775,597	7,697,094
Net Position - Beginning of Year	22,846,992	15,149,898
Net Position - End of Year	\$23,622,589	\$22,846,992

Sandusky City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

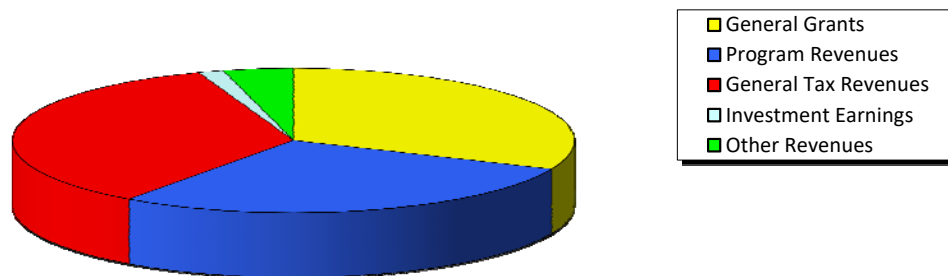
The District revenues are mainly from two sources. Property taxes levied for general, special revenue purposes, debt service, and capital project purposes and grants and entitlements comprised 66% of the District’s revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 35% of revenue for governmental activities for the District in fiscal year 2023.

The District’s reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2023	Percent of Total
General Grants	\$19,953,537	31.5%
Program Revenues	17,991,582	28.4%
General Tax Revenues	21,906,543	34.6%
Investment Earnings	927,939	1.5%
Other Revenues	2,553,419	4.0%
Total Revenue Sources	\$63,333,020	100.0%



Total expenses increased mainly due to changes related to net pension liability and other post employment benefits liability.

Instruction comprises 58% of governmental program expenses. Support services expenses were 32% of governmental program expenses. All other expenses including interest expense were 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

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.

Sandusky City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction	\$36,210,492	\$30,477,691	(\$27,596,623)	(\$24,923,595)
Support Services:				
Pupil and Instructional Staff	6,568,275	5,068,728	(3,209,841)	(2,326,436)
School Administrative, General Administration and Fiscal	5,842,523	4,974,839	(5,317,096)	(5,010,856)
Operations and Maintenance	5,005,864	4,298,728	(4,089,275)	(3,803,656)
Pupil Transportation	2,040,183	2,621,630	(1,207,871)	(1,309,076)
Central	819,271	1,029,747	(742,444)	(843,716)
Operation of Non-Instructional Services	3,339,124	3,013,604	(139,169)	616,026
Extracurricular Activities	1,642,731	1,473,162	(1,174,562)	(962,648)
Interest and Fiscal Charges	1,088,960	1,383,757	(1,088,960)	(1,383,757)
Total Expenses	<u>\$62,557,423</u>	<u>\$54,341,886</u>	<u>(\$44,565,841)</u>	<u>(\$39,947,714)</u>

The District’s Funds

The District has two major governmental funds: the General Fund, and the Scholarship Endowment Fund. Assets of these funds comprised \$45,450,494 (72%) of the total \$62,838,709 governmental funds’ assets.

General Fund: Fund balance at June 30, 2023 was \$9,298,726, a decrease in fund balance of \$1,578,167 from 2022. The fund balance decreased due to tax revenues being less in the current year than the prior year.

Scholarship Endowment Fund: Fund balance at June 30, 2023 was \$10,999,596, an increase in fund balance of \$884,990 from 2023. The primary reason for the increase in fund balance was due to revenues exceeding expenditures during the year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the original budget basis revenue was \$46,076,097, compared to final budget estimates of \$50,103,809. The difference between the original budget basis and final budget was \$4,027,808.

The District’s ending unobligated cash balance was \$11,960,278.

Sandusky City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had \$76,359,884 invested in land, land improvements, construction in progress, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022:

Table 4
Capital Assets, Net of Depreciation

	Governmental Activities	
	2023	2022
Land	\$3,652,562	\$3,652,562
Construction in Progress	103,455	27,013
Land Improvements	110,202	121,528
Building and Improvements	69,798,619	70,469,630
Equipment	1,817,813	1,582,374
Vehicles	877,243	870,939
Total Net Capital Assets	<u>\$76,359,894</u>	<u>\$76,724,046</u>

Capital Assets decreased mainly due to current year depreciation expense and disposals exceeding current year additions. See Note 8 to the basic financial statements for further details on the District’s capital assets.

Debt

At June 30, 2023, the District had \$34,161,975 in debt outstanding and \$66,803 due within one year. Table 5 summarizes outstanding debt at year end.

Table 5
Outstanding Debt

	Governmental Activities	
	2023	2022
ClassroomFacilities Refunding Bonds Series 2020-1		
Term and Serial Bonds	\$22,150,000	\$22,150,000
Capital Appreciation Bonds	90,859	191,071
Accretion on Capital Appreciation Bonds	633,118	644,026
Unamortized Premium	1,542,969	1,939,918
ClassroomFacilities Refunding Bonds Series 2020-2		
Term and Serial Bonds	8,975,000	8,975,000
Capital Appreciation Bonds	25,449	52,438
Accretion on Capital Appreciation Bonds	201,860	153,465
Unamortized Premium	542,720	648,394
Long-Term Debt	<u>\$34,161,975</u>	<u>\$34,754,312</u>

See Note 9 to the basic financial statements for further details on the District’s outstanding debt.

Sandusky City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

For the Future

The District is projecting and continues to project general fund cash reserves over the next 5 fiscal years. The District has experienced increases in state revenue from the Ohio Department of Education. Sandusky City Schools is projected to receive maximum amount of revenue with continued gain limitations permitted. The funding limits, continued spending mandates, and deduction increases are all taken into consideration for the overall operation of the Districts. The management team will monitor line 6.01 of the five year financial forecast to ensure revenues continue to align within expenditures.

Contacting the District's Financial Management

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

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Sandusky City School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$27,523,749
Cash and Investments in Segregated Accounts	10,578,635
Receivables (Net):	
Taxes	23,842,703
Accounts	385,594
Interest	33,952
Intergovernmental	1,101,936
Prepaid Assets	55,419
Inventory	11,435
Net OPEB Asset	4,642,210
Nondepreciable Capital Assets	3,756,017
Depreciable Capital Assets, Net	<u>72,603,877</u>
Total Assets	<u>144,535,527</u>
Deferred Outflows of Resources:	
Pension	12,395,834
OPEB	<u>1,268,894</u>
Total Deferred Outflows of Resources	<u>13,664,728</u>
Liabilities:	
Accounts Payable	1,129,193
Accrued Wages and Benefits	6,341,821
Contracts Payable	10,704
Accrued Interest Payable	169,383
Claims Payable	772,000
Unearned Revenue	5,620
Long-Term Liabilities:	
Due Within One Year	768,790
Due In More Than One Year:	
Net Pension Liability	50,803,297
Net OPEB Liability	2,890,679
Other Amounts	<u>37,915,602</u>
Total Liabilities	<u>100,807,089</u>
Deferred Inflows of Resources:	
Property Taxes	20,913,356
OPEB	7,281,318
Pension	<u>5,575,903</u>
Total Deferred Inflows of Resources	<u>33,770,577</u>
Net Position:	
Net Investment in Capital Assets	43,408,024
Restricted for:	
Debt Service	2,114,731
Capital Projects	6,182,470
Food Service Operations	1,360,948
Classroom Facilities Maintenance	1,164,405
Student Activities	377,092
Locally Funded Programs	680,519
Net OPEB Asset	4,642,210
Scholarships:	
Expendable	957,428
Nonexpendable	10,042,168
Perpetual Care:	
Nonexpendable	126,459
Other Purposes	1,080,083
Unrestricted	<u>(48,513,948)</u>
Total Net Position	<u>\$23,622,589</u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Position Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$21,181,786	\$228,846	\$1,037,230	(\$19,915,710)
Special	11,582,408	648,952	4,397,393	(6,536,063)
Vocational	1,708,328	0	830,266	(878,062)
Adult/Continuing	1,714,055	1,422,537	48,645	(242,873)
Other	23,915	0	0	(23,915)
Support Services:				
Pupil	4,133,642	0	2,043,444	(2,090,198)
Instructional Staff	2,434,633	0	1,314,990	(1,119,643)
General Administration	248,322	0	0	(248,322)
School Administration	4,264,371	0	518,957	(3,745,414)
Fiscal	900,732	0	6,470	(894,262)
Business	429,098	0	0	(429,098)
Operations and Maintenance	5,005,864	123,999	792,590	(4,089,275)
Pupil Transportation	2,040,183	0	832,312	(1,207,871)
Central	819,271	0	76,827	(742,444)
Operation of Non-Instructional Services	3,339,124	93,439	3,106,516	(139,169)
Extracurricular Activities	1,642,731	468,169	0	(1,174,562)
Debt Service:				
Interest	1,088,960	0	0	(1,088,960)
Totals	\$62,557,423	\$2,985,942	\$15,005,640	(44,565,841)

General Revenues:

Property Taxes Levied for:

General Purposes	19,289,445
Special Revenue Purposes	224,725
Debt Service Purposes	1,661,504
Capital Projects Purposes	730,869
Grants and Entitlements, Not Restricted	19,953,537
Revenue in Lieu of Taxes	20,608
Unrestricted Contributions	65,858
Investment Earnings	927,939
Grants and Entitlements for Capital Construction	214,469
Other Revenues	2,252,484

Total General Revenues 45,341,438

Changes in Net Position 775,597

Net Position - Beginning of Year 22,846,992

Net Position - End of Year \$23,622,589

See accompanying notes to the basic financial statements.

Sandusky City School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Scholarship Endowment	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$12,820,955	\$4,432,379	\$10,270,415	\$27,523,749
Cash and Investments in Segregated Accounts	0	6,545,848	3,279,840	9,825,688
Receivables (Net):				
Taxes	21,009,460	0	2,833,243	23,842,703
Accounts	234,654	0	56,737	291,391
Interest	0	21,369	12,583	33,952
Intergovernmental	183,918	0	918,018	1,101,936
Interfund	152,436	0	0	152,436
Prepaid Assets	49,475	0	5,944	55,419
Inventory	0	0	11,435	11,435
Total Assets	34,450,898	10,999,596	17,388,215	62,838,709
Liabilities:				
Accounts Payable	276,785	0	841,345	1,118,130
Accrued Wages and Benefits	5,636,687	0	705,134	6,341,821
Compensated Absences	234,771	0	29,393	264,164
Contracts Payable	10,704	0	0	10,704
Interfund Payable	0	0	152,436	152,436
Unearned Revenue	0	0	5,620	5,620
Total Liabilities	6,158,947	0	1,733,928	7,892,875
Deferred Inflows of Resources:				
Property Taxes	18,993,225	0	2,536,412	21,529,637
Unavailable Revenue	0	0	884,109	884,109
Total Deferred Inflows of Resources	18,993,225	0	3,420,521	22,413,746
Fund Balances:				
Nonspendable	89,514	10,042,168	132,403	10,264,085
Restricted	0	957,428	12,877,269	13,834,697
Assigned	9,209,212	0	26,673	9,235,885
Unassigned (Deficit)	0	0	(802,579)	(802,579)
Total Fund Balances	9,298,726	10,999,596	12,233,766	32,532,088
Total Liabilities, Deferred Inflows and Fund Balances	\$34,450,898	\$10,999,596	\$17,388,215	\$62,838,709

See accompanying notes to the basic financial statements.

Sandusky City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2023

Total Governmental Fund Balance \$32,532,088

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 76,359,894

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are unavailable in the funds.

Delinquent Property Taxes	616,281	
Intergovernmental	884,109	
		1,500,390

An internal service fund is used by management to charge
 back costs to individual funds. The assets and
 liabilities of the internal service fund are included in
 governmental activities in the statement of net position.

Internal Service Net Position 64,087

In the statement of net position interest payable is accrued when
 incurred; whereas, in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources.

(169,383)

Some liabilities reported in the statement of net position do not
 require the use of current financial resources and, therefore,
 are not reported as liabilities in governmental funds.

Compensated Absences (4,258,253)

Deferred outflows and inflows or resources related to pensions and OPEB
 are applicable to future periods and, therefore, are not
 reported in the funds.

Deferred outflows of resources related to pensions	12,395,834	
Deferred inflows of resources related to pensions	(5,575,903)	
Deferred outflows of resources related to OPEB	1,268,894	
Deferred inflows of resources related to OPEB	(7,281,318)	
		807,507

Long-term liabilities and net OPEB assets are not available to pay for
 current period expenditures and are not due and payable in the
 current period and, therefore, are not reported in the funds.

Net OPEB Asset	4,642,210	
Net Pension Liability	(50,803,297)	
Net OPEB Liability	(2,890,679)	
Other Amounts	(34,161,975)	
		(83,213,741)

Net Position of Governmental Activities \$23,622,589

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Scholarship Endowment	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$18,982,424	\$0	\$2,570,398	\$21,552,822
Tuition and Fees	2,292,333	0	0	2,292,333
Investment Earnings	546,401	240,751	140,788	927,940
Intergovernmental	25,098,469	0	12,282,400	37,380,869
Extracurricular Activities	28,424	0	440,547	468,971
Charges for Services	57	0	102,033	102,090
Revenue in Lieu of Taxes	18,489	0	2,119	20,608
Other Revenues	1,129,504	794,765	516,621	2,440,890
Total Revenues	48,096,101	1,035,516	16,054,906	65,186,523
Expenditures:				
Current:				
Instruction:				
Regular	18,797,719	0	1,350,598	20,148,317
Special	10,064,859	0	1,697,780	11,762,639
Vocational	1,798,998	0	169,899	1,968,897
Adult/Continuing	1,692,121	0	67,103	1,759,224
Other	23,915	0	0	23,915
Support Services:				
Pupil	2,437,231	0	1,699,656	4,136,887
Instructional Staff	1,035,007	0	1,538,812	2,573,819
General Administration	248,920	0	0	248,920
School Administration	4,101,689	0	456,941	4,558,630
Fiscal	818,963	0	70,265	889,228
Business	260,383	150,326	42,878	453,587
Operations and Maintenance	4,447,751	0	675,121	5,122,872
Pupil Transportation	1,809,124	0	203,377	2,012,501
Central	777,404	0	171,851	949,255
Operation of Non-Instructional Services	101,672	0	3,263,929	3,365,601
Extracurricular Activities	1,209,251	200	458,475	1,667,926
Capital Outlay	41,472	0	573,082	614,554
Debt Service:				
Principal Retirement	0	0	127,201	127,201
Interest and Fiscal Charges	0	0	1,554,097	1,554,097
Total Expenditures	49,666,479	150,526	14,121,065	63,938,070
Excess of Revenues Over (Under) Expenditures	(1,570,378)	884,990	1,933,841	1,248,453
Other Financing Sources (Uses):				
Transfers In	0	0	156,377	156,377
Transfers (Out)	(7,789)	0	(148,588)	(156,377)
Total Other Financing Sources (Uses)	(7,789)	0	7,789	0
Changes in Fund Balance	(1,578,167)	884,990	1,941,630	1,248,453
Fund Balance - Beginning of Year	10,876,893	10,114,606	10,292,136	31,283,635
Fund Balance - End of Year	\$9,298,726	\$10,999,596	\$12,233,766	\$32,532,088

See accompanying notes to the basic financial statements.

Sandusky City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balance - Total Governmental Funds		\$1,248,453
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.</p>		
Capital assets used in governmental activities	1,058,087	
Depreciation Expense	<u>(1,339,731)</u>	(281,644)
<p>Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.</p>		
		(82,508)
<p>Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expenses.</p>		
District pension contributions	4,585,366	
Cost of benefits earned net of employee contributions - Pensions	(4,418,366)	
District OPEB contributions	114,077	
Cost of benefits earned net of employee contributions - OPEB	<u>1,203,501</u>	1,484,578
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent Property Taxes	353,721	
Intergovernmental	<u>(2,207,224)</u>	(1,853,503)
<p>Repayment of general obligation and capital appreciation bonds principal payments, and accreted interest payments are reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		665,000
<p>In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.</p>		
		1
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated Absences	(52,116)	
Amortization of Bond Premium	502,623	
Bond Accretion	<u>(575,286)</u>	(124,779)
<p>The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.</p>		
Change in Net Position - Internal Service Funds		<u>(280,001)</u>
Change in Net Position of Governmental Activities:		<u>\$775,597</u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Net Position
Proprietary Fund
June 30, 2023

	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Current Assets:	
Cash and Investments in Segregated Accounts	\$752,947
Receivables (Net):	
Accounts	<u>94,203</u>
Total Current Assets	<u>847,150</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	11,063
Claims Payable	<u>772,000</u>
Total Current Liabilities	<u>783,063</u>
Net Position:	
Unrestricted	<u>64,087</u>
Total Net Position	<u><u>\$64,087</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	<u>Governmental Activities- Internal Service Fund</u>
Operating Revenues:	
Charges for Services	\$7,617,631
Other Revenues	<u>545,627</u>
Total Operating Revenues	<u>8,163,258</u>
Operating Expenses:	
Purchased Services	998,468
Materials and Supplies	4,156
Claims	<u>7,443,230</u>
Total Operating Expenses	<u>8,445,854</u>
Operating Income	<u>(282,596)</u>
Non-Operating Revenues:	
Interest	<u>2,595</u>
Total Non-Operating Revenues	<u>2,595</u>
Changes in Fund Net Position	(280,001)
Net Position - Beginning of Year	<u>344,088</u>
Net Position - End of Year	<u><u>\$64,087</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$7,617,316
Other Cash Receipts	607,861
Cash Payments for Claims	(7,566,636)
Cash Payments to Suppliers for Goods and Services	(994,902)
Other Cash Payments	<u>(4,156)</u>
Net Cash Provided (Used) by Operating Activities	(340,517)
Cash Flows from Investing Activities:	
Interest	<u>2,595</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>2,595</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(337,922)
Cash and Cash Equivalents - Beginning of Year	<u>1,090,869</u>
Cash and Cash Equivalents - End of Year	<u><u>752,947</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(282,596)
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	61,919
Increase (Decrease) in Payables	3,566
Increase (Decrease) in Claims Payables	<u>(123,406)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$340,517)</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial</u>
Assets:	
Receivables (Net):	
Taxes	<u>\$316,179</u>
Total Assets	<u>316,179</u>
Deferred Inflows of Resources:	
Property Taxes	<u>247,825</u>
Total Deferred Inflows of Resources	247,825
Net Position:	
Restricted for Individuals, Organizations and Other Governments	<u>68,354</u>
Total Net Position	<u><u>\$68,354</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	<u>Custodial</u>
Additions:	
Extracurricular Amounts Collected for Other Governments	\$4,300
Property Tax Collections for Other Governments	<u>284,373</u>
Total Additions	<u>288,673</u>
Deductions:	
Extracurricular Distributions to Other Governments	54,793
Property Tax Distributions to Other Governments	315,524
Distributions of State Funds to Other Governments	<u>13,268</u>
Total Deductions	<u>383,585</u>
Changes in Fiduciary Net Position	(94,912)
Net Position - Beginning of Year	<u>163,266</u>
Net Position - End of Year	<u><u>\$68,354</u></u>

See accompanying notes to the basic financial statements.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Note 1 - Description of the School District

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

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

The District ranks as the 128th largest by total enrollment among the 612 public school districts in the State. It currently operates 1 pre-K to K school, 1 first to second grade school, 1 third to sixth grade school, 1 middle school and 1 comprehensive high school. The District employs 198 classified employees, 273 certified employees, 7 full-time adult education instructors and 41 administrators, to provide services to approximately 3,754 students in grades pre-K through 12, 160 adult education students and various community groups.

Note 2 - Summary of Significant Accounting Policies

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

Reporting Entity

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 District. For the District, this includes general operations, food service and student related activities of the District.

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

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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

Jointly Governed Organization

Northern Ohio Educational Computer Association (NOECA) – The 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. Financial information can be obtained from the Director, 219 Howard Drive, Sandusky, Ohio 44870.

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 District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Sandusky Library Association at 114 W. Adams Street, Sandusky, Ohio 44870.

Public Entity Risk Pool

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

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

Fund Accounting

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

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 District's major governmental funds:

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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

Scholarship Endowment – This fund accounts for monies set aside from endowments for scholarships for students enrolled in the School District. The income from such a fund may be expended, but the principal must remain intact.

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

Proprietary Funds

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District does not have a private purpose trust fund. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the District as fiscal agent for athletic tournaments and the Sandusky Library Association.

Basis of Presentation

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

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

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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

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

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

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

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

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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

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

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

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

Deferred 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, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the 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 11 and 12.

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, OPEB, unavailable revenue, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the 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 District, unavailable revenue may include delinquent property taxes, and grants and entitlements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position, see Notes 11 and 12 for explanation.

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.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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.

Equity in Pooled Cash and Investments

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

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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2023 amounted to \$546,401, \$240,751 was credited to Scholarship Endowment, and \$140,788 was credited to Other Governmental Funds.

While common stock is not an allowable investment according to Ohio Statute, the District has been endowed with gifts of stock to its private-purpose trust fund. No public funds were used to acquire the stock. At the time the common stock was endowed to the District its value was \$7,322,222. 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.

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

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

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 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.

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.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Compensated Absences

Compensated absences of the District consist of vacation leave and sick liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee. 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 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% of accrued but unused sick leave up to a maximum of 75 days, plus 10% of all unused sick leave over 300 days. Employees hired on or after July 1, 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% of accrued but unused sick leave up to a maximum of 75 days, plus 10% 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 and is reported as a component of "future retirement obligation" in the basic financial statements.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

The 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% 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 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% 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, 2023 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, 2023 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/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.

Accrued Liabilities and Long-Term Obligations

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

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

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the 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 – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the District’s Board of Education. The Board of Education is the highest level of decision making authority for the District. Those committed resources cannot be used for any other purpose unless the District’s Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

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 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.

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

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents the amount restricted for auxiliary service funds established to support District programs.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$28,728,513 in restricted net position, none were restricted by enabling legislation.

Parochial Schools

Within the 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 District, as directed by the parochial school. These activities are reported as a governmental activity of the District.

Estimates

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating.

Note 3 - Accountability

Fund balances at June 30, 2023 included the following individual fund deficits:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Public School Preschool	\$36,340
Title IV-A	5,100
Title VI-B	124,974
Improving Teachers Quality	27,959
IDEA Preschool for the Handicapped	3,247
Title I	243,463
Vocational Education	31,541
ESSER	208,398
Miscellaneous Federal Grant	113,039
Title III Limited English Proficiency	2,790

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

Note 4 – Equity in Pooled Cash and Investments

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Protection of the 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.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2023, \$10,207,743 of the District's bank balance of \$10,976,128 was exposed to custodial credit risk.

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

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105% 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 requires the total fair value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2023, the District had the following investments and maturities:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Funds	\$3,107,090	N/A	0.00
Negotiable CDs	681,099	Level 2	0.63
STAR Ohio	16,776,172	N/A	0.11
Stock	6,619,399	Level 1	0.00
	<u>\$27,183,760</u>		
Portfolio Weighted Average Maturity			0.08

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

The 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 District's recurring fair value measurements as of June 30, 2023. 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: The Ohio Revised Code general limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

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

Credit Risk: The District's stocks were rated ranging from AA- to D, Aa3 to C and AA to C by Standard & Poor's, Moody's Investor Services and Fitch Ratings, respectively. The District's investments in StarOhio were rated AAAm by Standard & Poor's. The District's investments in Commercial Paper was rated A-1+ by Standard & Poor's ratings and P-1 by Moody's Investment Service. Negotiable CDs and Money Market Funds were not rated.

Concentration of Credit Risk: The District's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The District had invested 3% in Negotiable CDs, 11% in Money Market Funds, 24% in Stock, and 62% in STAROhio.

Note 5 - Interfund Transactions

Interfund transactions at June 30, 2023, consisted of the following transfers in and transfers out, and interfund payables and receivables:

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Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

	Transfers		Interfund	
	In	Out	Receivable	Payable
General Fund	\$0	\$7,789	\$152,436	\$0
Other Governmental Funds	156,377	148,588	0	152,436
Total All Funds	<u>\$156,377</u>	<u>\$156,377</u>	<u>\$152,436</u>	<u>\$152,436</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed. The District transferred \$148,588 from the classroom facilities maintenance fund to the permanent improvement fund as authorized by the Ohio Office of the Tax Commissioner.

Note 6 - Property Taxes

Real property taxes collected in 2023 were levied after April 1, 2022 on the assessed values as of January 1, 2022, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year. The most recent re-evaluation was completed in 2021.

Public utility personal property taxes received in calendar year 2023 were levied after April 1, 2022, on the value as of December 31, 2021. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Real property taxes are payable annually or semi-annually. In 2023, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The District receives property taxes from Erie County. The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2023. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2023 on the fund statements. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2023, was \$2,016,235 for General Fund and \$365,185 for Other Governmental Funds and is recognized as revenue.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

The assessed values upon which the fiscal year 2023 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$504,101,740
Public Utility Personal	<u>29,182,770</u>
Total	<u><u>\$533,284,510</u></u>

Note 7 – Receivables

Receivables at June 30, 2023 consisted of taxes, accounts, interest, 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 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.

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$3,652,562	\$0	\$0	\$3,652,562
Construction in Progress	27,013	76,442	0	103,455
Subtotal Non-Depreciable Assets	<u>3,679,575</u>	<u>76,442</u>	<u>0</u>	<u>3,756,017</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	393,047	0	0	393,047
Buildings & Improvements	82,046,683	269,433	0	82,316,116
Furniture & Equipment	4,515,790	513,928	383,868	4,645,850
Vehicles	2,993,298	198,284	136,630	3,054,952
Subtotal Depreciable Assets	<u>89,948,818</u>	<u>981,645</u>	<u>520,498</u>	<u>90,409,965</u>
Totals at Historical Cost	<u>93,628,393</u>	<u>1,058,087</u>	<u>520,498</u>	<u>94,165,982</u>
Less Accumulated Depreciation:				
Land Improvements	271,519	11,326	0	282,845
Buildings & Improvements	11,577,053	940,444	0	12,517,497
Furniture & Equipment	2,933,416	209,153	314,532	2,828,037
Vehicles	2,122,359	178,808	123,458	2,177,709
Total Accumulated Depreciation	<u>16,904,347</u>	<u>1,339,731</u>	<u>437,990</u>	<u>17,806,088</u>
Governmental Activities Capital Assets, Net	<u><u>\$76,724,046</u></u>	<u><u>(\$281,644)</u></u>	<u><u>\$82,508</u></u>	<u><u>\$76,359,894</u></u>

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,004,082
Special	4,948
Vocational	13,995
Adult	5,253
Support Services:	
Pupil	6,865
Business	303
Operations and Maintenance	35,447
Pupil Transportation	175,197
Central	30,062
Operation of Non-Instructional Services	39,408
Extracurricular Activities	24,171
Total Depreciation Expense	<u>\$1,339,731</u>

Note 9 - Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:					
Bonds Payable:					
Classroom Facilities Refunding Bonds Series 2020-1					
Term and Serial Bonds	\$22,150,000	\$0	\$0	\$22,150,000	\$0
Capital Appreciation Bonds	191,071	0	100,212	90,859	54,982
Accretion on Capital Appreciation Bonds	644,026	418,880	429,788	633,118	0
Unamortized Premium	1,939,918	0	396,949	1,542,969	0
Classroom Facilities Refunding Bonds Series 2020-2					
Term and Serial Bonds	8,975,000	0	0	8,975,000	0
Capital Appreciation Bonds	52,438	0	26,989	25,449	11,821
Accretion on Capital Appreciation Bonds	153,465	156,406	108,011	201,860	0
Unamortized Premium	648,394	0	105,674	542,720	0
Subtotal Bonds	<u>34,754,312</u>	<u>575,286</u>	<u>1,167,623</u>	<u>34,161,975</u>	<u>66,803</u>
Compensated Absences	4,206,137	1,098,818	782,538	4,522,417	701,987
Subtotals Bonds & Other Amounts	<u>38,960,449</u>	<u>1,674,104</u>	<u>1,950,161</u>	<u>38,684,392</u>	<u>768,790</u>
Net Pension Liability	30,872,447	19,930,850	0	50,803,297	0
Net OPEB Liability	3,788,807	0	898,128	2,890,679	0
Total Long-Term Obligations	<u>\$73,621,703</u>	<u>\$21,604,954</u>	<u>\$2,848,289</u>	<u>\$92,378,368</u>	<u>\$768,790</u>

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 11 and 12.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

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%. 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, 2050. Principal and interest are paid from the debt service and building funds.

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%. 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.

On November 19, 2020, the School District refunded \$9,095,000 of Classroom Facilities Bonds Series 2017-2. The unrefunded bonds matured on November 1, 2021. Principal and interest are paid from the debt service fund.

Classroom Facilities Refunding Bonds Series 2020 – On January 22, 2020, the District issued \$22,634,051 of general obligation bonds, which consisted of term, serial and capital appreciation bonds. The bonds were issues 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. At 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. The defeased bonds in the amount of \$22,640,000 were refunded on May 1, 2022.

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.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Classroom Facilities Refunding Bonds Series 2020 – On November 19, 2020 the District issued \$9,091,341 of general obligation bonds, which consisted of term, serial and capital appreciation bonds. The bonds were issued to partially refund the Series 2017-2 Classroom Facilities Bonds. The bonds were issued for a seventeen year period with final maturity at November 1, 2037. The term and serial bonds had an interest rate of 1.122 percent to 2.8 percent.

At the date of refunding, \$9,814,845 (including premium and after underwriting fees, and other issuance costs) was received to pay off old debt. As a result, \$9,095,000 of the Series 2017-2 Classroom Facilities Bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The defeased bonds in the amount of \$9,095,000 were refunded on May 1, 2022.

The bonds were issued with a premium of \$723,503, 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 \$986,339. The issuance resulted in an economic gain of \$790,557.

The capital appreciation bonds have a final maturity date of November 1, 2025. 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 \$875,000.

The following is a summary of the 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	Interest	
2024	\$0	\$1,016,298	\$66,803	\$597,197	\$2,055,764
2025	0	1,016,298	35,115	669,885	1,721,298
2026	350,000	1,014,334	8,427	351,573	1,724,334
2027	535,000	1,008,529	2,827	162,173	1,708,529
2028	580,000	1,000,233	3,136	651,863	2,235,232
2029-2033	3,615,000	4,812,223	0	0	8,427,223
2034-2038	5,220,000	4,239,419	0	0	9,459,419
2039-2043	6,510,000	3,308,810	0	0	9,818,810
2044-2048	8,315,000	1,952,978	0	0	10,267,978
2049-2051	6,000,000	350,385	0	0	6,350,385
Total	<u>\$31,125,000</u>	<u>\$19,719,507</u>	<u>\$116,308</u>	<u>\$2,432,691</u>	<u>\$2,548,999</u>

Note 10 - Risk Management

Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2023, the District has contracted with Indiana Insurance Company to provide insurance coverage in the amounts below.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

<u>Limits of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General Liability		
Each Occurrence	\$1,000,000	\$2,500
Aggregate	2,000,000	0
Fleet:		
Comprehensive/Collision	1,000,000	1,000
Umbrella Liability and Fleet	3,000,000	10,000
Buildings and Contents	107,890,481	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.

Health Benefits

The District has established a risk management fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the risk management fund provides coverage for up to a maximum of \$175,000 for each health benefits claim. The District purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

The claims liability of \$772,000 reported in the basic financial statements at June 30, 2023, 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:

	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance End of Year</u>
2023	\$895,406	\$871,496	\$994,902	\$772,000
2022	675,565	7,550,742	7,330,901	895,406

Workers' Compensation Rating Program

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), a public entity risk pool (Note 2). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the state based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control, assistance with safety programs, and actuarial services to the GRP.

Note 11 - Defined Benefit Pension Plans

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

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) represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB 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 these estimates annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the 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 funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system'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 remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
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Plan Description - School Employees Retirement System (SERS)

Plan Description

District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or 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 years of service; 2.2% for the first thirty years of service and 2.5% 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. 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. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2023.

Funding Policy

Plan members are required to contribute 10.0% of their annual covered salary and the District is required to contribute 14.0% 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 10.0% for plan members and 14.0% 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.0%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,144,966 for fiscal year 2023. Of this amount \$193,170 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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.

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% 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 0.0% upon a determination by its actuary that it was necessary 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 July 1, 2022, an ad-hoc COLA of 3.0% of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit and any age. Further adjusting to five years of service and age 65, or 35 years of service credit and any age as of August 1, 2028.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying 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% of the 14.0% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14.0% 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, 12.0% of the 14.0% member rate is deposited into the member's DC account and the remaining 2.0% is applied 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 at age fifty and after termination of employment.

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

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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. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14.0% was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The District’s contractually required contribution to STRS was \$3,440,400 for fiscal year 2023. Of this amount \$573,400 is reported as accrued wages and benefits.

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

The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,948,659	\$39,854,638	\$50,803,297
Proportion of the Net Pension Liability:			
Current Measurement Date	0.20242390%	0.17928211%	
Prior Measurement Date	<u>0.19440240%</u>	<u>0.18535800%</u>	
Change in Proportionate Share	0.00802150%	-0.00607590%	
Pension Expense	\$482,758	\$3,935,613	\$4,418,371

At June 30 2023, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	443,430	510,191	\$953,621
Changes of assumptions	108,032	4,769,403	4,877,435
Net difference between projected and actual earnings on pension plan investments	0	1,386,854	1,386,854
Changes in employer proportionate share of net pension liability	298,364	294,194	592,558
Contributions subsequent to the measurement date	<u>1,144,966</u>	<u>3,440,400</u>	<u>4,585,366</u>
Total Deferred Outflows of Resources	<u>\$1,994,792</u>	<u>\$10,401,042</u>	<u>\$12,395,834</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	71,875	152,457	\$224,332
Changes of assumptions	0	3,589,989	3,589,989
Net difference between projected and actual earnings on pension plan investments	382,058	0	382,058
Changes in employer proportionate share of net pension liability	<u>82,347</u>	<u>1,297,177</u>	<u>1,379,524</u>
Total Deferred Inflows of Resources	<u>\$536,280</u>	<u>\$5,039,623</u>	<u>\$5,575,903</u>

\$4,585,366 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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:	SERS	STRS	Total
2024	\$114,381	(\$341,350)	(\$226,969)
2025	\$110,025	(\$485,057)	(375,032)
2026	(\$545,778)	(\$1,294,482)	(1,840,260)
2027	<u>\$634,918</u>	<u>\$4,041,908</u>	<u>4,676,826</u>
Total	<u>\$313,546</u>	<u>\$1,921,019</u>	<u>\$2,234,565</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 termination). 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

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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 pension liability in the latest actuarial valuation, prepared as of June 30, 2022 and compared with June 30, 2021, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term return expectation for the Pension Plan 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.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.45%
US Equity	24.75%	5.37%
Non-US Equity Developed	13.50%	6.22%
Non-US Equity Emerging	6.75%	8.22%
Fixed Income/Global Bonds	19.00%	1.20%
Private Equity	11.00%	10.05%
Real Estate/Real Assets	16.00%	4.87%
Multi-Asset Strategy	4.00%	3.39%
Private Debt/Private Credit	3.00%	5.38%
Total	100.00%	

Discount Rate

The total pension liability for 2022 was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). 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 pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$16,115,903	\$10,948,659	\$6,595,326

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation are presented below:

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	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected Salary Increases	From 2.50% to 8.50% based on age	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00% net of investments expense, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00%	7.00%
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.00%	0.00%

For 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50.0% of rates through age 69, 70.0% of rates between ages 70 and 79, 90.0% of rates between ages 80 and 84, and 100.0% of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90.0% of rates for males and 100.0% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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 Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	<u>100.00%</u>	

* Final target weights reflected October 1, 2022.

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** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of 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 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. 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, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the 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 (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$60,205,849	\$39,854,638	\$22,643,814

Changes Between the Measurement Date and the Reporting Date

In May 2023, the Board approved the following:

1. Retirees who started receiving benefits on June 1, 2019, or earlier will receive a 1.0% cost-of-living adjustment (COLA) in fiscal year 2024. The increase will be added to the base benefit on the retirement date anniversary.
2. For teachers now in the classroom, the current retirement eligibility rule requiring 34 years of service for an unreduced retirement has been extended five years through July 2028. The requirement was scheduled to increase to 35 years of service on August 1, 2023.

Any effect on the net pension liability is not known at this time.

Note 12 - Defined Benefit OPEB Plans

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

The 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

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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. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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 Annual Comprehensive 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. 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.

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 14.0% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made 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 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$114,077.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$114,077 for fiscal year 2023.

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. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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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. All benefit recipients 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 14.0% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	2,890,679	\$0	\$2,890,679
Proportionate Share of the Net OPEB (Asset)	0	(4,642,210)	(4,642,210)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.20588730%	0.17928211%	
Prior Measurement Date	<u>0.20019300%</u>	<u>0.18535700%</u>	
Change in Proportionate Share	0.00569430%	-0.00607489%	
OPEB Expense	(269,594)	(933,906)	(\$1,203,500)

At June 30 2023, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$24,300	\$67,298	\$91,598
Changes of assumptions	459,800	197,741	657,541
Net difference between projected and actual earnings on OPEB plan investments	15,024	80,810	95,834
Changes in employer proportionate share of net OPEB liability	300,215	9,629	309,844
Contributions subsequent to the measurement date	114,077	0	114,077
Total Deferred Outflows of Resources	\$913,416	\$355,478	\$1,268,894
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$1,849,091	\$697,176	\$2,546,267
Changes of assumptions	1,186,645	3,291,780	4,478,425
Changes in employer proportionate share of net OPEB liability	233,030	23,596	256,626
Total Deferred Inflows of Resources	\$3,268,766	\$4,012,552	\$7,281,318

\$114,077 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2024	(\$529,977)	(\$1,071,611)	(\$1,601,588)
2025	(553,620)	(1,059,336)	(1,612,956)
2026	(523,915)	(500,312)	(1,024,227)
2027	(349,757)	(207,265)	(557,022)
2028	(214,663)	(270,430)	(485,093)
Thereafter	(297,495)	(548,120)	(845,615)
Total	(\$2,469,427)	(\$3,657,074)	(\$6,126,501)

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

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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, 2022, compared with June 30, 2021, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Future Salary Increases, Including Inflation		
Wage Increases	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense, including inflation	7.00% net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044	2042
Municipal Bond Index Rate:		
Measurement Date	3.69%	1.92%
Prior Measurement Date	1.92%	2.45%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.08%	2.27%
Prior Measurement Date	2.27%	2.63%
Health Care Cost Trend Rate:		
Medicare	5.125% to 4.40%	5.125% to 4.40%
Pre-Medicare	6.75% to 4.40%	6.75% to 4.40%
Medical Trend Assumption	7.00% to 4.40%	7.00% to 4.40%

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

The most recent experience study was completed for the five year period ended June 30, 2020.

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 2016 through 2020, and was adopted by the Board in 2021.

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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 long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, 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 timeframe. 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, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.45%
US Equity	24.75%	5.37%
Non-US Equity Developed	13.50%	6.22%
Non-US Equity Emerging	6.75%	8.22%
Fixed Income/Global Bonds	19.00%	1.20%
Private Equity	11.00%	10.05%
Real Estate/Real Assets	16.00%	4.87%
Multi-Asset Strategy	4.00%	3.39%
Private Debt/Private Credit	3.00%	5.38%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% 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 all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is 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. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the 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 of SERS, what SERS' net OPEB liability would be if it were

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Proportionate share of the net OPEB liability	\$3,590,267	\$2,890,679	\$2,325,922
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$2,229,232	\$2,890,679	\$3,754,636

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 12.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50% initial, 3.94% ultimate	5.00% initial, 4.00% ultimate
Medicare	-68.78% initial, 3.94% ultimate	-16.18% initial, 4.00% ultimate
Prescription Drug		
Pre-Medicare	9.00% initial, 3.94% ultimate	6.50% initial, 4.00% ultimate
Medicare	-5.47% initial, 3.94% ultimate	29.98% initial, 4.00% ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.0% of rates through age 69, 70.0% of rates between ages 70 and 79, 90.0% of rates between ages 80 and 84, and 100.0% 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 90.0% of rates for males and 100.0% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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 Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
Total	100.00%	

* Target allocation percentage is effective as of July 1, 2022. Target weights will be phased in over a 3-month period concluding on October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. 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 these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate share of the net OPEB (asset)	(\$4,291,601)	(\$4,642,210)	(\$4,942,537)
	1% Decrease <u></u>	Current Trend Rate <u></u>	1% Increase <u></u>
Proportionate share of the net OPEB (asset)	(\$4,815,102)	(\$4,642,210)	(\$4,423,978)

Changes Between the Measurement Date and the Reporting Date

In May 2023, the Board approved the following:

1. Retirees who started receiving benefits on June 1, 2019, or earlier will receive a 1.0% cost-of-living adjustment (COLA) in fiscal year 2024. The increase will be added to the base benefit on the retirement date anniversary.
2. For teachers now in the classroom, the current retirement eligibility rule requiring 34 years of service for an unreduced retirement has been extended five years through July 2028. The requirement was scheduled to increase to 35 years of service on August 1, 2023.

Any effect on the net OPEB asset is not known at this time.

Note 13 – 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. The final adjustment was not material and is not reflected in the accompanying financial statements.

Grants

The 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, 2023, if applicable, cannot be determined at this time.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Litigation

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

Note 14 - Statutory Reserves

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2023, the reserve activity was as follows:

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2022	\$0
Current Year Set Aside Requirements	653,969
Qualified Disbursements	(299,664)
Current Year Offsets	(354,305)
Set Aside Reserve Balance as of June 30, 2023	<u>0</u>
Restricted Cash as of June 30, 2023	<u>\$0</u>

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

Note 15 – Fund Balances

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

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Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Fund Balances	General	Scholarship Endowment	Other Governmental Funds	Total
Nonspendable:				
Scholarship Endowment	\$0	\$10,042,168	\$0	\$10,042,168
Permanent Fund	0	0	126,459	126,459
Unclaimed Monies	40,039	0	0	40,039
Prepays	49,475	0	5,944	55,419
Total Nonspendable	89,514	10,042,168	132,403	10,264,085
Restricted for:				
Other Grants	0	0	680,519	680,519
Special Trust	0	0	147,134	147,134
Education Foundation Fund	0	0	172,248	172,248
Classroom Facilities Maintenance	0	0	1,157,726	1,157,726
District Managed Student Activity	0	0	242,713	242,713
Auxiliary Services	0	0	579	579
Data Communications	0	0	27,231	27,231
Food Service	0	0	1,403,061	1,403,061
Student Managed Activity	0	0	134,379	134,379
Scholarships	0	957,428	732,666	1,690,094
Debt Service	0	0	2,235,448	2,235,448
Permanent Improvement	0	0	1,898,394	1,898,394
Building	0	0	1,604,197	1,604,197
Classroom Facilities	0	0	2,440,974	2,440,974
Total Restricted	0	957,428	12,877,269	13,834,697
Assigned to:				
Public Schools	60,869	0	0	60,869
Capital Asset Replacement	0	0	26,673	26,673
Budgetary Resource	9,067,926	0	0	9,067,926
Purchases on Order*	80,417	0	0	80,417
Total Assigned	9,209,212	0	26,673	9,235,885
Unassigned (Deficit)	0	0	(802,579)	(802,579)
Total Fund Balance	\$9,298,726	\$10,999,596	\$12,233,766	\$32,532,088

Purchases on order (assigned) will be used for \$77,198 for support services, \$1,780 for extracurricular activities and \$1,439 for capital improvements throughout the District.

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Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

Note 16 – Construction and other Commitments

Construction Commitments

At year end, the District’s construction commitments were as follows:

<u>Project</u>	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Remaining Commitment</u>
Pool Project	\$7,400,000	\$103,455	\$7,296,545

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the following outstanding encumbrance commitments disclosed in this note.

Other Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances in the governmental funds were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
General	\$365,087
All Other Governmental	2,657,405

Note 17 – 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 District, The City of Sandusky has entered into CRA and EZA agreements. Under these agreements the District’s property taxes were reduced by \$1,804,449 in 2023. None of these agreements are individually significant to require disclosure individually.

Note 18 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 91, Conduit Debt Obligations; GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs); and portions of GASB Statement No. 99, Omnibus 2022.

Sandusky City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2023

GASB Statement No. 91 clarifies the definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

GASB Statement No. 94 primary objective is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

GASB Statement No. 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the School District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the School District.

GASB Statement No. 99 addresses a variety of topics and includes clarification of provisions related to accounting and reporting of leases under GASB Statement No. 87, provides extension of the period which the London Interbank Offered Rate is considered appropriate benchmark interest rate, guidance on disclosure of nonmonetary transaction, accounting for pledges of future revenues when resources are not received by the pledging government under GASB Statement No. 48, and terminology updates related to certain provisions of GASB Statement No. 63 and No. 53. These topics under GASB Statement No. 99 provisions were implemented and did not have an effect on the financial statements of the School District.

Other topics in GASB Statement No. 99 includes classification of other derivative instruments within the scope of GASB Statement No. 53, clarification of provisions related to accounting and reporting of Public-Private and Public-Public Partnerships under GASB Statement No. 94, and clarification of provisions to accounting and reporting of subscription-based information technology arrangements under GASB Statement No. 96. These topics are effective for future fiscal years and have not been implemented by of the School District.

REQUIRED SUPPLEMENTARY INFORMATION

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.20242390%	\$10,948,659	\$7,814,879	140.10%	75.82%
2022	0.19440240%	7,172,885	6,778,686	105.82%	82.86%
2021	0.20025030%	13,244,977	6,914,064	191.57%	68.55%
2020	0.20945920%	12,532,311	6,492,304	193.03%	70.85%
2019	0.20345190%	11,652,067	6,547,600	177.96%	71.36%
2018	0.19197120%	11,469,856	6,432,664	178.31%	69.50%
2017	0.18762710%	13,732,572	6,591,600	208.33%	62.98%
2016	0.18504840%	10,559,041	6,815,053	154.94%	69.16%
2015	0.18421100%	9,322,814	5,406,883	172.42%	71.70%
2014	0.18421100%	10,957,722	6,396,590	171.31%	65.52%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2023	\$1,144,966	(\$1,144,966)	\$0	\$8,178,329	14.00%
2022	1,094,083	(1,094,083)	0	7,814,879	14.00%
2021	949,016	(949,016)	0	6,778,686	14.00%
2020	967,969	(967,969)	0	6,914,064	14.00%
2019	876,461	(876,461)	0	6,492,304	13.50%
2018	883,926	(883,926)	0	6,547,600	13.50%
2017	900,573	(900,573)	0	6,432,664	14.00%
2016	922,824	(922,824)	0	6,591,600	14.00%
2015	898,224	(898,224)	0	6,815,053	13.18%
2014	749,394	(749,394)	0	5,406,883	13.86%

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.17928211%	\$39,854,638	\$23,428,657	170.11%	78.88%
2022	0.18535800%	23,699,562	23,105,629	102.57%	87.78%
2021	0.18311074%	44,306,284	21,672,021	204.44%	75.50%
2020	0.18673206%	41,294,673	22,479,821	183.70%	77.40%
2019	0.18912689%	41,584,757	21,520,200	193.24%	77.31%
2018	0.19024870%	45,193,986	21,212,829	213.05%	75.30%
2017	0.18973511%	63,510,061	20,499,943	309.81%	66.80%
2016	0.18915164%	52,275,981	20,033,743	260.94%	72.10%
2015	0.18958761%	46,114,268	20,860,662	221.06%	74.70%
2014	0.18958761%	54,783,081	20,954,031	261.44%	69.30%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2023	\$3,440,400	(\$3,440,400)	\$0	\$24,574,286	14.00%
2022	3,280,012	(3,280,012)	0	23,428,657	14.00%
2021	3,234,788	(3,234,788)	0	23,105,629	14.00%
2020	3,034,083	(3,034,083)	0	21,672,021	14.00%
2019	3,147,175	(3,147,175)	0	22,479,821	14.00%
2018	3,012,828	(3,012,828)	0	21,520,200	14.00%
2017	2,969,796	(2,969,796)	0	21,212,829	14.00%
2016	2,869,992	(2,869,992)	0	20,499,943	14.00%
2015	2,804,724	(2,804,724)	0	20,033,743	14.00%
2014	2,711,886	(2,711,886)	0	20,860,662	13.00%

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Seven Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.20588730%	\$2,890,679	\$7,814,879	36.99%	30.34%
2022	0.20019300%	3,788,807	6,390,857	59.28%	24.08%
2021	0.20711900%	4,501,378	6,914,064	65.10%	18.17%
2020	0.21291900%	5,354,463	6,492,304	82.47%	15.57%
2019	0.20490540%	5,684,629	6,547,600	86.82%	13.57%
2018	0.19439700%	5,217,105	6,432,664	81.10%	12.46%
2017	0.18953099%	5,402,334	6,591,600	81.96%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Eight Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2023	\$114,077	(\$114,077)	\$0	\$8,178,329	1.39%
2022	110,004	(110,004)	0	7,814,879	1.41%
2021	106,706	(106,706)	0	6,390,857	1.67%
2020	129,841	(129,841)	0	6,914,064	1.88%
2019	121,825	(121,825)	0	6,492,304	1.88%
2018	136,790	(136,790)	0	6,547,600	2.09%
2017	104,057	(104,057)	0	6,432,664	1.62%
2016	93,289	(93,289)	0	6,591,600	1.42%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Seven Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2023	0.17928211%	(\$4,642,210)	\$23,428,657	(19.81%)	230.73%
2022	0.18535700%	(3,908,100)	19,131,043	(20.43%)	174.73%
2021	0.18311100%	(3,218,172)	21,672,021	(14.85%)	182.13%
2020	0.18673200%	(3,092,730)	22,479,821	(13.76%)	174.74%
2019	0.18912689%	(3,039,076)	21,520,200	(14.12%)	176.00%
2018	0.19024870%	7,422,802	21,212,829	34.99%	47.10%
2017	0.18973511%	10,147,083	20,499,943	49.50%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Sandusky City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Eight Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2023	\$0	\$0	\$0	\$24,574,286	0.00%
2022	0	0	0	23,428,657	0.00%
2021	0	0	0	19,131,043	0.00%
2020	0	0	0	21,672,021	0.00%
2019	0	0	0	22,479,821	0.00%
2018	0	0	0	21,520,200	0.00%
2017	0	0	0	21,212,829	0.00%
2016	0	0	0	20,499,943	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$18,965,959	\$20,623,856	\$20,525,600	(\$98,256)
Revenue in lieu of taxes	17,084	18,578	18,489	(89)
Tuition and Fees	796,751	866,399	862,271	(4,128)
Investment Earnings	504,883	549,017	546,401	(2,616)
Intergovernmental	22,997,565	25,007,882	24,888,740	(119,142)
Charges for Services	53	57	57	0
Other Revenues	674,219	733,155	729,662	(3,493)
Total Revenues	43,956,514	47,798,944	47,571,220	(227,724)
Expenditures:				
Current:				
Instruction:				
Regular	19,862,811	19,862,811	18,185,148	1,677,663
Special	10,807,856	10,807,856	9,894,997	912,859
Vocational	1,977,105	1,977,105	1,810,114	166,991
Other	7,402	7,402	6,777	625
Support Services:				
Pupil	2,594,172	2,594,172	2,375,062	219,110
Instructional Staff	1,241,105	1,241,105	1,136,278	104,827
General Administration	272,616	272,616	249,590	23,026
School Administration	4,268,425	4,268,425	3,907,903	360,522
Fiscal	941,432	941,432	861,916	79,516
Business	290,168	290,168	265,660	24,508
Operations and Maintenance	5,131,331	5,131,331	4,697,926	433,405
Pupil Transportation	2,049,738	2,049,738	1,876,612	173,126
Central	872,274	872,274	798,600	73,674
Operation of Non-Instructional Services	120,231	120,231	110,076	10,155
Extracurricular Activities	1,278,303	1,278,303	1,170,334	107,969
Capital Outlay	58,946	58,946	53,967	4,979
Total Expenditures	51,773,915	51,773,915	47,400,960	4,372,955
Excess of Revenues Over (Under) Expenditures	(7,817,401)	(3,974,971)	170,260	4,145,231
Other Financing Sources (Uses):				
Advances In	2,119,583	2,304,865	2,293,884	(10,981)
Advances (Out)	(166,499)	(166,499)	(152,436)	14,063
Transfers (Out)	(8,508)	(8,508)	(7,789)	719
Total Other Financing Sources (Uses)	1,944,576	2,129,858	2,133,659	3,801
Changes in Fund Balance	(5,872,825)	(1,845,113)	2,303,919	4,149,032
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	9,656,359	9,656,359	9,656,359	0
Fund Balance - End of Year	\$3,783,534	\$7,811,246	\$11,960,278	\$4,149,032

See accompanying notes to the required supplementary information.

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Scholarship Endowment Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$72,163	\$264,335	\$219,382	(\$44,953)
Other Revenues	261,430	957,620	794,765	(162,855)
Total Revenues	333,593	1,221,955	1,014,147	(207,808)
Expenditures:				
Current:				
Support Services:				
Business	133,143	136,430	150,326	(13,896)
Extracurricular Activities	177	182	200	(18)
Total Expenditures	133,320	136,612	150,526	(13,914)
Changes in Fund Balance	200,273	1,085,343	863,621	(221,722)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,114,607	10,114,607	10,114,607	0
Fund Balance - End of Year	\$10,314,880	\$11,199,950	\$10,978,228	(\$221,722)

See accompanying notes to the required supplementary information.

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

Note 1 - Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount 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 the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. During the course of fiscal year 2023, the School District amended its budget at several times, however none were significant.

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 on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during fiscal year 2023.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

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 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and scholarship endowment fund.

Net Change in Fund Balance		
	General	Scholarship Endowment
GAAP Basis	(\$1,578,167)	\$884,990
Revenue Accruals	(524,881)	(21,369)
Expenditure Accruals	2,621,638	0
Advances In	2,293,884	0
Advances Out	(152,436)	0
Encumbrances	(356,119)	0
Budget Basis	\$2,303,919	\$863,621

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2023: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar year 2023.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
 - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	1.92%
Measurement Date	3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

- (2) Investment Rate of Return:
 - Prior Measurement Date 7.50%
 - Measurement Date 7.00%
- (3) Assumed Rate of Inflation:
 - Prior Measurement Date 3.00%
 - Measurement Date 2.40%
- (4) Payroll Growth Assumption:
 - Prior Measurement Date 3.50%
 - Measurement Date 1.75%
- (5) Assumed Real Wage Growth:
 - Prior Measurement Date 0.50%
 - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
 - Prior Measurement Date 2.45%
 - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
 - a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 3.22%
 - Measurement Date 2.63%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 3.13%
 - Measurement Date 2.45%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 3.22%
 - Measurement Date 2.63%

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 3.70%
 - Measurement Date 3.22%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 3.62%
 - Measurement Date 3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 3.70%
 - Measurement Date 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 3.63%
 - Measurement Date 3.70%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 3.56%
 - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 3.63%
 - Measurement Date 3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Fiscal Year 2018 3.63%
 - Fiscal Year 2017 2.98%
- (2) Municipal Bond Index Rate:
 - Fiscal Year 2018 3.56%
 - Fiscal Year 2017 2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Fiscal Year 2018 3.63%
 - Fiscal Year 2017 2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% 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. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% 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 1, 2019.

Sandusky City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2023

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

2023: The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. 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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**COMBINING STATEMENTS AND INDIVIDUAL
FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Fund Descriptions

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service 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. The District has only one Debt Service Fund.

Capital Projects Funds - are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects 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.

Permanent Fund - The Permanent fund should be used to account 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 District has only one Permanent Fund.

Sandusky City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Other (Nonmajor) Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$5,282,292	\$2,054,615	\$2,807,930	\$125,578	\$10,270,415
Cash and Investments in Segregated Accounts	194,474	0	3,085,366	0	3,279,840
Receivables (Net):					
Taxes	238,735	1,804,549	789,959	0	2,833,243
Accounts	56,737	0	0	0	56,737
Interest	0	0	12,547	36	12,583
Intergovernmental	703,549	0	214,469	0	918,018
Prepaid Assets	5,944	0	0	0	5,944
Inventory	11,435	0	0	0	11,435
Total Assets	6,493,166	3,859,164	6,910,271	125,614	17,388,215
Liabilities:					
Accounts Payable	814,607	0	26,738	0	841,345
Accrued Wages and Benefits	705,134	0	0	0	705,134
Compensated Absences	29,393	0	0	0	29,393
Interfund Payable	152,436	0	0	0	152,436
Unearned Revenue	5,620	0	0	0	5,620
Total Liabilities	1,707,190	0	26,738	0	1,733,928
Deferred Inflows of Resources:					
Property Taxes	213,870	1,623,716	698,826	0	2,536,412
Unavailable Revenue	669,640	0	214,469	0	884,109
Total Deferred Inflows of Resources	883,510	1,623,716	913,295	0	3,420,521
Fund Balances:					
Nonspendable	5,944	0	0	126,459	132,403
Restricted	4,698,256	2,235,448	5,943,565	0	12,877,269
Assigned	0	0	26,673	0	26,673
Unassigned (Deficit)	(801,734)	0	0	(845)	(802,579)
Total Fund Balances	3,902,466	2,235,448	5,970,238	125,614	12,233,766
Total Liabilities, Deferred Inflows and Fund Balances	\$6,493,166	\$3,859,164	\$6,910,271	\$125,614	\$17,388,215

Sandusky City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Other (Nonmajor) Governmental Funds
Revenues:					
Property and Other Taxes	\$220,617	\$1,633,707	\$716,074	\$0	\$2,570,398
Investment Earnings	11,424	10,676	116,856	1,832	140,788
Intergovernmental	12,149,715	42,937	89,748	0	12,282,400
Extracurricular Activities	440,547	0	0	0	440,547
Charges for Services	102,033	0	0	0	102,033
Revenue in Lieu of Taxes	178	1,229	712	0	2,119
Other Revenues	516,621	0	0	0	516,621
Total Revenues	13,441,135	1,688,549	923,390	1,832	16,054,906
Expenditures:					
Current:					
Instruction:					
Regular	1,303,721	0	46,877	0	1,350,598
Special	1,697,780	0	0	0	1,697,780
Vocational	169,899	0	0	0	169,899
Adult/Continuing	67,103	0	0	0	67,103
Support Services:					
Pupil	1,699,656	0	0	0	1,699,656
Instructional Staff	1,473,073	0	65,739	0	1,538,812
School Administration	456,941	0	0	0	456,941
Fiscal	4,510	34,180	17,658	13,917	70,265
Business	42,878	0	0	0	42,878
Operations and Maintenance	675,121	0	0	0	675,121
Pupil Transportation	203,377	0	0	0	203,377
Central	93,468	0	78,383	0	171,851
Operation of Non-Instructional Services	3,263,929	0	0	0	3,263,929
Extracurricular Activities	458,475	0	0	0	458,475
Capital Outlay	0	0	573,082	0	573,082
Debt Service:					
Principal Retirement	0	127,201	0	0	127,201
Interest and Fiscal Charges	0	1,554,097	0	0	1,554,097
Total Expenditures	11,609,931	1,715,478	781,739	13,917	14,121,065
Excess of Revenues Over (Under) Expenditures	1,831,204	(26,929)	141,651	(12,085)	1,933,841
Other Financing Sources (Uses):					
Transfers In	7,789	0	148,588	0	156,377
Transfers (Out)	(148,588)	0	0	0	(148,588)
Total Other Financing Sources (Uses)	(140,799)	0	148,588	0	7,789
Changes in Fund Balance	1,690,405	(26,929)	290,239	(12,085)	1,941,630
Fund Balance - Beginning of Year	2,212,061	2,262,377	5,679,999	137,699	10,292,136
Fund Balance - End of Year	\$3,902,466	\$2,235,448	\$5,970,238	\$125,614	\$12,233,766

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Service - 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 - This fund accounts for monies from local donations for the purpose of scholarships for students.

Other Grants - 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 - This fund accounts for local monies received for specific grant requests made by staff members to the Educational Foundation.

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

Student Activities - This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

District Managed Student Activity - 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 - 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 - This fund assists in paying the cost of preschool programs for three and four olds.

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

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

Adult Basic Education - 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.

Elementary and Secondary School Emergency Relief (ESSER) - A fund used to account for state funds used to aid districts that have been impacted and continue to be impacted by the Novel Coronavirus Disease 2019 (COVID-19).

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions, Continued

Coronavirus Relief-Urban Fund - This fund accounts for Federal funds for necessary expenditures incurred due to the public health emergency with respect to the coronavirus (COVID-19) pandemic. For 2023, the District budgeted for the program, but did have any amounts on the balance sheet or the combining statement of revenues, expenditures and changes in fund balance. Only the budgetary statement will be included.

Title VI-B - 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 - 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: secondary, post-secondary, adult, disadvantage and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

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

Title III Limited English Proficiency – 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 - To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Title IV-A - A fund to improve students' academic achievement by increasing the capacity of states, local education agencies, schools, and local communities to (1) provide all students with access to a well-rounded education, (2) improve school conditions for student learning, and (3) improve the use of technology in order to improve the academic achievement and digital literacy of all students.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions, Continued

IDEA Preschool for the Handicapped - 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 - 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 - This fund accounts for other Federal Grants which are not required to be accounted for in a separate fund.

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

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Sandusky City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Food Service	Special Trust	Other Grants	Education Foundation	Classroom Facilities Maintenance
Assets:					
Equity in Pooled Cash and Investments	\$1,582,891	\$869,825	\$687,005	\$0	\$1,132,861
Cash and Investments in Segregated Accounts	0	0	0	172,248	0
Receivables (Net):					
Taxes	0	0	0	0	238,735
Accounts	11,232	9,975	9,107	0	0
Intergovernmental	20,178	0	0	0	0
Prepaid Assets	1,061	0	0	0	0
Inventory	11,435	0	0	0	0
Total Assets	1,626,797	879,800	696,112	172,248	1,371,596
Liabilities:					
Accounts Payable	44,650	0	15,593	0	0
Accrued Wages and Benefits	148,632	0	0	0	0
Compensated Absences	29,393	0	0	0	0
Interfund Payable	0	0	0	0	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	222,675	0	15,593	0	0
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	213,870
Unavailable Revenue	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	213,870
Fund Balances:					
Nonspendable	1,061	0	0	0	0
Restricted	1,403,061	879,800	680,519	172,248	1,157,726
Unassigned (Deficit)	0	0	0	0	0
Total Fund Balances	1,404,122	879,800	680,519	172,248	1,157,726
Total Liabilities, Deferred Inflows and Fund Balances	\$1,626,797	\$879,800	\$696,112	\$172,248	\$1,371,596

Student Activities	District Managed Student Activity	Auxiliary Services	Public School PreSchool	Data Communications	Miscellaneous State Grants	Adult Basic Education	ESSER
\$130,931	\$223,455	\$0	\$0	\$27,000	\$4,616	\$1,004	\$570,587
0	0	22,226	0	0	0	0	0
0	0	0	0	0	0	0	0
5,825	20,598	0	0	0	0	0	0
0	0	0	50,179	231	0	0	209,242
0	0	0	339	0	0	0	844
0	0	0	0	0	0	0	0
<u>136,756</u>	<u>244,053</u>	<u>22,226</u>	<u>50,518</u>	<u>27,231</u>	<u>4,616</u>	<u>1,004</u>	<u>780,673</u>
2,377	1,340	21,647	437	0	0	0	683,712
0	0	0	38,656	0	0	0	96,117
0	0	0	0	0	0	0	0
0	0	0	11,086	0	0	0	0
0	0	0	0	0	4,616	1,004	0
<u>2,377</u>	<u>1,340</u>	<u>21,647</u>	<u>50,179</u>	<u>0</u>	<u>4,616</u>	<u>1,004</u>	<u>779,829</u>
0	0	0	0	0	0	0	0
0	0	0	36,679	0	0	0	209,242
0	0	0	36,679	0	0	0	209,242
0	0	0	339	0	0	0	844
134,379	242,713	579	0	27,231	0	0	0
0	0	0	(36,679)	0	0	0	(209,242)
<u>134,379</u>	<u>242,713</u>	<u>579</u>	<u>(36,340)</u>	<u>27,231</u>	<u>0</u>	<u>0</u>	<u>(208,398)</u>
<u>\$136,756</u>	<u>\$244,053</u>	<u>\$22,226</u>	<u>\$50,518</u>	<u>\$27,231</u>	<u>\$4,616</u>	<u>\$1,004</u>	<u>\$780,673</u>

Continued

Sandusky City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Title VI-B	Vocational Education	Title I School Improvement	Title III Limited English Proficiency	Title I
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$0	\$0	\$51,370
Cash and Investments in Segregated Accounts	0	0	0	0	0
Receivables (Net):					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	110,701	3,687	0	0	245,895
Prepaid Assets	1,043	0	0	0	2,432
Inventory	0	0	0	0	0
Total Assets	111,744	3,687	0	0	299,697
Liabilities:					
Accounts Payable	0	3,110	0	0	20,146
Accrued Wages and Benefits	118,927	0	0	0	277,119
Compensated Absences	0	0	0	0	0
Interfund Payable	7,090	28,431	0	2,790	0
Unearned Revenue	0	0	0	0	0
Total Liabilities	126,017	31,541	0	2,790	297,265
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	0
Unavailable Revenue	110,701	3,687	0	0	245,895
Total Deferred Inflows of Resources	110,701	3,687	0	0	245,895
Fund Balances:					
Nonspendable	1,043	0	0	0	2,432
Restricted	0	0	0	0	0
Unassigned (Deficit)	(126,017)	(31,541)	0	(2,790)	(245,895)
Total Fund Balances	(124,974)	(31,541)	0	(2,790)	(243,463)
Total Liabilities, Deferred Inflows and Fund Balances	\$111,744	\$3,687	\$0	\$0	\$299,697

Title IV-A	IDEA Preschool For The Handicapped	Improving Teachers Quality	Miscellaneous Federal Grants	Basic PELL Grant Program	Total Nonmajor Special Revenue Funds
\$0	\$139	\$608	\$0	\$0	\$5,282,292
0	0	0	0	0	194,474
0	0	0	0	0	238,735
0	0	0	0	0	56,737
5,100	3,277	28,154	26,905	0	703,549
0	30	195	0	0	5,944
0	0	0	0	0	11,435
<u>5,100</u>	<u>3,446</u>	<u>28,957</u>	<u>26,905</u>	<u>0</u>	<u>6,493,166</u>
5,100	0	6,495	10,000	0	814,607
0	3,416	22,267	0	0	705,134
0	0	0	0	0	29,393
0	0	0	103,039	0	152,436
0	0	0	0	0	5,620
<u>5,100</u>	<u>3,416</u>	<u>28,762</u>	<u>113,039</u>	<u>0</u>	<u>1,707,190</u>
0	0	0	0	0	213,870
5,100	3,277	28,154	26,905	0	669,640
<u>5,100</u>	<u>3,277</u>	<u>28,154</u>	<u>26,905</u>	<u>0</u>	<u>883,510</u>
0	30	195	0	0	5,944
0	0	0	0	0	4,698,256
(5,100)	(3,277)	(28,154)	(113,039)	0	(801,734)
<u>(5,100)</u>	<u>(3,247)</u>	<u>(27,959)</u>	<u>(113,039)</u>	<u>0</u>	<u>3,902,466</u>
<u>\$5,100</u>	<u>\$3,446</u>	<u>\$28,957</u>	<u>\$26,905</u>	<u>\$0</u>	<u>\$6,493,166</u>

Sandusky City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

	Food Service	Special Trust	Other Grants	Education Foundation	Classroom Facilities Maintenance
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$220,617
Investment Earnings	0	4,501	0	912	6,011
Intergovernmental	2,302,207	0	0	0	33,586
Extracurricular Activities	0	0	0	0	0
Charges for Services	94,890	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0	178
Other Revenues	2,005	68,104	351,787	27,839	0
Total Revenues	2,399,102	72,605	351,787	28,751	260,392
Expenditures:					
Current:					
Instruction:					
Regular	0	0	64,027	0	0
Special	0	0	48,836	0	0
Vocational	0	0	104,939	0	0
Adult/Continuing	0	0	11,390	0	0
Support Services:					
Pupil	0	0	1,177	0	0
Instructional Staff	0	0	0	0	0
School Administration	0	0	0	0	0
Fiscal	0	0	0	0	4,510
Business	0	22,065	0	20,813	0
Operations and Maintenance	36,341	0	0	0	18,900
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	2,294,154	0	25,564	0	0
Extracurricular Activities	0	48,910	0	0	0
Total Expenditures	2,330,495	70,975	255,933	20,813	23,410
Excess of Revenues Over (Under) Expenditures	68,607	1,630	95,854	7,938	236,982
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	0	(148,588)
Total Other Financing Sources (Uses)	0	0	0	0	(148,588)
Changes in Fund Balance	68,607	1,630	95,854	7,938	88,394
Fund Balance - Beginning of Year	1,335,515	878,170	584,665	164,310	1,069,332
Fund Balance - End of Year	\$1,404,122	\$879,800	\$680,519	\$172,248	\$1,157,726

Student Activities	District Managed Student Activity	Auxiliary Services	Public School PreSchool	Data Communications	Miscellaneous State Grants	Adult Basic Education	ESSER
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	436,383	266,900	9,231	147,100	96,683	4,745,214
97,792	342,755	0	0	0	0	0	0
0	7,143	0	0	0	0	0	0
0	0	0	0	0	0	0	0
19,501	47,385	0	0	0	0	0	0
<u>117,293</u>	<u>397,283</u>	<u>436,383</u>	<u>266,900</u>	<u>9,231</u>	<u>147,100</u>	<u>96,683</u>	<u>4,745,214</u>
0	0	0	204,062	0	0	0	936,529
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	55,713	0
0	0	0	48,448	0	0	0	1,230,083
0	0	0	1,955	0	0	43,657	478,050
0	0	0	9,688	0	0	0	378,688
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	93,737	0	526,143
0	0	0	0	0	64,631	0	138,746
0	0	0	0	0	0	0	19,470
0	0	464,785	0	0	0	0	0
<u>91,868</u>	<u>317,697</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>91,868</u>	<u>317,697</u>	<u>464,785</u>	<u>264,153</u>	<u>0</u>	<u>158,368</u>	<u>99,370</u>	<u>3,707,709</u>
<u>25,425</u>	<u>79,586</u>	<u>(28,402)</u>	<u>2,747</u>	<u>9,231</u>	<u>(11,268)</u>	<u>(2,687)</u>	<u>1,037,505</u>
0	0	0	0	0	0	0	7,789
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	7,789
25,425	79,586	(28,402)	2,747	9,231	(11,268)	(2,687)	1,045,294
108,954	163,127	28,981	(39,087)	18,000	11,268	2,687	(1,253,692)
<u>\$134,379</u>	<u>\$242,713</u>	<u>\$579</u>	<u>(\$36,340)</u>	<u>\$27,231</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$208,398)</u>

Continued

Sandusky City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

	Title VI-B	Vocational Education	Title I School Improvement	Title III Limited English Proficiency	Title I
Revenues:					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	1,146,089	120,475	147,465	0	1,979,208
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Revenue in Lieu of Taxes	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	1,146,089	120,475	147,465	0	1,979,208
Expenditures:					
Current:					
Instruction:					
Regular	47,398	0	0	0	19,256
Special	522,800	0	0	4,023	1,113,791
Vocational	0	64,960	0	0	0
Adult/Continuing	0	0	0	0	0
Support Services:					
Pupil	361,684	26,763	0	0	22,365
Instructional Staff	49,229	23,562	142,629	0	478,794
School Administration	0	0	0	0	68,565
Fiscal	0	0	0	0	0
Business	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	107,713	0	0	0	55,467
Extracurricular Activities	0	0	0	0	0
Total Expenditures	1,088,824	115,285	142,629	4,023	1,758,238
Excess of Revenues Over (Under) Expenditures	57,265	5,190	4,836	(4,023)	220,970
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Changes in Fund Balance	57,265	5,190	4,836	(4,023)	220,970
Fund Balance - Beginning of Year	(182,239)	(36,731)	(4,836)	1,233	(464,433)
Fund Balance - End of Year	(\$124,974)	(\$31,541)	\$0	(\$2,790)	(\$243,463)

Title IV-A	IDEA Preschool For The Handicapped	Improving Teachers Quality	Miscellaneous Federal Grants	Basic PELL Grant Program	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$220,617
0	0	0	0	0	11,424
154,546	22,968	125,448	133,573	282,639	12,149,715
0	0	0	0	0	440,547
0	0	0	0	0	102,033
0	0	0	0	0	178
0	0	0	0	0	516,621
<u>154,546</u>	<u>22,968</u>	<u>125,448</u>	<u>133,573</u>	<u>282,639</u>	<u>13,441,135</u>
31,357	300	0	792	0	1,303,721
0	8,330	0	0	0	1,697,780
0	0	0	0	0	169,899
0	0	0	0	0	67,103
0	9,136	0	0	0	1,699,656
70,500	0	114,672	70,025	0	1,473,073
0	0	0	0	0	456,941
0	0	0	0	0	4,510
0	0	0	0	0	42,878
0	0	0	0	0	675,121
0	0	0	0	0	203,377
0	0	0	73,998	0	93,468
27,048	0	6,559	0	282,639	3,263,929
0	0	0	0	0	458,475
<u>128,905</u>	<u>17,766</u>	<u>121,231</u>	<u>144,815</u>	<u>282,639</u>	<u>11,609,931</u>
<u>25,641</u>	<u>5,202</u>	<u>4,217</u>	<u>(11,242)</u>	<u>0</u>	<u>1,831,204</u>
0	0	0	0	0	7,789
0	0	0	0	0	(148,588)
0	0	0	0	0	(140,799)
25,641	5,202	4,217	(11,242)	0	1,690,405
(30,741)	(8,449)	(32,176)	(101,797)	0	2,212,061
<u>(\$5,100)</u>	<u>(\$3,247)</u>	<u>(\$27,959)</u>	<u>(\$113,039)</u>	<u>\$0</u>	<u>\$3,902,466</u>

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,128,551	\$2,128,551	\$0
Charges for Services	83,658	83,658	0
Other Revenues	2,005	2,005	0
Total Revenues	<u>2,214,214</u>	<u>2,214,214</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	30,797	32,551	(1,754)
Operation of Non-Instructional Services	2,470,202	2,610,923	(140,721)
Total Expenditures	<u>2,500,999</u>	<u>2,643,474</u>	<u>(142,475)</u>
Changes in Fund Balance	(286,785)	(429,260)	(142,475)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,497,068</u>	<u>1,497,068</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,210,283</u></u>	<u><u>\$1,067,808</u></u>	<u><u>(\$142,475)</u></u>

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$4,753	\$4,501	(\$252)
Other Revenues	83,144	78,729	(4,415)
Total Revenues	<u>87,897</u>	<u>83,230</u>	<u>(4,667)</u>
Expenditures:			
Current:			
Support Services:			
Business	22,065	22,065	0
Extracurricular Activities	48,910	48,910	0
Total Expenditures	<u>70,975</u>	<u>70,975</u>	<u>0</u>
Changes in Fund Balance	16,922	12,255	(4,667)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>857,569</u>	<u>857,569</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$874,491</u></u>	<u><u>\$869,824</u></u>	<u><u>(\$4,667)</u></u>

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$342,680	\$342,680	\$0
Total Revenues	342,680	342,680	0
Expenditures:			
Current:			
Instruction:			
Regular	74,462	72,421	2,041
Special	66,349	64,530	1,819
Vocational	121,495	118,165	3,330
Adult/Continuing	11,711	11,390	321
Support Services:			
Pupil	2,219	2,158	61
Operation of Non-Instructional Services	27,953	27,187	766
Total Expenditures	304,189	295,851	8,338
Changes in Fund Balance	38,491	46,829	8,338
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	609,563	609,563	0
Fund Balance - End of Year	<u>\$648,054</u>	<u>\$656,392</u>	<u>\$8,338</u>

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Education Foundation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$925	\$912	(\$13)
Other Revenues	28,228	27,839	(389)
Total Revenues	<u>29,153</u>	<u>28,751</u>	<u>(402)</u>
Expenditures:			
Current:			
Support Services:			
Business	20,832	20,926	(94)
Total Expenditures	<u>20,832</u>	<u>20,926</u>	<u>(94)</u>
Changes in Fund Balance	8,321	7,825	(496)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>164,310</u>	<u>164,310</u>	<u>0</u>
Fund Balance - End of Year	<u>\$172,631</u>	<u>\$172,135</u>	<u>(\$496)</u>

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Classroom Facilities Maintenance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$233,975	\$233,284	(\$691)
Revenue in lieu of taxes	179	178	(1)
Investment Earnings	6,029	6,011	(18)
Intergovernmental	33,686	33,586	(100)
Total Revenues	<u>273,869</u>	<u>273,059</u>	<u>(810)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	4,360	4,510	(150)
Operations and Maintenance	23,982	24,805	(823)
Total Expenditures	<u>28,342</u>	<u>29,315</u>	<u>(973)</u>
Excess of Revenues Over (Under) Expenditures	<u>245,527</u>	<u>243,744</u>	<u>(1,783)</u>
Other Financing Sources (Uses):			
Transfers (Out)	(143,656)	(148,588)	(4,932)
Total Other Financing Sources (Uses)	<u>(143,656)</u>	<u>(148,588)</u>	<u>(4,932)</u>
Changes in Fund Balance	101,871	95,156	(6,715)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,031,800</u>	<u>1,031,800</u>	<u>0</u>
Fund Balance - End of Year	<u>\$1,133,671</u>	<u>\$1,126,956</u>	<u>(\$6,715)</u>

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$92,635	\$92,635	\$0
Other Revenues	18,834	18,834	0
Total Revenues	<u>111,469</u>	<u>111,469</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	<u>124,168</u>	<u>116,586</u>	<u>7,582</u>
Total Expenditures	<u>124,168</u>	<u>116,586</u>	<u>7,582</u>
Changes in Fund Balance	(12,699)	(5,117)	7,582
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>122,252</u>	<u>122,252</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$109,553</u></u>	<u><u>\$117,135</u></u>	<u><u>\$7,582</u></u>

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	District Managed Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$285,264	\$284,965	(\$299)
Charges for Services	7,150	7,143	(7)
Other Revenues	35,172	35,135	(37)
Total Revenues	327,586	327,243	(343)
Expenditures:			
Current:			
Extracurricular Activities	371,632	359,608	12,024
Total Expenditures	371,632	359,608	12,024
Excess of Revenues Over (Under) Expenditures	(44,046)	(32,365)	11,681
Other Financing Sources (Uses):			
Transfers In	51,729	51,675	(54)
Total Other Financing Sources (Uses)	51,729	51,675	(54)
Changes in Fund Balance	7,683	19,310	11,627
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	167,822	167,822	0
Fund Balance - End of Year	\$175,505	\$187,132	\$11,627

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$486,520	\$436,383	(\$50,137)
Total Revenues	486,520	436,383	(50,137)
Expenditures:			
Current:			
Operation of Non-Instructional Services	540,332	489,874	50,458
Total Expenditures	540,332	489,874	50,458
Excess of Revenues Over (Under) Expenditures	(53,812)	(53,491)	321
Other Financing Sources (Uses):			
Transfers In	3,452	3,096	(356)
Transfers (Out)	(3,415)	(3,096)	319
Total Other Financing Sources (Uses)	37	0	(37)
Changes in Fund Balance	(53,775)	(53,491)	284
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	53,775	53,775	0
Fund Balance - End of Year	\$0	\$284	\$284

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Public School PreSchool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$257,372	\$253,400	(\$3,972)
Total Revenues	257,372	253,400	(3,972)
Expenditures:			
Current:			
Instruction:			
Regular	194,675	192,503	2,172
Support Services:			
Pupil	49,495	48,943	552
Instructional Staff	1,978	1,956	22
School Administration	12,568	12,428	140
Total Expenditures	258,716	255,830	2,886
Excess of Revenues Over (Under) Expenditures	(1,344)	(2,430)	(1,086)
Other Financing Sources (Uses):			
Advances In	11,260	11,086	(174)
Advances (Out)	(12,950)	(12,806)	144
Total Other Financing Sources (Uses)	(1,690)	(1,720)	(30)
Changes in Fund Balance	(3,034)	(4,150)	(1,116)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,034	3,034	0
Fund Balance - End of Year	\$0	(\$1,116)	(\$1,116)

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Data Communications Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,000	\$9,000	\$0
Total Revenues	9,000	9,000	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Changes in Fund Balance	9,000	9,000	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	18,000	18,000	0
Fund Balance - End of Year	\$27,000	\$27,000	\$0

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$172,098	\$151,716	(\$20,382)
Total Revenues	172,098	151,716	(20,382)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	107,467	107,467	0
Pupil Transportation	64,631	64,631	0
Total Expenditures	172,098	172,098	0
Changes in Fund Balance	0	(20,382)	(20,382)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,268	11,268	0
Fund Balance - End of Year	\$11,268	(\$9,114)	(\$20,382)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Adult Basic Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$123,351	\$119,153	(\$4,198)
Total Revenues	123,351	119,153	(4,198)
Expenditures:			
Current:			
Instruction:			
Adult/Continuing	62,822	59,853	2,969
Support Services:			
Instructional Staff	52,470	52,469	1
Central	5,200	5,200	0
Total Expenditures	120,492	117,522	2,970
Excess of Revenues Over (Under) Expenditures	2,859	1,631	(1,228)
Other Financing Sources (Uses):			
Advances (Out)	(5,827)	(5,827)	0
Total Other Financing Sources (Uses)	(5,827)	(5,827)	0
Changes in Fund Balance	(2,968)	(4,196)	(1,228)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	(\$2,968)	(\$4,196)	(\$1,228)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	ESSER Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,226,889	\$4,745,214	(\$481,675)
Total Revenues	5,226,889	4,745,214	(481,675)
Expenditures:			
Current:			
Instruction:			
Regular	1,053,001	1,008,240	44,761
Support Services:			
Pupil	1,288,499	1,233,728	54,771
Instructional Staff	551,533	528,089	23,444
School Administration	422,132	404,188	17,944
Operations and Maintenance	684,355	655,265	29,090
Pupil Transportation	146,608	140,376	6,232
Central	40,178	38,470	1,708
Total Expenditures	4,186,306	4,008,356	177,950
Excess of Revenues Over (Under) Expenditures	1,040,583	736,858	(303,725)
Other Financing Sources (Uses):			
Transfers In	8,580	7,789	(791)
Transfers (Out)	(1,843,517)	(1,765,153)	78,364
Total Other Financing Sources (Uses)	(1,834,937)	(1,757,364)	77,573
Changes in Fund Balance	(794,354)	(1,020,506)	(226,152)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	794,354	794,354	0
Fund Balance - End of Year	\$0	(\$226,152)	(\$226,152)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Corona Virus Relief-Urban Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,395	\$0	(\$4,395)
Total Revenues	4,395	0	(4,395)
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	4,395	0	(4,395)
Other Financing Sources (Uses):			
Advances (Out)	(8,790)	(4,395)	4,395
Total Other Financing Sources (Uses)	(8,790)	(4,395)	4,395
Changes in Fund Balance	(4,395)	(4,395)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,395	4,395	0
Fund Balance - End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,153,676	\$1,146,089	(\$7,587)
Total Revenues	1,153,676	1,146,089	(7,587)
Expenditures:			
Current:			
Instruction:			
Regular	47,670	47,398	272
Special	556,065	552,888	3,177
Support Services:			
Pupil	355,008	352,980	2,028
Instructional Staff	49,512	49,229	283
Operation of Non-Instructional Services	109,308	108,684	624
Total Expenditures	1,117,563	1,111,179	6,384
Excess of Revenues Over (Under) Expenditures	36,113	34,910	(1,203)
Other Financing Sources (Uses):			
Advances In	7,137	7,090	(47)
Advances (Out)	(48,987)	(48,707)	280
Total Other Financing Sources (Uses)	(41,850)	(41,617)	233
Changes in Fund Balance	(5,737)	(6,707)	(970)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	5,737	5,737	0
Fund Balance - End of Year	\$0	(\$970)	(\$970)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$155,410	\$140,946	(\$14,464)
Total Revenues	155,410	140,946	(14,464)
Expenditures:			
Current:			
Instruction:			
Vocational	83,264	77,434	5,830
Support Services:			
Pupil	29,285	27,235	2,050
Instructional Staff	25,335	23,561	1,774
Total Expenditures	137,884	128,230	9,654
Excess of Revenues Over (Under) Expenditures	17,526	12,716	(4,810)
Other Financing Sources (Uses):			
Advances In	31,349	28,431	(2,918)
Advances (Out)	(62,017)	(57,675)	4,342
Total Other Financing Sources (Uses)	(30,668)	(29,244)	1,424
Changes in Fund Balance	(13,142)	(16,528)	(3,386)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	13,142	13,142	0
Fund Balance - End of Year	\$0	(\$3,386)	(\$3,386)

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Title I School Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$147,465	\$147,465	\$0
Total Revenues	147,465	147,465	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	147,241	147,241	0
Total Expenditures	147,241	147,241	0
Excess of Revenues Over (Under) Expenditures	224	224	0
Other Financing Sources (Uses):			
Advances (Out)	(224)	(224)	0
Total Other Financing Sources (Uses)	(224)	(224)	0
Changes in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Title III Limited English Proficiency Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Special	4,023	4,023	0
Total Expenditures	4,023	4,023	0
Excess of Revenues Over (Under) Expenditures	(4,023)	(4,023)	0
Other Financing Sources (Uses):			
Advances In	2,790	2,790	0
Total Other Financing Sources (Uses)	2,790	2,790	0
Changes in Fund Balance	(1,233)	(1,233)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,233	1,233	0
Fund Balance - End of Year	\$0	\$0	\$0

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,065,601	\$1,979,208	(\$86,393)
Total Revenues	<u>2,065,601</u>	<u>1,979,208</u>	<u>(86,393)</u>
Expenditures:			
Current:			
Instruction:			
Regular	193,914	186,097	7,817
Special	1,066,161	1,023,184	42,977
Support Services:			
Pupil	29,035	27,865	1,170
Instructional Staff	499,185	479,063	20,122
School Administration	66,815	64,122	2,693
Operations and Maintenance	111,873	107,363	4,510
Total Expenditures	<u>1,966,983</u>	<u>1,887,694</u>	<u>79,289</u>
Excess of Revenues Over (Under) Expenditures	<u>98,618</u>	<u>91,514</u>	<u>(7,104)</u>
Other Financing Sources (Uses):			
Advances (Out)	(186,980)	(179,443)	7,537
Total Other Financing Sources (Uses)	<u>(186,980)</u>	<u>(179,443)</u>	<u>7,537</u>
Changes in Fund Balance	(88,362)	(87,929)	433
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>88,362</u>	<u>88,362</u>	<u>0</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$433</u>	<u>\$433</u>

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Title IV-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$161,667	\$154,546	(\$7,121)
Total Revenues	161,667	154,546	(7,121)
Expenditures:			
Current:			
Instruction:			
Regular	33,378	33,378	0
Support Services:			
Instructional Staff	70,501	70,500	1
Operation of Non-Instructional Services	27,047	27,047	0
Total Expenditures	130,926	130,925	1
Excess of Revenues Over (Under) Expenditures	30,741	23,621	(7,120)
Other Financing Sources (Uses):			
Advances (Out)	(30,741)	(30,741)	0
Total Other Financing Sources (Uses)	(30,741)	(30,741)	0
Changes in Fund Balance	0	(7,120)	(7,120)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	(\$7,120)	(\$7,120)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	IDEA Preschool For The Handicapped Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,420	\$22,968	(\$2,452)
Total Revenues	25,420	22,968	(2,452)
Expenditures:			
Current:			
Instruction:			
Regular	312	299	13
Special	12,192	11,682	510
Support Services:			
Pupil	9,535	9,136	399
Total Expenditures	22,039	21,117	922
Excess of Revenues Over (Under) Expenditures	3,381	1,851	(1,530)
Other Financing Sources (Uses):			
Advances (Out)	(2,584)	(2,476)	108
Total Other Financing Sources (Uses)	(2,584)	(2,476)	108
Changes in Fund Balance	797	(625)	(1,422)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	766	766	0
Fund Balance - End of Year	\$1,563	\$141	(\$1,422)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$145,003	\$125,448	(\$19,555)
Total Revenues	145,003	125,448	(19,555)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	129,228	120,237	8,991
Operation of Non-Instructional Services	7,116	6,621	495
Total Expenditures	136,344	126,858	9,486
Excess of Revenues Over (Under) Expenditures	8,659	(1,410)	(10,069)
Other Financing Sources (Uses):			
Advances (Out)	(8,907)	(8,287)	620
Total Other Financing Sources (Uses)	(8,907)	(8,287)	620
Changes in Fund Balance	(248)	(9,697)	(9,449)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	248	248	0
Fund Balance - End of Year	\$0	(\$9,449)	(\$9,449)

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$175,632	\$133,573	(\$42,059)
Total Revenues	175,632	133,573	(42,059)
Expenditures:			
Current:			
Instruction:			
Regular	62,064	52,550	9,514
Support Services:			
Instructional Staff	92,358	78,200	14,158
Central	91,470	77,448	14,022
Total Expenditures	245,892	208,198	37,694
Excess of Revenues Over (Under) Expenditures	(70,260)	(74,625)	(4,365)
Other Financing Sources (Uses):			
Advances In	135,484	103,039	(32,445)
Advances (Out)	(121,558)	(102,924)	18,634
Total Other Financing Sources (Uses)	13,926	115	(13,811)
Changes in Fund Balance	(56,334)	(74,510)	(18,176)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	56,334	56,334	0
Fund Balance - End of Year	\$0	(\$18,176)	(\$18,176)

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Basic PELL Grant Program Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$282,639	\$282,639	\$0
Total Revenues	282,639	282,639	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	282,639	282,639	0
Total Expenditures	282,639	282,639	0
Changes in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NONMAJOR DEBT SERVICE FUND

Fund Description

Debt Service Fund - The Debt Service 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. 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 and Actual (Non-GAAP Budgetary Basis) follows this page.

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,762,100	\$1,757,500	(\$4,600)
Revenue in lieu of taxes	1,232	1,229	(3)
Investment Earnings	10,704	10,676	(28)
Intergovernmental	43,049	42,937	(112)
Total Revenues	<u>1,817,085</u>	<u>1,812,342</u>	<u>(4,743)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	34,180	34,180	0
Debt Service:			
Principal Retirement	665,000	665,000	0
Interest and Fiscal Charges	1,016,299	1,016,298	1
Total Expenditures	<u>1,715,479</u>	<u>1,715,478</u>	<u>1</u>
Changes in Fund Balance	101,606	96,864	(4,742)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,957,751</u>	<u>1,957,751</u>	<u>0</u>
Fund Balance - End of Year	<u>\$2,059,357</u>	<u>\$2,054,615</u>	<u>(\$4,742)</u>

NONMAJOR CAPITAL PROJECT FUNDS

Fund Descriptions

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

Building - 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 - 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.

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

Sandusky City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2023

	Permanent Improvement	Building	Replacement	Classroom Facilities	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Investments	\$1,833,999	\$0	\$26,673	\$947,258	\$2,807,930
Cash and Investments in Segregated Accounts	0	1,597,700	0	1,487,666	3,085,366
Receivables (Net):					
Taxes	789,959	0	0	0	789,959
Interest	0	6,497	0	6,050	12,547
Intergovernmental	0	0	0	214,469	214,469
Total Assets	2,623,958	1,604,197	26,673	2,655,443	6,910,271
Liabilities:					
Accounts Payable	26,738	0	0	0	26,738
Total Liabilities	26,738	0	0	0	26,738
Deferred Inflows of Resources:					
Property Taxes	698,826	0	0	0	698,826
Unavailable Revenue	0	0	0	214,469	214,469
Total Deferred Inflows of Resources	698,826	0	0	214,469	913,295
Fund Balances:					
Restricted	1,898,394	1,604,197	0	2,440,974	5,943,565
Assigned	0	0	26,673	0	26,673
Total Fund Balances	1,898,394	1,604,197	26,673	2,440,974	5,970,238
Total Liabilities, Deferred Inflows and Fund Balances	\$2,623,958	\$1,604,197	\$26,673	\$2,655,443	\$6,910,271

Sandusky City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2023

	Permanent Improvement	Building	Replacement	Classroom Facilities	Total Nonmajor Capital Projects Funds
Revenues:					
Property and Other Taxes	\$716,074	\$0	\$0	\$0	\$716,074
Investment Earnings	0	121,021	0	(4,165)	116,856
Intergovernmental	89,748	0	0	0	89,748
Revenue in Lieu of Taxes	712	0	0	0	712
Total Revenues	806,534	121,021	0	(4,165)	923,390
Expenditures:					
Current:					
Instruction:					
Regular	46,877	0	0	0	46,877
Support Services:					
Instructional Staff	65,739	0	0	0	65,739
Fiscal	17,658	0	0	0	17,658
Central	78,383	0	0	0	78,383
Capital Outlay	463,380	94,544	0	15,158	573,082
Total Expenditures	672,037	94,544	0	15,158	781,739
Excess of Revenues Over (Under) Expenditure:	134,497	26,477	0	(19,323)	141,651
Other Financing Sources (Uses):					
Transfers In	148,588	0	0	0	148,588
Total Other Financing Sources (Uses)	148,588	0	0	0	148,588
Changes in Fund Balance	283,085	26,477	0	(19,323)	290,239
Fund Balance - Beginning of Year	1,615,309	1,577,720	26,673	2,460,297	5,679,999
Fund Balance - End of Year	\$1,898,394	\$1,604,197	\$26,673	\$2,440,974	\$5,970,238

Sandusky City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2023

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$765,665	\$765,665	\$0
Revenue in lieu of taxes	712	712	0
Intergovernmental	89,748	89,748	0
Total Revenues	856,125	856,125	0
Expenditures:			
Current:			
Instruction:			
Regular	81,549	65,144	16,405
Support Services:			
Instructional Staff	82,294	65,739	16,555
Fiscal	22,105	17,658	4,447
Central	98,122	78,383	19,739
Capital Outlay	744,331	594,595	149,736
Total Expenditures	1,028,401	821,519	206,882
Excess of Revenues Over (Under) Expenditures	(172,276)	34,606	206,882
Other Financing Sources (Uses):			
Transfers In	187,845	187,845	0
Transfers (Out)	(49,143)	(39,257)	9,886
Total Other Financing Sources (Uses)	138,702	148,588	9,886
Changes in Fund Balance	(33,574)	183,194	216,768
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,511,635	1,511,635	0
Fund Balance - End of Year	\$1,478,061	\$1,694,829	\$216,768

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$54,705	\$51,307	(\$3,398)
Total Revenues	54,705	51,307	(3,398)
Expenditures:			
Capital Outlay	398,473	301,106	97,367
Total Expenditures	398,473	301,106	97,367
Changes in Fund Balance	(343,768)	(249,799)	93,969
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,647,925	1,647,925	0
Fund Balance - End of Year	<u>\$1,304,157</u>	<u>\$1,398,126</u>	<u>\$93,969</u>

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Replacement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Changes in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	26,673	26,673	0
Fund Balance - End of Year	\$26,673	\$26,673	\$0

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Classroom Facilities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$66,222	\$52,952	(\$13,270)
Total Revenues	<u>66,222</u>	<u>52,952</u>	<u>(13,270)</u>
Expenditures:			
Current:			
Capital Outlay	829,742	802,959	26,783
Total Expenditures	<u>829,742</u>	<u>802,959</u>	<u>26,783</u>
Changes in Fund Balance	(763,520)	(750,007)	13,513
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>2,546,143</u>	<u>2,546,143</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,782,623</u></u>	<u><u>\$1,796,136</u></u>	<u><u>\$13,513</u></u>

NONMAJOR PERMANENT FUND

Fund Description

Permanent Fund - The Permanent fund should be used to account 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 and Actual (Non-GAAP Budgetary Basis) follows this page.

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,792	\$1,792	\$0
Total Revenues	1,792	1,792	0
Expenditures:			
Current:			
Support Services:			
Business	13,917	13,917	0
Total Expenditures	13,917	13,917	0
Changes in Fund Balance	(12,125)	(12,125)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	137,700	137,700	0
Fund Balance - End of Year	\$125,575	\$125,575	\$0

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.

Fund Descriptions

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, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$1,261,353	\$1,261,353	\$0
Intergovernmental	241,284	241,284	0
Other Revenues	289,945	289,945	0
Total Revenues	<u>1,792,582</u>	<u>1,792,582</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Adult/Continuing	1,796,036	1,662,869	133,167
Support Services:			
School Administration	1,033	1,000	33
Total Expenditures	<u>1,797,069</u>	<u>1,663,869</u>	<u>133,200</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,487)</u>	<u>128,713</u>	<u>133,200</u>
Other Financing Sources (Uses):			
Advances (Out)	(77,737)	(75,227)	2,510
Total Other Financing Sources (Uses)	<u>(77,737)</u>	<u>(75,227)</u>	<u>2,510</u>
Changes in Fund Balance	(82,224)	53,486	135,710
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>63,876</u>	<u>63,876</u>	<u>0</u>
Fund Balance - End of Year	<u>(\$18,348)</u>	<u>\$117,362</u>	<u>\$135,710</u>

(1) This fund is combined with the General fund in GAAP Statements.

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Rotary Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$2,374	\$2,374	\$0
Other Revenues	34,456	34,456	0
Total Revenues	36,830	36,830	0
Expenditures:			
Current:			
Instruction:			
Regular	36,489	34,801	1,688
Extracurricular Activities	3,114	2,970	144
Total Expenditures	39,603	37,771	1,832
Changes in Fund Balance	(2,773)	(941)	1,832
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	278,050	278,050	0
Fund Balance - End of Year	\$275,277	\$277,109	\$1,832

(1) This fund is combined with the General fund in GAAP Statements.

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$26,051	\$26,051	\$0
Other Revenues	33,035	33,035	0
Total Revenues	59,086	59,086	0
Expenditures:			
Current:			
Extracurricular Activities	33,852	67,019	(33,167)
Total Expenditures	33,852	67,019	(33,167)
Changes in Fund Balance	25,234	(7,933)	(33,167)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	64,686	64,686	0
Fund Balance - End of Year	\$89,920	\$56,753	(\$33,167)

(1) This fund is combined with the General fund in GAAP Statements.

Sandusky City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2023

	Unclaimed Monies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	(0)
Total Expenditures	0	0	(0)
Changes in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	40,039	40,039	0
Fund Balance - End of Year	\$40,039	\$40,039	\$0

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Fiduciary Funds

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

Fund Descriptions

Association Library Fund – This fund accounts for the collection and remittance of the local library tax levy.

Athletic Tournaments Fund – This accounts for the OHSAA tournament monies.

Sandusky City School District
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Association Library	Athletic Tournaments	Total
Assets:			
Receivables (Net):			
Taxes	\$316,179	\$0	\$316,179
Total Assets	316,179	0	316,179
Deferred Inflows of Resources:			
Property Taxes	247,825	0	247,825
Total Deferred Inflows of Resources	247,825	0	247,825
Net Position:			
Restricted for Individuals, Organizations and Other Governments	68,354	0	68,354
Total Net Position	<u>\$68,354</u>	<u>\$0</u>	<u>\$68,354</u>

Sandusky City School District
 Combining Statement of Changes in Fiduciary Net Position
 Custodial Funds
 For the Fiscal Year Ended June 30, 2023

	Association Library	Athletic Tournaments	Total
Additions:			
Extracurricular Amounts Collected for Other Governments	\$0	\$4,300	\$4,300
Property Tax Collections for Other Governments	284,373	0	284,373
Total Additions	284,373	4,300	288,673
Deductions:			
Extracurricular Distributions to Other Governments	0	54,793	54,793
Property Tax Distributions to Other Governments	315,524	0	315,524
Distributions of State Funds to Other Governments	13,268	0	13,268
Total Deductions	328,792	54,793	383,585
Changes in Fiduciary Net Position	(44,419)	(50,493)	(94,912)
Net Position - Beginning of Year	112,773	50,493	163,266
Net Position - End of Year	\$68,354	\$0	\$68,354

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS

FINANCIAL TRENDS: These schedules contain trend information to help the reader understand how the 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 annual comprehensive financial reports for the relevant year.

Sandusky City School District, Ohio
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	2014 (1)	2015	2016	2017 (2)	2018
Governmental Activities					
Net Investment in Capital Assets	\$10,570,451	\$10,635,896	\$10,691,843	\$10,627,825	\$8,723,039
Restricted	2,261,685	2,130,209	2,354,770	37,925,259	41,346,946
Unrestricted	(63,149,693)	(58,077,949)	(52,967,354)	(71,703,704)	(47,214,912)
Total Governmental Activities Net Position	<u>(\$50,317,557)</u>	<u>(\$45,311,844)</u>	<u>(\$39,920,741)</u>	<u>(\$23,150,620)</u>	<u>\$2,855,073</u>

Source: District Records

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

(2) - Due to 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 2014 to 2016 due to information not being available.

(3) - Due to implementation of GASB 84 in fiscal year 2021, fiscal year 2020 has been restated to reflect changes.

2019	2020 (3)	2021	2022	2023
\$16,849,363	\$32,937,677	\$45,137,012	\$43,232,957	\$43,408,024
35,973,442	31,267,192	18,763,417	22,842,484	28,728,513
(43,800,436)	(50,353,108)	(48,750,531)	(43,228,449)	(48,513,948)
\$9,022,369	\$13,851,761	\$15,149,898	\$22,846,992	\$23,622,589

Sandusky City School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 2

	2014	2015	2016	2017	2018
Expenses					
Governmental Activities:					
Instruction	\$32,492,793	\$31,501,248	\$31,824,045	\$36,502,846	\$22,476,864
Pupil	2,054,942	2,235,545	2,478,935	2,645,569	1,480,059
Instructional Staff	1,730,658	1,951,925	2,008,040	2,242,858	626,711
General Administration	203,832	193,601	182,920	204,630	344,959
School Administration	2,926,608	3,190,007	3,206,215	3,437,227	589,210
Fiscal	790,525	718,377	888,242	895,004	625,243
Business	272,987	135,626	174,113	195,897	94,905
Operations and Maintenance	3,063,508	3,095,214	3,160,807	3,349,576	1,944,026
Pupil Transportation	1,680,628	1,688,292	1,997,595	2,058,289	838,067
Central	234,488	390,519	524,488	718,953	301,687
Operation of Non-Instructional Services	2,473,124	2,725,322	3,039,467	3,373,837	2,571,647
Extracurricular Activities	959,167	1,129,613	1,111,967	1,362,308	626,236
Interest and Fiscal Charges	66,312	24,129	23,994	957,888	1,501,259
Total Primary Government Expenses	<u>\$48,949,572</u>	<u>\$48,979,418</u>	<u>\$50,620,828</u>	<u>\$57,944,882</u>	<u>\$34,020,873</u>

Source: District Records

2019	2020	2021	2022	2023
\$32,264,034	\$39,691,907	\$42,706,598	\$30,477,691	\$36,210,492
2,428,648	3,092,367	4,099,163	3,200,817	4,133,642
1,564,929	1,965,197	2,220,080	1,867,911	2,434,633
308,466	190,761	159,203	305,498	248,322
3,243,804	4,014,354	4,101,182	3,477,906	4,264,371
898,763	874,902	845,024	840,232	900,732
249,977	325,643	483,450	351,203	429,098
4,598,614	3,988,666	4,418,791	4,298,728	5,005,864
1,996,342	2,125,788	1,712,788	2,621,630	2,040,183
871,834	950,666	1,127,368	1,029,747	819,271
3,421,467	3,247,340	2,930,815	3,013,604	3,339,124
1,293,630	1,479,342	996,690	1,473,162	1,642,731
1,498,633	1,433,486	1,370,984	1,383,757	1,088,960
<u>\$54,639,141</u>	<u>\$63,380,419</u>	<u>\$67,172,136</u>	<u>\$54,341,886</u>	<u>\$62,557,423</u>

Sandusky City School District, Ohio
Expenses, Program Revenues and Net (Expense)/Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
Schedule 2 (Continued)

	2014	2015	2016	2017	2018
Program Revenues					
Governmental Activities:					
Charges for Services:					
Instruction	\$1,368,131	\$1,397,406	\$1,360,636	\$1,448,617	\$2,077,702
Operations and Maintenance	75,775	65,518	80,554	49,153	13,471
Operation of Non-Instructional Services	258,744	128,010	104,431	105,070	82,284
Extracurricular Activities	206,555	196,680	224,213	271,479	270,534
Operating Grants and Contributions	9,015,833	7,178,726	10,961,374	10,347,117	11,177,521
Capital Grants and Contributions	0	0	0	0	0
Total Primary Government Program Revenues	<u>\$10,925,038</u>	<u>\$8,966,350</u>	<u>\$12,731,208</u>	<u>\$12,221,436</u>	<u>\$13,621,512</u>
Net (Expense)/Revenue					
Total Government Net Expense	<u>(\$38,024,534)</u>	<u>(\$40,013,068)</u>	<u>(\$37,889,620)</u>	<u>(\$45,723,446)</u>	<u>(\$20,399,361)</u>

Source: District Records

2019	2020	2021	2022	2023
\$2,561,534	\$2,059,126	\$2,714,388	\$1,627,860	\$2,300,335
646	1,174	170	1,112	123,999
89,243	51,488	17,329	69,199	93,439
287,050	218,041	125,469	413,931	468,169
9,799,829	11,136,811	18,426,233	12,256,249	15,005,640
0	0	1,925	25,822	0
<u>\$12,738,302</u>	<u>\$13,466,640</u>	<u>\$21,285,514</u>	<u>\$14,394,173</u>	<u>\$17,991,582</u>
<u>(\$41,900,839)</u>	<u>(\$49,913,779)</u>	<u>(\$45,886,622)</u>	<u>(\$39,947,713)</u>	<u>(\$44,565,841)</u>

Sandusky City School District, Ohio
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	2014	2015	2016	2017	2018
Net (Expense)/Revenue	(\$38,024,534)	(\$40,013,068)	(\$37,889,620)	(\$45,723,446)	(\$20,399,361)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes Levied for General Purposes	17,374,591	19,124,841	19,740,487	17,187,235	19,438,510
Property Taxes Levied for Debt Service Purposes	0	0	0	1,339,894	1,770,975
Property Taxes Levied for Special Revenue Purposes	0	0	0	165,834	219,185
Property Taxes Levied for Capital Projects Purposes	762,374	835,589	855,061	744,731	839,651
Grants and Entitlements Not Restricted	19,420,547	23,724,457	21,933,538	22,660,493	22,788,223
Payment in Lieu of Taxes	100,209	41,219	34,951	31,517	20,490
Unrestricted Contributions	66,046	89,974	100,065	146,995	84,378
Investment Earnings	26,696	7,666	19,599	67,359	390,086
Grants and Entitlements for Capital Construction	0	0	0	35,207,198	0
Other Revenues	1,491,820	1,195,035	597,022	387,671	853,556
Total Governmental Activities General Revenues	39,242,283	45,018,781	43,280,723	77,938,927	46,405,054
Change in Net Position	\$1,217,749	\$5,005,713	\$5,391,103	\$32,215,481	\$26,005,693

Source: District Records

2019	2020	2021	2022	2023
(\$41,900,839)	(\$49,913,779)	(\$45,886,622)	(\$39,947,713)	(\$44,565,841)
19,053,400	19,111,641	20,020,831	21,372,060	19,289,445
1,888,813	1,707,766	2,004,076	1,942,921	1,661,504
232,623	211,403	235,040	240,468	224,725
820,602	809,172	860,067	904,403	730,869
24,468,154	22,489,251	23,005,519	22,081,926	19,953,537
43,950	2,271	55,429	157,268	20,608
0	0	0	0	65,858
980,444	601,232	46,019	11,730	927,939
0	0	0	0	214,469
580,149	428,681	957,778	934,031	2,252,484
48,068,135	45,361,417	47,184,759	47,644,807	45,341,438
\$6,167,296	(\$4,552,362)	\$1,298,137	\$7,697,094	\$775,597

Sandusky City School District, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$0	\$0	\$30,961	\$0	\$4,671
Assigned	208,268	192,021	318,814	304,845	120,547
Unassigned	(897,206)	1,873,657	6,364,340	6,030,338	7,612,818
Total General Fund	(\$688,938)	\$2,065,678	\$6,714,115	\$6,335,183	\$7,738,036
All Other Governmental Funds					
Nonspendable	10,000	10,000	13,452	10,000	10,594
Restricted	2,080,963	1,776,592	1,995,607	39,634,666	42,045,745
Assigned	26,673	26,673	26,673	26,673	26,673
Unassigned	(165,951)	(7,969)	(27,891)	(328,622)	(294,611)
Total All Other Governmental Funds	\$1,951,685	\$1,805,296	\$2,007,841	\$39,342,717	\$41,788,401

Source: District Records

(1) - Due to the implementation fo GASB 84 in fiscal year 2021, fiscal year 2020 has been restated to reflect changes.

2019	2020 (1)	2021	2022	2023
\$64,763	\$63,801	\$83,731	\$40,039	\$89,514
1,546,763	2,669,162	3,020,484	5,222,962	9,209,212
7,252,256	4,361,725	7,544,424	5,613,892	0
<u>\$8,863,782</u>	<u>\$7,094,688</u>	<u>\$10,648,639</u>	<u>\$10,876,893</u>	<u>\$9,298,726</u>
15,785	8,566,066	10,169,767	10,168,627	10,174,571
30,989,911	14,650,569	10,223,685	12,365,623	13,834,697
26,673	26,673	26,673	26,673	26,673
(162,908)	(246,393)	(275,880)	(2,154,181)	(802,579)
<u>\$30,869,461</u>	<u>\$22,996,915</u>	<u>\$20,144,245</u>	<u>\$20,406,742</u>	<u>\$23,233,362</u>

Sandusky City School District, Ohio
 Governmental Funds Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$18,307,878	\$20,137,379	\$21,221,664	\$19,719,291	\$22,425,968
Revenue in Lieu of Taxes	100,209	41,219	34,951	31,517	20,490
Tuition and Fees	1,354,777	1,387,475	1,348,300	1,417,570	2,063,686
Investment Earnings	26,696	8,975	19,599	67,017	416,541
Intergovernmental	28,166,554	30,835,766	32,759,032	32,912,425	42,398,993
Extracurricular Activities	203,708	189,331	220,360	293,590	267,030
Charges for Services	350,721	145,300	120,622	114,348	99,806
Rent	0	0	0	0	0
Gifts and Donations	100,000	200,000	150,000	142,994	340,837
Other Revenues	1,557,868	1,049,217	627,639	373,496	584,112
Total Revenues	\$50,168,411	\$53,994,662	\$56,502,167	\$55,072,248	\$68,617,463

Source: District Records

2019	2020	2021	2022	2023
\$22,325,941	\$21,984,724	\$23,120,115	\$24,611,898	\$21,552,822
23,240	20,117	55,429	157,268	20,608
2,352,254	2,229,295	2,709,423	1,596,680	2,292,333
975,834	598,921	2,335,986	(613,370)	927,940
33,875,149	44,816,887	47,698,543	37,265,007	37,380,869
281,773	221,329	127,581	405,152	468,971
105,503	56,936	18,099	82,254	102,090
10,363	10,843	2,253	28,016	0
613,894	423,555	983,143	671,806	0
485,789	525,905	957,778	903,213	2,440,890
<u>\$61,049,740</u>	<u>\$70,888,512</u>	<u>\$78,008,350</u>	<u>\$65,107,924</u>	<u>\$65,186,523</u>

Sandusky City School District, Ohio
 Governmental Funds Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	2014	2015	2016	2017	2018
Instruction	\$31,348,010	\$32,880,203	\$32,050,211	\$34,562,996	\$35,467,908
Pupil	2,164,420	2,299,340	2,488,927	2,527,682	2,743,797
Instructional Staff	1,764,700	2,014,057	2,074,358	2,010,985	1,870,311
General Administration	203,832	194,630	183,299	203,529	356,839
School Administration	2,848,770	3,310,284	3,260,548	3,051,312	3,521,258
Fiscal	822,485	729,998	896,818	859,360	982,380
Business	273,063	138,848	175,532	187,197	190,215
Operation and Maintenance	3,056,465	3,155,450	3,151,264	3,268,133	3,240,959
Pupil Transportation	1,696,551	1,649,338	1,824,172	1,916,040	1,883,377
Central	629,014	383,971	481,530	625,776	645,043
Operation of Non-Instructional Services	2,508,004	2,759,075	3,012,464	3,296,384	3,081,942
Extracurricular Activities	1,047,831	1,166,587	1,118,836	1,264,795	1,343,161
Capital Outlay	607,530	548,266	776,465	453,540	6,940,545
Debt Service					
Principal Retirement	240,057	136,731	135,966	116,922	975,000
Interest and Fiscal Charges	66,312	24,129	23,994	668,033	1,550,659
Total Expenditures	<u>\$49,277,044</u>	<u>\$51,390,907</u>	<u>\$51,654,384</u>	<u>\$55,012,684</u>	<u>\$64,793,394</u>
Debt Service as a Percentage of					
Noncapital Expenditures	0.65%	0.32%	0.31%	1.44%	4.39%

Source: District Records

2019	2020	2021	2022	2023
\$36,199,438	\$37,197,883	\$38,245,125	\$33,159,009	\$35,662,992
2,781,640	3,069,603	3,758,150	3,617,513	4,136,887
1,814,406	1,754,077	2,155,211	2,062,802	2,573,819
308,466	190,761	159,203	305,498	248,920
3,603,362	3,615,191	3,717,022	3,927,318	4,558,630
864,824	829,512	814,712	890,347	889,228
236,786	275,998	462,695	374,758	453,587
3,676,774	3,438,225	3,847,860	4,378,652	5,122,872
1,992,016	1,871,478	1,387,260	2,676,839	2,012,501
794,326	812,306	1,016,767	1,122,287	949,255
3,412,419	3,073,266	2,815,392	3,115,066	3,365,601
1,403,424	1,367,627	914,694	1,559,562	1,667,926
11,905,228	30,900,166	16,186,673	5,737,806	614,554
345,000	355,000	594,231	502,652	127,201
1,504,825	1,440,192	1,426,700	1,217,882	1,554,097
<u>\$70,842,934</u>	<u>\$90,191,285</u>	<u>\$77,501,695</u>	<u>\$64,647,991</u>	<u>\$63,938,070</u>

3.12% 3.04% 3.26% 2.90% 2.67%

Sandusky City School District, Ohio
 Other Financing Sources and Uses and Net Change in Fund Balances
 Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	2014	2015	2016	2017	2018
Other Financing Sources (Uses):					
Premium on Bonds Sold	\$0	\$0	\$0	\$2,733,858	\$0
Proceeds From Sale of Bonds	0	0	0	34,150,000	0
Payment To Refunding Bond Escrow Agent	0	0	0	0	0
Proceeds from Sale of Capital Assets	535	4,472	3,199	12,522	24,468
Transfers In	1,976	40,000	16,513	19,999,836	110,240
Transfers (Out)	(1,976)	(40,000)	(16,513)	(19,999,836)	(110,240)
Total Other Financing Sources (Uses)	535	4,472	3,199	36,896,380	24,468
Net Change in Fund Balances	\$891,902	\$2,608,227	\$4,850,982	\$36,955,944	\$3,848,537

Source: District Records

2019	2020	2021	2022	2023
\$0	\$2,184,264	\$723,503	\$0	\$0
0	22,634,051	9,091,341	0	0
0	(24,538,936)	(9,620,218)	0	0
0	0	0	30,818	0
114,590	0	116,959	0	156,377
(114,590)	0	(116,959)	0	(156,377)
0	279,379	194,626	30,818	0
(\$9,793,194)	(\$19,023,394)	\$701,281	\$490,751	\$1,248,453

Sandusky City School District, Ohio
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years (1)
 Schedule 8

Calendar Year	Real Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2013	\$443,263,180	\$16,854,120	\$460,117,300	\$1,314,620,857	82.03
2014	442,355,190	17,826,120	460,181,310	1,314,803,743	82.03
2015	434,803,970	24,933,580	459,737,550	1,313,535,857	82.03
2016	439,675,310	20,622,650	460,297,960	1,315,137,029	86.57
2017	439,938,320	21,783,450	461,721,770	1,319,205,057	86.57
2018	443,557,540	23,240,630	466,798,170	1,333,709,057	86.52
2019	445,778,720	24,480,490	470,259,210	1,343,597,743	86.45
2020	448,323,270	26,302,380	474,625,650	1,356,073,286	85.00
2021	487,739,590	28,018,530	515,758,120	1,473,594,629	84.35
2022	504,101,740	29,182,770	533,284,510	1,523,670,029	83.80

Source: County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent 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 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent 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 percent, 2 1/2 percent and homestead exemptions before being billed.

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

Calendar Year	District Direct Rates (1)	Overlapping Rates (1)		
		Erie County	City of Sandusky	Library
2013	82.03	8.80	4.25	1.50
2014	82.03	8.90	4.25	1.50
2015	82.03	9.10	5.25	1.50
2016	86.57	9.10	5.25	1.50
2017	86.57	9.10	5.25	1.50
2018	86.52	9.00	5.25	1.50
2019	86.45	7.60	5.18	1.50
2020	85.00	7.60	5.18	1.50
2021	84.35	8.60	5.11	1.50
2022	83.80	9.10	5.06	1.50

Source: 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.

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Sandusky City School District, Ohio
Principal Property Tax Payers
Current and Nine Calendar Years Ago
Schedule 10

2022		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Point Park LLC	\$53,147,810	9.97%
Ohio Edison Company	15,901,430	2.98%
American Transmission Systems Inc	7,330,210	1.37%
S&S Realty Ltd.	6,378,750	1.20%
Fireland Regional Medical Center	5,775,900	1.08%
Columbia Gas of Ohio	5,704,500	1.07%
Norfolk & Western Railway Company	4,818,310	0.90%
Resort School LLC	3,193,200	0.60%
K & M Interiors LTD	3,029,950	0.57%
Cooke Buildings LLC	2,817,270	0.53%
	<u>\$108,097,330</u>	<u>20.27%</u>

2013		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cedar Fair LP	\$37,015,490	8.04%
Ohio Edison Company	11,549,030	2.51%
Norfolk & Western Railway Company	4,903,060	1.07%
Firelands Regional Medical Center	3,828,320	0.83%
S&S Realty Ltd.	3,327,310	0.72%
Columbia Gas of Ohio	2,524,930	0.55%
Myers Industries Inc.	2,294,440	0.50%
Key Real Estate Ltd.	2,286,890	0.50%
Providence Residential Community Corp.	2,045,980	0.44%
CNL Income Sandusky Marina LLC	1,913,250	0.42%
	<u>\$71,688,700</u>	<u>15.58%</u>

Source: County Auditor

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

Calendar Year (1)	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2013	\$25,624,152	\$22,180,851	86.56%	\$1,122,650	\$23,303,501	90.94%
2014	25,586,853	22,316,070	87.22%	1,208,385	23,524,455	91.94%
2015	25,790,953	22,562,329	87.48%	1,024,376	23,586,705	91.45%
2016	25,907,539	23,418,250	90.39%	1,077,727	24,495,977	94.55%
2017	26,786,094	24,784,097	92.53%	1,143,322	25,927,419	96.79%
2018	26,725,443	23,730,473	88.79%	1,301,382	25,031,855	93.66%
2019	26,862,866	24,076,381	89.63%	1,119,174	25,195,555	93.79%
2020	25,269,439	24,239,827	95.93%	699,685	24,939,512	98.69%
2021	25,664,405	24,572,343	95.74%	1,075,610	25,647,953	99.94%
2022	25,862,749	24,802,514	95.90%	962,839	25,765,353	99.62%

Source: County Auditor

(1) - Taxes levied and collected are presented on a cash basis

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

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

Fiscal Year	Governmental Activities		Restricted For Debt Service (1)	Net Bonded General Obligation Bonds	Net Bonded Debt Per Capita
	General Obligation Bonds	Notes Payable			
2014	\$0	\$389,619	\$0	\$0	\$0
2015	0	252,888	0	0	0
2016	0	116,922	0	0	0
2017	36,883,858	0	2,000,011	34,883,847	1,352
2018	35,897,929	0	1,312,883	34,585,046	1,341
2019	35,547,895	0	1,379,197	34,168,698	1,325
2020	35,517,382	0	1,648,334	33,869,048	1,379
2021	35,089,675	0	1,876,858	33,212,817	1,323
2022	34,754,312	0	2,113,862	32,640,450	1,302
2023	34,161,975	0	2,114,731	32,047,244	1,279

Source: District Records

(1) - Restricted balance on the Statement of Net Position

(2) - On the calendar year basis

Ratio of Net Bonded Debt to Actual Value of Taxable Property (2)	Total Outstanding Debt	Percentage of Total Debt to Personal Income (2)	Total Debt Per Capita (2)
0.00%	\$389,619	0.01%	\$15
0.00%	252,888	0.01%	10
0.00%	116,922	0.00%	5
2.65%	36,883,858	1.06%	1,430
2.62%	35,897,929	0.75%	1,392
2.56%	35,547,895	0.76%	1,378
2.52%	35,517,382	0.77%	1,446
2.45%	35,089,675	0.84%	1,398
2.22%	34,754,312	0.77%	1,387
2.10%	34,161,975	0.78%	1,363

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Sandusky City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2023
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Sandusky City School District	\$31,241,308	100.00%	\$31,241,308
Erie County	5,922,273	20.09%	1,189,785
Sandusky City	<u>12,790,000</u>	100.00%	<u>12,790,000</u>
Subtotal, Overlapping Debt	<u>49,953,581</u>		<u>45,221,093</u>
District Direct Debt	<u>34,161,975</u>	100.00%	<u>34,161,975</u>
Total Direct and Overlapping Debt	<u><u>\$84,115,556</u></u>		<u><u>\$79,383,068</u></u>

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the bound: the School District by the total assessed valuation of the government.

Sandusky City School District, Ohio
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$41,410,557	\$41,416,318	\$41,376,380	\$41,426,816	\$41,554,959
Total Net Debt Applicable to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,883,847</u>	<u>34,585,046</u>
Legal Debt Margin	<u>\$41,410,557</u>	<u>\$41,416,318</u>	<u>\$41,376,380</u>	<u>\$6,542,969</u>	<u>\$6,969,913</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	84.21%	83.23%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2018 is calendar year 2017)

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value (1)	\$533,284,510
Debt limit (9% of assessed value)	47,995,606
Debt applicable to limit	<u>32,047,244</u>
Net Debt Applicable to Limit	<u>32,047,244</u>
Legal debt margin	<u>\$15,948,362</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$42,011,835	\$42,323,329	\$42,716,309	\$46,418,231	\$47,995,606
<u>34,168,698</u>	<u>33,869,048</u>	<u>33,212,817</u>	<u>32,640,450</u>	<u>32,047,244</u>
<u>\$7,843,137</u>	<u>\$8,454,281</u>	<u>\$9,503,492</u>	<u>\$13,777,781</u>	<u>\$15,948,362</u>
81.33%	80.02%	77.75%	70.32%	66.77%

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2013	25,793	\$3,201,413	\$42,097	7.5%
2014	25,793	3,260,811	43,003	6.2%
2015	25,793	3,723,307	49,283	5.0%
2016	25,793	3,471,576	46,222	5.9%
2017	25,793	4,799,998	64,157	5.0%
2018	25,793	4,670,236	62,591	4.0%
2019	24,564	4,591,197	61,821	5.2%
2020	25,095	4,182,256	56,732	8.7%
2021	25,066	4,539,350	58,239	4.6%
2022	25,060	4,384,754	58,855	4.7%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau
- (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Erie Count
- (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for 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, Ohio
Major Employers (1)
Current and Nine Calendar Years Ago
Schedule 16

2022			
Major Employers	Type	Number of Employees	Employer's Percentage of Total Employment
Cedar Fair L.P./Magnum	Entertainment	6,500	18.47%
Firelands Regional Medical Center	Hospital	2,002	5.69%
Ventra (was ACH)	Automotive	1,900	5.40%
Kalahari Resort	Entertainment	1,053	2.99%
Erie County	Government	826	2.35%
Ohio Veterans Home	Health Care	627	1.78%
Sandusky City School District	Education	478	1.36%
Meijer Department Store	Retail	475	1.35%
Corso's Flower & Garden Center	Florist	400	1.14%
Walmart	Retail	350	0.99%
Total		14,611	41.52%
Total Employment within Erie County		35,200	

2013			
Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
Firelands Regional Medical Center	Hospital	2,000	5.41%
Cedar Fair L.P./Magnum	Entertainment	1,700	4.60%
Kalahari Resort	Entertainment	1,200	3.25%
International Automotive Components (was Lear)	Automotive	675	1.83%
Erie County	Government	647	1.75%
Ohio Veterans Home	Health Care	600	1.62%
Kyklos Bearing International	Automotive	580	1.57%
Sandusky City School District	Education	443	1.20%
Total		7,845	21.23%
Total Employment within Erie County		36,938	

Source: Erie County, Ohio, Annual Comprehensive Financial Report for 2022

(1) - Major Employers for all of Erie County

(2) - Only top 8 employers were reported in 2013

Sandusky City School District, Ohio
 Certificated Staff Training
 Last Ten Fiscal Years
 Schedule 17

	2014	2015	2016	2017	2018
Certificated Staff Training					
Bachelors Degree	18	21	30	35	40
Bachelors Degree +12	8	10	11	18	20
Bachelors Degree +24	36	38	37	41	15
Masters Degree	66	63	54	62	73
Masters Degree +12	55	55	51	59	35
Masters Degree +24	68	72	76	88	90
Total Certificated Staff Training	<u>251</u>	<u>259</u>	<u>259</u>	<u>303</u>	<u>273</u>

Source: District Records

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
35	31	32	40	31
19	18	17	17	20
30	34	39	35	27
48	42	55	56	52
52	53	48	43	40
<u>73</u>	<u>77</u>	<u>87</u>	<u>83</u>	<u>76</u>
<u>257</u>	<u>255</u>	<u>278</u>	<u>274</u>	<u>246</u>

Sandusky City School District, Ohio
 Full Time Equivalents (FTE) by Function/Program
 Last Ten Fiscal Years
 Schedule 18

	2014	2015	2016	2017	2018
Administration:	26	28	28	32	30
Adult Education:	5	5	5	4	7
Certificated Staff:					
Teaching Staff:					
Preschool	5	7	6	7	7
Elementary School K-6	107	119	120	120	128
Jr. High School 7-8	34	28	29	35	32
High School 9-12	61	54	63	66	61
Tutors	13	13	15	20	21
Others	15	22	9	0	0
Auxiliary Positions:					
Counselors	7	7	7	7	7
Speech Therapists	6	6	6	6	6
Psychologists	3	3	4	6	4
Total Certified Staff	251	259	259	267	266
Support Staff:					
Secretarial	36	30	26	37	37
Teacher Aides	39	52	50	50	55
Technical	1	2	1	1	1
Cafeteria Workers	23	25	25	25	27
Custodial	21	22	23	25	23
Maintenance	4	4	4	4	3
Bus Driver	30	26	25	28	26
Mechanics	1	1	2	2	2
Total Support Staff	155	162	156	172	174
Grand Total	437	454	448	475	477

Source: District Records

2019	2020	2021	2022	2023
35	34	36	41	36
6	6	6	5	5
7	7	7	9	8
119	117	128	126	121
31	31	33	38	34
62	62	66	70	63
13	13	9	7	3
7	7	11	11	14
7	7	6	7	7
7	7	8	8	6
4	4	4	4	4
257	255	272	280	260
32	32	27	21	28
60	58	69	69	60
3	3	4	6	9
29	29	28	26	26
26	26	31	31	29
4	4	4	5	5
26	26	25	29	28
2	2	2	2	2
182	180	190	189	187
480	475	504	515	488

Sandusky City School District, Ohio
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 19

Fiscal Year	Enrollment	Operating Expenditure (1)	Expenses (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff
2014	3,291	\$48,363,145	\$48,949,572	\$14,696	17.24%	251
2015	3,366	50,681,781	48,979,418	15,057	2.46%	259
2016	3,877	50,717,959	50,620,828	13,082	(13.12%)	259
2017	3,760	53,774,189	57,944,882	14,302	9.33%	267
2018	3,755	55,327,190	34,020,873	14,736	3.03%	266
2019	3,220	57,087,881	54,639,141	17,729	20.31%	257
2020	3,234	57,495,927	63,380,419	17,779	0.28%	255
2021	3,220	59,294,091	67,172,136	18,414	3.57%	272
2022	3,822	57,189,651	54,341,886	14,963	(18.74%)	280
2023	3,183	61,642,218	62,557,423	19,366	29.43%	260

Source: District Records

(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.

(4) - Information not available

Pupil- Teacher Ratio	Student Attendance Percentage	Percentage of Students Receiving Free or Reduced-Price Meals
13	93.90%	77.73%
13	94.30%	100.00%
15	94.30%	100.00%
14	95.80%	100.00%
14	93.20%	100.00%
13	92.40%	100.00%
13	94.50%	100.00%
12	(4)	100.00%
14	(4)	100.00%
12	(4)	100.00%

Sandusky City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 20

	2014	2015	2016	2017	2018
<u>School</u>					
Hancock Elementary (3)					
Constructed in 1923 with an addition in 1928, 1931, 1949, and 1966					
Square feet	47,223	47,223	47,223	47,223	47,223
Capacity	525	525	525	525	525
Enrollment	409	462	496	485	423
Percent of Capacity (1)	78%	88%	94%	92%	81%
Mills Elementary-Early Learning Academy (2)					
Constructed in 1939 with an addition in 1991					
Square feet	38,605	38,605	38,605	38,605	38,605
Capacity	475	475	475	475	475
Enrollment	371	390	424	412	378
Percent of Capacity (1)	78%	82%	89%	87%	80%
Ontario Elementary (3)					
Constructed in 1952 with additions in 1968					
Square feet	42,347	42,347	42,347	42,347	(3)
Capacity	500	500	500	500	(3)
Enrollment	452	440	420	396	(3)
Percent of Capacity (1)	90%	88%	84%	79%	(3)
Osborne Elementary (2)					
Constructed in 1952 with additions in 1968					
Square feet	43,842	43,842	43,842	43,842	43,842
Capacity	375	375	375	375	375
Enrollment	380	371	384	383	353
Percent of Capacity (1)	101%	99%	102%	102%	94%
Venice Heights Elementary (4)					
Constructed in 1970					
Square feet	43,740	43,740	43,740	43,740	43,740
Capacity	550	550	550	550	550
Enrollment	403	399	390	345	279
Percent of Capacity (1)	73.3%	72.5%	70.9%	62.0%	50.7%

Source: District Records

(1) - Enrollment divided by Capacity

(2) - School closed

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

(4) - School was Closed for k12 education and opened for adult education

2019	2020	2021	2022	2023
47,223	47,223	(3)	(3)	(3)
525	525	(3)	(3)	(3)
403	403	(3)	(3)	(3)
77%	77%	(3)	(3)	(3)
38,605	38,605	38,605	38,605	38,605
475	475	475	(2)	(2)
364	364	355	(2)	(2)
77%	77%	75%	(2)	(2)
(3)	(3)	(3)	(3)	(3)
(3)	(3)	(3)	(3)	(3)
(3)	(3)	(3)	(3)	(3)
(3)	(3)	(3)	(3)	(3)
43,842	43,842	43,842	43,842	43,842
375	375	(2)	(2)	(2)
353	353	(2)	(2)	(2)
94%	94%	(2)	(2)	(2)
43,740	43,740	43,740	43,740	43,740
550	550	(2)	(2)	(2)
282	282	(2)	(2)	(2)
51.0%	51.3%	(2)	(2)	(2)

Sandusky City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 20 (continued)

School	2014	2015	2016	2017	2018
Adams Jr. High-RCAAS					
Constructed in 1867 with additions in 1914 and 1977					
Square feet	(2)	(2)	(2)	(2)	91,935
Capacity	(2)	(2)	(2)	(2)	500
Enrollment	(2)	(2)	(2)	(2)	367
Percent of Capacity (1)	(2)	(2)	(2)	(2)	73.4%
Jackson Jr. High-Digital Academy					
Constructed in 1898 with additions in 1927 and 1937					
Square feet	(2)	(2)	(2)	(2)	86,994
Capacity	(2)	(2)	(2)	(2)	500
Enrollment	(2)	(2)	(2)	(2)	102
Percent of Capacity (1)	(2)	(2)	(2)	(2)	20.4%
Sandusky High School					
Constructed in 1957 with additions in 1967, 1970, 1973, and 2019					
Square feet	370,000	370,000	370,000	370,000	370,000
Capacity	2,250	2,250	2,250	2,250	2,250
Enrollment	1,276	1,304	1,219	1,323	848
Percent of Capacity (1)	56.7%	58.0%	54.2%	59.0%	37.7%
Sandusky Primary					
Constructed in 2020					
Square feet	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-
Percent of Capacity (1)	-	-	-	-	-
Sandusky Intermediate					
Constructed in 2020					
Square feet	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-
Percent of Capacity (1)	-	-	-	-	-
Sandusky Early Learning Academy					
Constructed in 2021					
Square feet	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	-	-	-	-	-
Percent of Capacity (1)	-	-	-	-	-

Source: District Records

(1) - Enrollment divided by Capacity

(2) - School closed

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

(4) - School was Closed for k12 education and opened for adult education

2019	2020	2021	2022	2023
91,935	91,935	91,935	91,935	91,935
500	500	500	500	500
348	348	88	88	104
69.6%	69.6%	17.6%	17.6%	0.0%
86,994	86,994	86,994	86,994	86,994
500	500	500	500	500
102	102	102	102	355
20.4%	20.4%	20.4%	20.4%	71.0%
370,000	370,000	370,000	370,000	370,000
2,250	2,250	2,250	2,250	2,250
725	725	941	1,800	1,182
32.2%	32.2%	41.8%	80.0%	0.0%
-	-	67,282	67,282	67,282
-	-	548	548	548
-	-	482	528	433
-	-	88.0%	96.4%	79.0%
-	-	141,591	141,591	141,591
-	-	990	990	990
-	-	894	898	753
-	-	90.3%	90.7%	76.1%
-	-	-	56,646	56,646
-	-	-	400	400
-	-	-	406	356
-	-	-	101.5%	89.0%

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 2/1/2024

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Phone: 614-466-4514 or 800-282-0370

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