

PORT CLINTON CITY SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2003

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

Board of Education
Port Clinton City School District

We have reviewed the Independent Auditor's Report of the Port Clinton City School District, Ottawa County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2002 through June 30, 2003. 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 Port Clinton City School District is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 16, 2004

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PORT CLINTON CITY SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2003

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**OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

**Board of Education
Port Clinton City School District
Port Clinton, Ohio**

We have audited the basic financial statements of the Port Clinton City School District as of and for the year ended June 30, 2003, and have issued our report thereon dated January 9, 2004, wherein we noted the District adopted Governmental Accounting Standards Board Statement No. 34 and Interpretation No. 6. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits conducted in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Port Clinton City School District taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
January 9, 2004

PORT CLINTON CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For The Year Ended June 30, 2003

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts Recognized	Program Expenditures
<u>U.S. Department of Education</u>				
<i>Passed through the Ohio Department of Education:</i>				
Title I - Educationally Deprived Children	044651-C1-S1-01	84.010	\$ -	\$ 16
	044651-C1-S1-02	84.010	60,799	90,650
	044651-C1-S1-03	84.010	<u>342,821</u>	<u>277,624</u>
Total Title I			403,620	368,290
Title VI B - Education of all Handicapped	044651-6B-SF-01P	84.027	-	131
	044651-6B-SF-02P	84.027	20,270	53,052
	044651-6B-SF-03P	84.027	<u>115,160</u>	<u>189,828</u>
Total Title VI B			135,430	243,011
Safe and Drug-Free Schools and Communities	044651-DR-S1-01	84.186	-	90
	044651-DR-S1-02	84.186	1,431	1,882
	044651-DR-S1-03	84.186	<u>12,351</u>	<u>10,301</u>
Total Safe and Drug-Free Schools			13,782	12,273
Eisenhower Professional Development	044651-MS-S1-00	84.281	-	872
	044651-MS-S1-01	84.281	-	358
	044651-MS-S1-02	84.281	<u>-</u>	<u>3,197</u>
Total Eisenhower			-	4,427
Title VI - Innovative Education Program	044651-C2-S1-02	84.298	4,611	6,109
	044651-C2-S1-03	84.298	<u>5,795</u>	<u>4,454</u>
Total Title VI - Innovative Education			10,406	10,563
21st. Century-Comm Learning Ctr.	N/A	84.287	<u>6,379</u>	<u>18,251</u>
Total 21st. Century-Comm Learning Ctr. Grant			6,379	18,251
Class Size Reduction	044651-CR-S1-02	84.340	<u>8,711</u>	<u>15,010</u>
Total Class Size Reduction			8,711	15,010
Technology Literacy Challenge Grant	044651-TJ-S1-03	84.318	<u>8,665</u>	<u>6,396</u>
Total Technology Literacy Challenge Grant			8,665	6,396
Improving Teacher Quality State Grant	044651-TR-S1-03	84.367	<u>112,551</u>	<u>52,883</u>
Total Improving Teacher Quality State Grant			<u>112,551</u>	<u>52,883</u>
Total U. S. Department of Education			699,544	731,104
<u>U.S. Department of Health and Human Services</u>				
Community Alternative Funding System Grant	N/A	93.778	<u>79,071</u>	<u>79,071</u>
Total Community Alternative Funding System Grant			<u>79,071</u>	<u>79,071</u>
Total U.S. Department of Health and Human Services			79,071	79,071
<u>U.S. Department of Agriculture</u>				
<i>Passed through Ohio Department of Education:</i>				
Nutrition Cluster:				
Federal Donated Commodities	N/A	10.550	52,227	52,227
School Breakfast Program	044651-05-PU-03	10.553	23,042	23,042
National School Lunch Program	044651-03/04-PU-03	10.555	<u>149,384</u>	<u>149,384</u>
Total Nutrition Cluster			<u>224,653</u>	<u>224,653</u>
Total U.S. Department of Agriculture			<u>224,653</u>	<u>224,653</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE PROGRAMS			<u>\$ 1,003,268</u>	<u>\$ 1,034,828</u>

See notes to the Schedule of Federal Awards Expenditures.

Port Clinton City School District
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2003

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than the obligation is incurred.

2. Food Distribution

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had food commodities in inventory recorded in the Enterprise Fund.

3. Matching Requirements

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal funds is not included on this schedule.

4. Pass Through Entity Number

The Community Alternative Funding System Grant and the 21st Century-Community Learning Center pass through entity numbers could not be obtained.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Board of Education
Port Clinton City School District
Port Clinton, Ohio**

We have audited the basic financial statements of the Port Clinton City School District, Ottawa County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated January 9, 2004, wherein we noted the District adopted Government Accounting Standards Board Statement No. 34 and Interpretation No. 6. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated January 9, 2004.

This report is intended for the information and use of management, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
January 9, 2004

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

Board of Education
Port Clinton City School District
Port Clinton, Ohio

Compliance

We have audited the compliance of the Port Clinton City School District with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

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

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

This report is intended for the information and use of management, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
January 9, 2004

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**PORT CLINTON CITY SCHOOL DISTRICT
OTTAWA COUNTY
June 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Special Education: Title I CFDA# 84.010
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

PORT CLINTON CITY SCHOOL DISTRICT
OTTAWA COUNTY
June 30, 2003

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of June 30, 2002, did not include material citations or recommendations.

Port Clinton City School District

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003**

Issued by:

Paul Lockwood, Treasurer
Treasurer's Office

Introductory Section

Port Clinton City School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2003

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Port Clinton City School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2003

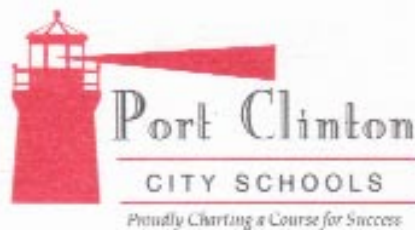
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Dr. Bart G. Anderson
Superintendent



Paul R. Lockwood II
Treasurer

February 25, 2004

Dear Members of the Board of Education and Citizens of the Port Clinton City School Community:

As the Superintendent and Treasurer of the Port Clinton City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2003 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) statement Number 34 using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report ("CAFR") is presented in three sections: introductory, financial and statistical.

- The introductory section includes the table of contents, this transmittal letter, Board of Education members and elected officials, the management team and the District's organizational chart.
- The financial section which begins with the report of independent accountants and includes the management's discussion and analysis, the basic financial statements and Notes that provide an overview of the District's financial position and operating results, the combining statements by fund type, and other statements that provide detailed information relative to the basic financial statements.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, adult and community education offerings, and special education services. Port Clinton High School juniors and seniors attend the Ottawa County Joint Vocational School for vocational training classes. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations and the vocational school operations do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT

The School District

Port Clinton is located in Ottawa County in north central Ohio on the South shore of Lake Erie, approximately 70 miles west of the City of Cleveland. The District encompasses approximately 46 square miles and includes the City of Port Clinton, the Townships of Catawba, Portage, and parts of Erie and Bay.

Valuation of real property indicates that 87% of the District is Residential/Agricultural, 9% is Commercial/Industrial and 4% is Public Utility.

The School District's 2003 population was 13,794. The District is the center of the Lake Erie vacation area and the hosts significant tourist activity in the summer months. These activities include swimming, boating, and fishing.

One major festival the Walleye Festival is held over the Memorial Day Weekend each year. At year-end, the annual "Walleye Drop" welcomes the New Year. Each summer, nearby Camp Perry, a State-owned training center for the Air National Guard, is host to the United States Rifle and Pistol Championships. Cedar Point, a major amusement park, is 25 miles east of the city and draws hundreds of thousands of visitors every year from all over the nation. Ottawa County is home to more state parks than any other county in Ohio, as well as Ohio's only national wildlife refuge, the Ottawa National Wildlife Refuge.

Education began in Port Clinton, Ohio with one teacher, Mr. John Sylvester, teaching in local homes until 1838, the first year the first schoolhouse was built. The schoolhouse was erected only 10 years after the City of Port Clinton was founded. The first graduate of Port Clinton High School graduated in 1885.

Today the District, one of the 612 public school districts in the State and seven in the county, provides education to nearly 1,900 students in grades K through 12. The District consists of one high school, one middle school, four elementary schools, one administrative building, and a transportation center.

Statutorily, the District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services mandated by the State and Federal agencies.

The Reporting Entity and Services Provided

The Port Clinton School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the Port Clinton School District (the primary government) and its potential component units.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of Port Clinton, Bay, Catawba, Erie and Portage Townships, the Port Clinton Public Library and the nonpublic school.

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the Northern Ohio Educational Computer Association, the Ottawa County Transportation Agency, the Sandusky-Ottawa Insurance Consortium, the Bay Area Gas Consortium, the Ohio Schools' Council, and the Ohio School Boards Association Worker's Compensation Group Rating Program. These organizations are presented in Notes 13 and 14 to the basic financial statements.

A complete discussion of the District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The City is a small community with historic homes overlooking the Lake Erie beach to newer developments for first time homeowners. Condominiums on Lake Erie offer dockage for boaters. The county has over 16,000 marina spaces that dot the shoreline and provides access to some of the best walleye and perch fishing in the country.

While tourism remains an important sector of the economy, the County is engaged in a variety of programs designed to attract and retain quality light industrial companies for the area. There are several industrial parks scattered throughout the county that can meet the needs of most industries. These sites are served by the infrastructure needed by industrial users and are located in close proximity to major transportation links. Over the past ten years, approximately \$140 million has been spent on public infrastructure improvements by the Ottawa County Commissioners. Enterprise zones, tax abatements, and other assistance programs are available for qualifying businesses.

Most District residents work outside the District. The Davis-Bessie Nuclear Power Station, a nuclear power plant located eight miles west of Port Clinton is the county's largest employer with 800 workers. Brush-Wellman, Inc. a manufacturing concern between Oak Harbor and Elmore has 764 employees. Ottawa County government is the third largest employer with 660 workers.

The District is currently experiencing growth in its tax base as more and more land is developed for homes and summer get- a-ways. For calendar year 2002, the District's assessed valuation was \$439,967,165 and for calendar year 2003 it was \$446,665,568.

Contrary to popular belief, the District does not benefit financially in comparison to the percentage increases to assessed valuation from year to year. Rather, the District benefits significantly less due to House Bill 920, which was passed in 1976. House Bill 920 prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of existing property values. Thus, a District must obtain approval of voters for additional revenue through tax levies. Fortunately for the Port Clinton School District, voters have been extremely supportive of operating levies. This was evident in August of 2003, as voters approved an emergency operating levy of 3.89 mills. In November, 1999 the voters approved the renewal of a five-year 2.3 mill current expense levy and in February 1994 a 6.9 mill current expense levy was passed.

Of the District's general fund operations, 66.8 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 29.1 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings and other revenues account for 4.1 percent.

The District maintains a strategic fiscal plan, which incorporates the State required five-year plan. The current long-term fiscal plan reflects a cash balance of less than \$300 during the 2008 fiscal year. The School District has a long history of local support. Continued voter support, and a healthy tax base are crucial to the long-term financial health of the District.

Major Initiatives

The Port Clinton City Schools is excited about future. In August voters approved a 3.89 mill emergency operating levy. With the success of this issue, the District will be able to accomplish a number of initiatives in the area of curriculum development, programming, and student services. The school community has recently put in action the "Agenda for Excellence" strategic plan. This blue print will be used to guide the District over the next several years. The Agenda for Excellence contains a brand new mission statement for the District.

“The mission of the Port Clinton City Schools is to inspire excellence in character and performance in every student by providing a safe, supportive and challenging environment, using community resources and enabling our students to positively impact society.”

During the planning stages for the Agenda for Excellence major efforts were geared toward enhancing, improving and refining educational opportunities offered to Port Clinton City School District students.

Strategies identified include:

- We will continue to form partnerships between schools, community and family to promote communication, cooperation, and community service.
- We will develop and implement a plan to improve student achievement through the best practices for teaching and learning.
- We will provide curriculum that meets the needs of every student and challenges each to the highest of his/her capability.
- We will continually incorporate advanced technology into all operations and the total learning environment of the school District.
- We will develop a short and long-range facility plan coordinating with public and private partners.
- We will develop, implement, and promote a health and wellness program within our school community.
- We will develop and implement an all inclusive integrated extracurricular and after school enrichment program emphasizing maximum involvement and excellent performance.
- We will monitor and evaluate our current programs and practices for efficient use of human and fiscal resources.

Outlook for the Future

For the future, the School District's overall focus will be to continue to improve the educational program for the benefit of student, parents, and community residents. The process will involve the evaluation of current programs the implementation of new programs. Over 200 people including; administrators, teachers, classified staff members, students, parents, community members and representatives from business and industry have been involved in this strategic planning effort. Specific initiatives to be implemented in 2004-05 include:

- Implement a Welcome Committee at each school to reach out and include new students and their families.
- Expand the programs and services on the school television channel and web site.
- Implement standard based educational instruction and align PCCS course study with the Ohio Academic Content Standards to improve student achievement.
- Create a blueprint to guide:
 - course of study development
 - selection of instructional strategies, programs and textbooks/materials
 - professional development for administrators and teachers that reflects research based best practices.
- Modify the District's school day and school year to increase opportunities for student learning and to increase opportunities for ongoing professional development for administrators and teachers to improve student achievement.
- Update course content in the Technology Department to reflect current technology.

- Rewrite the high school Registration Guide.
- Implement a technology curriculum that involves keyboarding at grade 4, productivity at grade 5, and multi-media instruction at grade 6.
- Establish a District process to coordinate and implement immediate professional development with the District's technology efforts.
- Continue to offer local technology grant writing opportunities to District teachers.
- Establish an active Health and Wellness Advisory Council.
- To develop and implement an enrichment non-athletic program for 1-12.
- Implement a debit card system for the cafeteria.
- Establish a scheduling system at the high school that will provide greater flexibility for all students and make more efficient use of personnel.
- Reduce our transportation costs by 10% while maintaining safety considerations and environmental citizenship.

FINANCIAL INFORMATION

Pursuant to accounting procedures prescribed by the Ohio Revised Code (ORC), revenues and expenditures are recorded on a budgetary basis during the fiscal year. The accounting procedures prescribed by the ORC are generally applicable to all school districts in Ohio and differ from GAAP as promulgated by the Governmental Accounting Standards Board.

Annual financial reports on a budgetary basis are prepared by the Treasurer and filed with the State Department of Education as required by state statute. The State Auditor of Ohio requires that the District prepare and publish an annual financial report using accounting principles generally accepted in the United States of America.

Fiscal Management

The Treasurer, as chief financial officer of the Board of Education and the District, is responsible for receiving, maintaining custody of and disbursing and properly reporting all funds of the Board.

Budgeting, Tax Levy and Appropriations Procedures

The Ohio Revised Code contains detailed provisions regarding District budgeting, tax levy and appropriation procedures. The procedures involve review by Ottawa County (The "County") officials at several stages.

District budgeting for a fiscal year formally begins with the preparation of a tax budget. After a public hearing, this budget is adopted by the Board prior to the fiscal year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts received from sources other than property taxes and the net amount for which a property tax levy must be made. The tax budget then is presented for review by the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney.

The Budget Commission reviews the tax budget. The Code provides that “if any debt charge is omitted from the budget, the commission shall include it therein”. Upon approval of the tax budget, the County Budget Commission certifies to the Board its action together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar basis, generally in two installments with the first usually in January and the second in July.

If a permanent appropriation measure is not ready for adoption at the beginning of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and then, within three months, adopts a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be, and generally are, amended or supplemented during the fiscal year. Annual appropriations may not exceed the County Budget Commission’s official estimates of resources. The County Auditor must certify that the Board’s appropriation measures, including any supplements or amendments, do not appropriate monies in excess of the amounts set forth in the latest of those official estimates.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. Estimated revenues and appropriations are amended at year-end based on actual revenue, expenditure and encumbrance activity.

Internal Controls

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

Financial Highlights

This is the first year the District has prepared financial statements following GASB Statement 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the School District’s financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliations to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by the law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of the new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2003. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter.

Financial Highlights – Fiduciary Funds The trust fund carried on the financial records of the School District is a private purpose trust that has net assets totaling \$15,478 at June 30, 2003.

Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) Investment Pool, certificates of deposit and in repurchase agreements. The amount of investment income in fiscal year 2003 for all District funds was \$158,710. A more detailed description of the District's investment functions is described in Note 2 to the financial statements.

Risk Management

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 2003, the District contracted with various insurance companies for general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate. Buildings and contents are covered under a Commercial Property Comprehensive Building Insurance policy with a \$1,000 deductible.

The District's vehicles are covered under a business auto policy with various insurance companies for primary coverage. This policy carries a \$250 deductible and a \$2,000,000 limit for bodily injury and property damage and a \$1,000,000 limit for uninsured motorist.

The District joined together with other governments to form the Ohio School Board Association Worker's Compensation Group Rating Program, a public entity currently operating as a common risk management and insurance program for workers' compensation. The District pays an annual premium to the pool for its workers compensation coverage. See Note 13 for further description.

USE OF REPORT

This report is published to provide the Board of Education, the citizens of the Port Clinton City School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during Fiscal Year 2003. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's public awareness environment it is increasingly important that the public agencies prepare soundly conceived annual financial reports independently audited by a qualified firm or agency. It has become essential that such reports be prepared in accordance with generally accepted accounting principals (GAAP). Bond rating agencies review the data presented before determining a public agency's Bond rating.

PENSION PLANS

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 9 to the Basic Financial Statements for complete details.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent accountants. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2003, Charles E. Harris & Associates completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

AWARDS

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR, conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements, which follow the combined financial statements, contain additional information and are an integral part of such statements.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Paul Lockwood, Treasurer/Chief Financial Officer. We are also grateful for the services of Jo Ellen Regal, Ottawa County Auditor, Walter Wehenkel Jr., Regional Planning Director, and Randy Chismar, Senior Auditor at Charles E. Harris and Associates for their consulting assistance in preparing this report. We truly appreciate the contributions made by each staff member in the preparation of this report.

We want to express our appreciation to all who assisted and contributed to its preparation. We would like to acknowledge all members of the Board of Education who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner.



Dr. Bart G. Anderson.
Superintendent



Paul R. Lockwood II
Treasurer

Port Clinton City School District, Ohio

Members of the Board of Education

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Port Clinton City School District are:

<i>Member</i>	<i>Present Term Expires</i>
<i>David Belden, President</i>	December 31, 2003
<i>Barbara Drusbacky, Vice-President</i>	December 31, 2003
<i>Walter Wehenkel, Member</i>	December 31, 2005
<i>Mark May, Member</i>	December 31, 2005
<i>Gary Ohm, Member</i>	December 31, 2005

Superintendent of Schools

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the District. The Board appointed Dr. Bart G. Anderson, Superintendent of the Port Clinton City School District effective August 1, 2002. His employment contract expires on July 31, 2005.

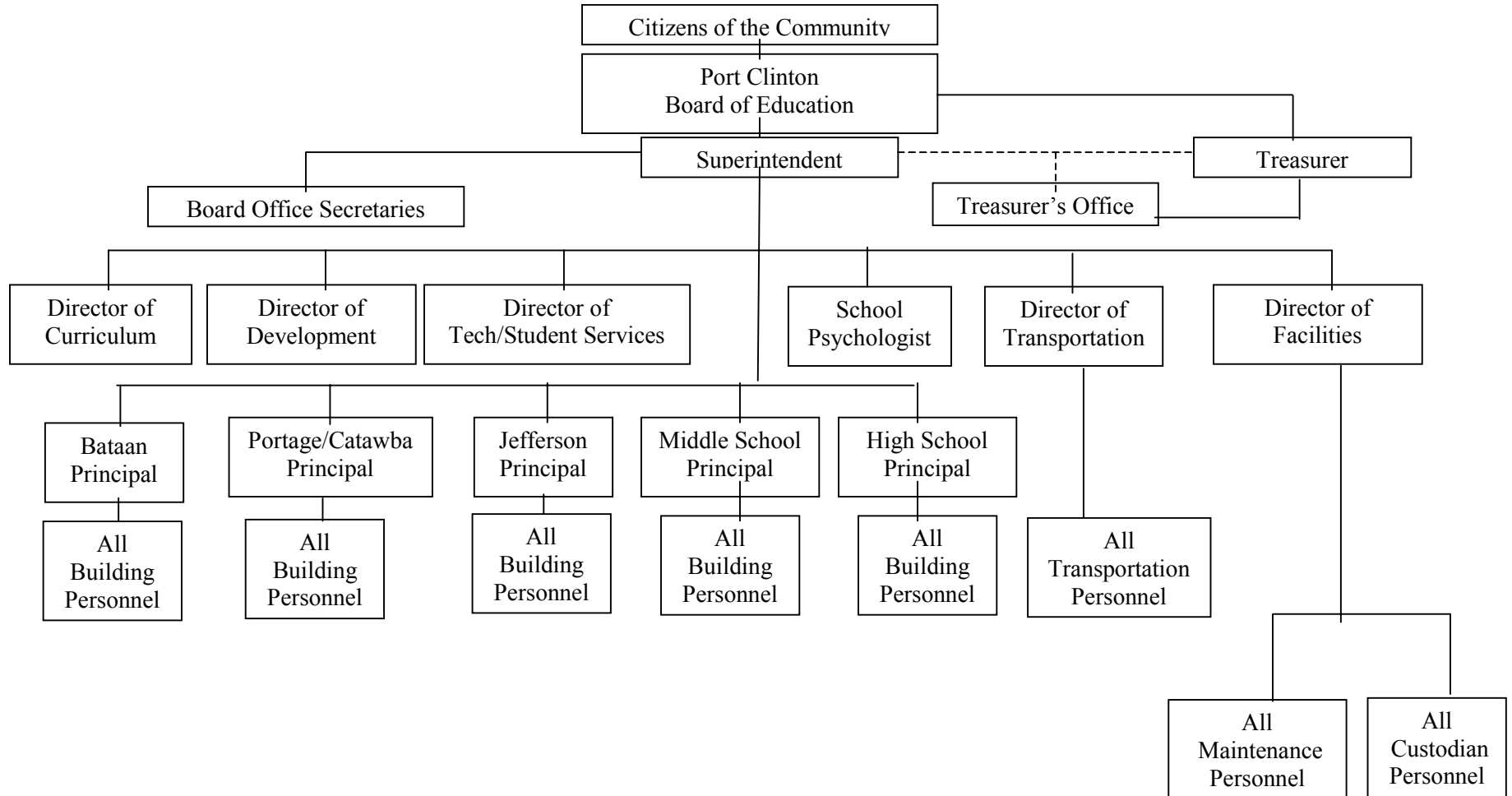
Treasurer/Chief Financial Officer

The Treasurer/Chief financial Officer serves as the fiscal officer of the District and, with the board president, executes all conveyances made by the Board of Education. The Treasurer, Paul R. Lockwood II, has held the position since January 15, 2003. His employment contract expires on January 11, 2005.

PORT CLINTON CITY SCHOOL DISTRICT, OHIO
Management Team

Dr. Bart Anderson	Superintendent of Schools
Paul R. Lockwood II	Treasurer
Terry Clark	Director of Facilities
Jack Nitz	Director of Curriculum
Pat Adkins	Director of Technology, Student and Food Services
Jan Gluth	Director of Student, Staff and Community Development
Dan Leary	School Psychologist
Barbara Bice	Transportation Supervisor
Dale VanLerberghe	High School Principal
Robert Nobles	Port Clinton Middle School Principal
Martha Willis	Bataan Memorial Elementary School Principal
Jim Bergeman	Jefferson Elementary School Principal
Gary Steyer	Portage/Catawba Middle School Principal
Carey Clum	Athletic Director
Bob Polachek	Junior High Athletic Director

**PORT CLINTON CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART**



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Financial Section

Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

**Board of Education
Port Clinton City School District
Port Clinton, Ohio**

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Port Clinton City School District, Ottawa County, Ohio, (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Port Clinton City School District, Ottawa County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary position for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Interpretation No. 6.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 9, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Charles E. Harris & Associates, Inc.
Charles E. Harris & Associates, Inc.
January 9, 2004

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The discussion and analysis of Port Clinton City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

Overall:

- For governmental activities, net assets decreased \$1.68 million, which represents a 19.1 percent decrease from 2002. Net assets of business-type related activities decreased \$24,748 or 22.5 percent from 2002.
- General revenues accounted for \$16.3 million in revenue or 96.7 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$.56 million or 3.3 percent of total governmental revenues of \$16.9 million.
- The District had \$18.6 million in expenses related to governmental activities; only \$.56 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16.3 million were adequate to provide for these programs.
- Among major funds, the general fund had \$14.5 million in revenues and \$15.7 million in expenditures. The general fund's fund balance decreased to \$2.8 million from \$4.1 million. The District is in the early cycle of a recently passed tax levy, which will contribute to the stabilizing of the general fund.
- Net assets for enterprise funds decreased to \$85 thousand from \$110 thousand. Total enterprise expenditures were \$582 thousand; only \$557 thousand of these expenses were offset by program specific charges for services, grants or contributions. Management increased pricing of food service items, but the increases were insufficient to meet expenses.

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provides 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 and what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Port Clinton City School District, the general fund and debt service fund are by far the most significant funds.

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a 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 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* 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.

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

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

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

- **Governmental Activities** - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service program is reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 16. 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 financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and debt service fund.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, 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 governmental 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 difference) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The District as a Whole

Governmental Activities

Table 1 shows net assets for fiscal year 2003. Since this is the first year the District has prepared financial statements following GASB Statement 34, net asset comparisons to prior fiscal years are not available.

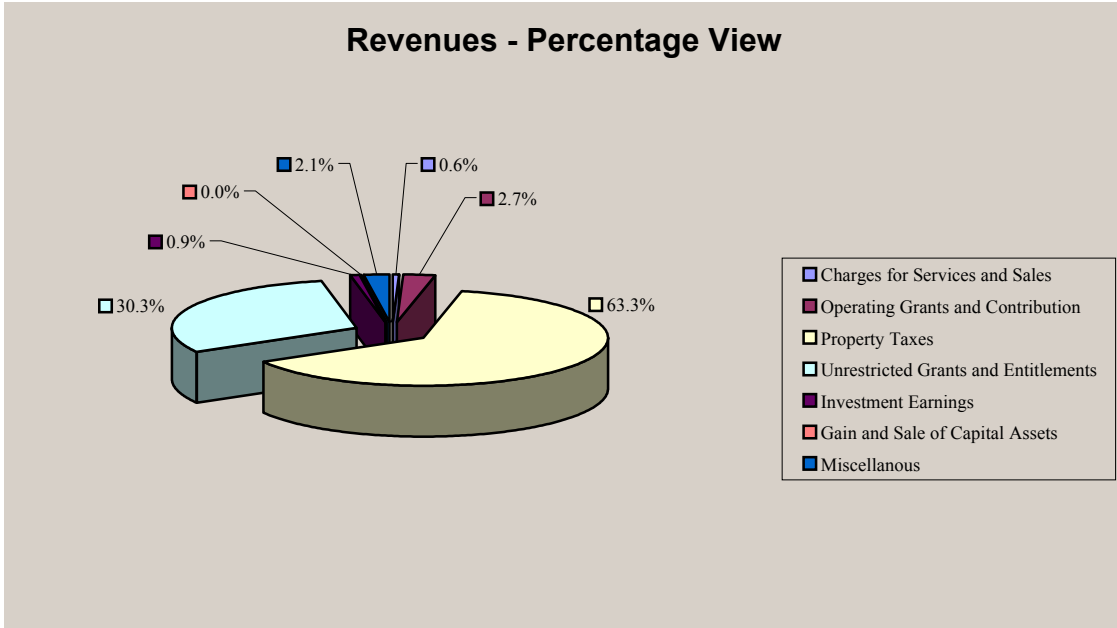
Table 1

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current and Other Assets	\$15,996,894	\$29,383	\$16,026,277
Capital Assets	<u>7,691,003</u>	<u>107,034</u>	<u>7,798,037</u>
Total Assets	<u>\$23,687,897</u>	<u>\$136,417</u>	<u>\$23,824,314</u>
<u>Liabilities</u>			
Long-Term Liabilities	\$6,957,856	\$4,983	\$6,962,839
Other Liabilities	<u>9,626,218</u>	<u>46,424</u>	<u>9,672,642</u>
Total Liabilities	<u>\$16,584,074</u>	<u>\$51,407</u>	<u>\$16,635,481</u>
<u>Net Assets</u>			
Invested in Capital Assets Net of Debt	\$2,401,163	\$129,983	\$2,531,146
Restricted	3,312,878	-	3,312,878
Unrestricted (Deficit)	<u>1,389,782</u>	<u>(44,973)</u>	<u>1,344,809</u>
Total Net Assets	<u>\$7,103,823</u>	<u>\$85,010</u>	<u>\$7,188,833</u>

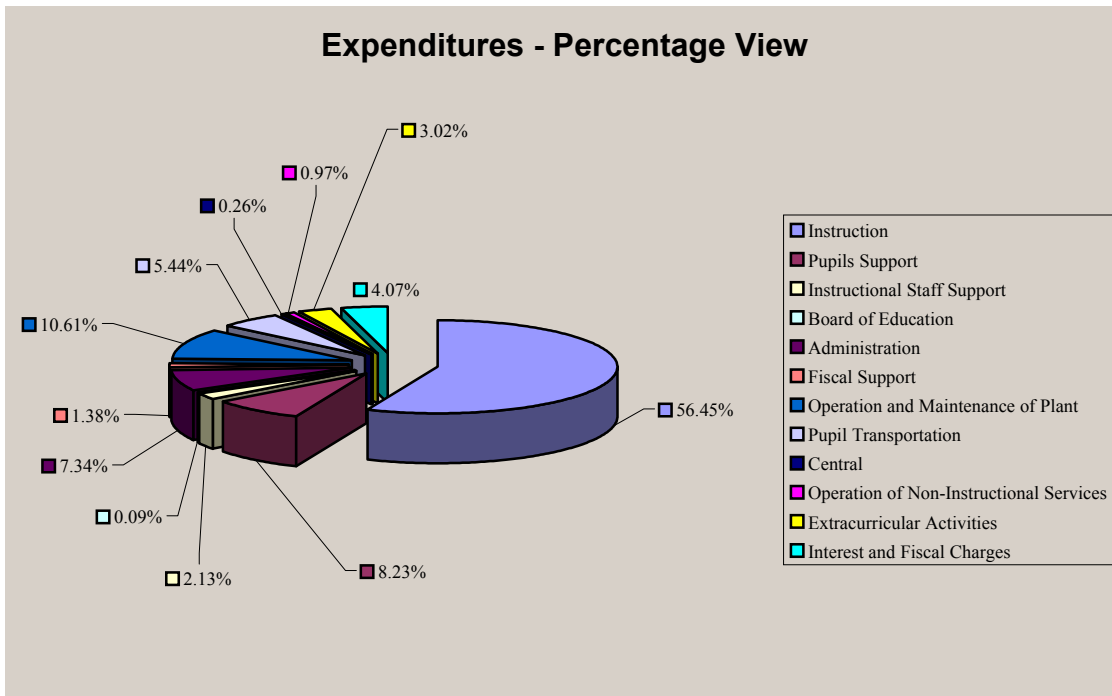
What are the District's Revenue Sources?

The following pie graph provides a summary of the District's Governmental Activities revenue sources for 2003.

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited



Where does the District spend its revenues?



Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does 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, districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 63.3 percent of revenue for governmental activities for Port Clinton City School District in fiscal year 2003, a slight increase from prior years.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 2 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 2

**Total and Cost of Program Services-
Governmental Activities**

	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Instruction	\$10,879,620	\$10,392,350
Support Services		
Pupil and Instruction Staff	1,829,321	1,829,321
Board of Education, Administration, Fiscal and Business	1,555,050	1,552,330
Operation and Maintenance of Plant	1,873,713	1,872,897
Pupil Transportation	960,795	960,795
Central	45,870	45,870
Operation of Non-Instructional Services	172,005	172,005
Extracurricular Activities	533,785	465,188
Interest and Fiscal Charges	<u>718,744</u>	<u>718,744</u>
 Total Expenses	 <u>\$18,568,903</u>	 <u>\$18,009,500</u>

Port Clinton City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2003
Unaudited

The dependence upon general tax revenues for governmental activities is apparent. Over 95.5 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 96.7 percent as shown in the above table. The community, as a whole, is by far the primary support for Port Clinton City School District students.

Business-Type Activities

Business-type activities is the food service fund.

Overall Net (Expense) Revenue for business-type activities (food service), ended on a \$24,943 negative balance. Management anticipates food service deficits to continue in future fiscal years even though food prices were increased to offset future operating losses. Table 3 provides a revenue and expense summary for the District's business-type activities.

Table 3

Revenue and Expense for Business Type Activities

	Food Services
Revenues	\$556,827
Expenditures	581,575
Net	(24,943)

The District's Funds

Information about the District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$17.68 million and expenditures of \$18.83 million. The net change in fund balance for the year was most significant in the General Fund, where the General Fund net assets decreased by \$1.38 million for fiscal year 2003.

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.

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

During the course of fiscal year 2003 the District amended its General Fund budget numerous times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

During the course of fiscal year 2003 the General Fund, budget revenue was inline with the original budget estimate. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were also in line with projections.

Capital Assets and Debt Administration

At the end of fiscal year 2003, the District had \$7.80 million (net) invested in land, buildings, equipment and vehicles, \$7.69 million (net) in governmental activities.

Table 4 shows fiscal 2003 net fixed asset balances for governmental type activities and business-type activities compared to the prior fiscal year.

Table 4

Capital Assets
(Net of Accumulated Depreciation)

	<u>Governmental Type Activities</u>		<u>Business-Type Activities</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Land and Improvements	\$102,165	\$102,165	\$0	\$0
Buildings	2,968,287	2,851,050	0	0
Equipment and Vehicles	<u>4,620,551</u>	<u>4,814,947</u>	<u>107,034</u>	<u>46,701</u>
Totals	<u>\$7,691,003</u>	<u>\$7,768,162</u>	<u>\$107,034</u>	<u>\$46,701</u>

The decrease in capital assets is due to the District recognized \$380,894 in depreciation expense for 2003, offset by \$303,735 in acquisitions. These acquisitions were distributed among furniture and equipment and vehicles. The District also retired \$35,987 of fully depreciated assets. The District continued its ongoing commitment to maintaining and improving its fixed assets.

In previous years, Ohio law required districts to set aside two percent of certain revenues for capital improvements and an additional two-percent for textbooks; this law was rescinded for 2003. The District maintained an \$86,386 budgetary stabilization reserve.

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Debt

Currently, the District has \$5,719,024 of Notes/Bonds Payable at June 30, 2003. For additional detail, see Note 12.

Current Financial Related Activities

Port Clinton City School District is strong financially. As the preceding information shows, the District heavily depends on its property taxpayers. With the passage of a 3.89 mill operating levy and collection beginning in January 2004, the District has been able to continue its education programs. However, financially the future is not without challenges.

While the District was successful in increasing its tax revenue base in 2003, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant. Thus management must diligently plan expenses, staying carefully within the District's five-year forecast.

Declining state foundation payments due to charge-offs by the state provide no significant increase in future revenues. Increases in property tax revenues that do occur are offset by decreases in state foundation payments. With its major source of revenue not keeping pace with expenditure increases, the District must seek additional tax revenue to continue current operations. However, the District cannot look to the State of Ohio for increased revenue and must be on the look out for unexpected additional budget reductions initiated by the Governor.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that it thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. Virtually, no additional state revenue will be available to Port Clinton City School District. Thus, both taxes and state revenue are fixed or declining. The scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Port Clinton City School District has committed itself to financial excellence for many years. The District intends to send this Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. This report represents the first report using the GFOA requirements.

Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

In addition, the District's system of budgeting and internal controls is well regarded. All of the District's financial abilities will be needed to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, 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 Paul Lockwood, Treasurer at Port Clinton City School District, 431 Portage Drive, Port Clinton, OH 43452.

Port Clinton City School District
Statement of Net Assets
June 30, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 6,747,596	\$ 17,444	\$ 6,765,040
Cash and Cash Equivalents in Segregated Accounts			
In Segregated Accounts	8,850	-	8,850
Receivables:			
Taxes	9,058,330	-	9,058,330
Accounts	4,124	-	4,124
Intergovernmental	132,432	-	132,432
Internal Balances	5,541	-	5,541
Prepaid Assets	40,021	471	40,492
Inventory Held for Resale	-	10,407	10,407
Materials and Supplies Inventory	-	1,061	1,061
Nondepreciable Capital Assets	102,165	-	102,165
Depreciable Capital Assets, Net	7,588,838	107,034	7,695,872
<i>Total Assets</i>	\$ 23,687,897	\$ 136,417	\$ 23,824,314
Liabilities			
Accounts Payable	\$ 148,050	\$ 9,409	\$ 157,459
Accrued Wages and Benefits	1,296,013	24,802	1,320,815
Intergovernmental Payable	32,820	309	33,129
Pension Obligation Payable	528,932	-	528,932
Deferred Revenue	7,620,403	11,904	7,632,307
Long-Term Liabilities:			
Due Within One Year	248,856	-	248,856
Due Within More Than One Year	6,709,000	4,983	6,713,983
<i>Total Liabilities</i>	\$ 16,584,074	\$ 51,407	\$ 16,635,481
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$ 2,401,163	\$ 129,983	\$ 2,531,146
Restricted for:			
Capital Projects	160,042	-	160,042
Debt Service	2,201,622	-	2,201,622
Other Purposes	951,214	-	951,214
Unrestricted (Deficit)	1,389,782	(44,973)	1,344,809
<i>Total Net Assets</i>	\$ 7,103,823	\$ 85,010	\$ 7,188,833

See accompanying notes to the basic financial statements

Port Clinton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities			
Instruction:			
Regular	\$ 8,279,767	\$ 37,097	\$ 450,173
Special	2,044,738	-	-
Vocational	120,003	-	-
Other	429,752	-	-
Support Services:			
Pupils	1,452,659	-	-
Instructional Staff	376,684	-	-
Board of Education	15,826	-	-
Administration	1,301,249	-	-
Fiscal	243,313	2,720	-
Operation and Maintenance of Plant	1,873,713	816	-
Pupil Transportation	960,795	-	-
Central	45,870	-	-
Operation of Non-Instructional Services	172,005	-	-
Extracurricular Activities	533,785	68,597	-
Interest and Fiscal Charges	718,744	-	-
<i>Total Governmental Activities</i>	<u>18,568,903</u>	<u>109,230</u>	<u>450,173</u>
Business-Type Activities			
Food Service	581,575	324,089	232,543
<i>Total Business-Type Activities</i>	<u>581,575</u>	<u>324,089</u>	<u>232,543</u>
Totals	<u>\$ 19,150,478</u>	<u>\$ 433,319</u>	<u>\$ 682,716</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Refund of Prior Year Expenditures

Other Non-operating Revenues

Miscellaneous

Total General Revenues

Changes in Net Assets

Net Assets Beginning of Year - As Restated, See Note 19

Net Assets End of Year

See accompany notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (7,792,497)	\$ -	\$ (7,792,497)
(2,044,738)	-	(2,044,738)
(120,003)	-	(120,003)
(429,752)	-	(429,752)
(1,452,659)	-	(1,452,659)
(376,684)	-	(376,684)
(15,826)	-	(15,826)
(1,301,249)	-	(1,301,249)
(240,593)	-	(240,593)
(1,872,897)	-	(1,872,897)
(960,795)	-	(960,795)
(45,870)	-	(45,870)
(172,005)	-	(172,005)
(465,188)	-	(465,188)
(718,744)	-	(718,744)
<u>(18,009,500)</u>	<u>-</u>	<u>(18,009,500)</u>
-	(24,943)	(24,943)
-	(24,943)	(24,943)
<u>\$ (18,009,500)</u>	<u>\$ (24,943)</u>	<u>\$ (18,034,443)</u>
\$ 9,931,343	\$ -	\$ 9,931,343
643,119	-	643,119
111,900	-	111,900
5,123,349	-	5,123,349
159,821	195	160,016
4,521	-	4,521
58,462	-	58,462
31,173	-	31,173
268,125	-	268,125
<u>16,331,813</u>	<u>195</u>	<u>16,332,008</u>
(1,677,687)	(24,748)	(1,702,435)
<u>8,781,510</u>	<u>109,758</u>	<u>8,891,268</u>
<u>\$ 7,103,823</u>	<u>\$ 85,010</u>	<u>\$ 7,188,833</u>

Port Clinton City School District
Balance Sheet
Governmental Funds
June 30, 2003

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 3,424,879	\$ 2,109,995	\$ 1,126,336	\$ 6,661,210
Cash and Cash Equivalents:				
In Segregated Accounts	5,000	-	3,850	8,850
Restricted Assets:				
Cash and Cash Equivalents	86,386	-	-	86,386
Receivables:				
Taxes	8,400,378	500,590	157,362	9,058,330
Accounts	536	-	3,588	4,124
Intergovernmental	-	-	132,432	132,432
Interfund Receivables	136,570	-	-	136,570
Prepaid Items	12,214	-	27,807	40,021
Total Assets	12,065,963	2,610,585	1,451,375	16,127,923
Liabilities				
Accounts Payable	114,288	-	33,762	148,050
Accrued Wages and Benefits	1,237,213	-	58,800	1,296,013
Compensated Absences Payable	44,832	-	-	44,832
Pension Obligation Payable	259,532	-	-	259,532
Interfund Payable	-	-	131,029	131,029
Intergovernmental Payable	28,356	-	4,464	32,820
Deferred Revenue	7,615,721	435,238	129,967	8,180,926
Total Liabilities	9,299,942	435,238	358,022	10,093,202
Fund Balances				
Reserved for:				
Encumbrances	446,110	-	268,517	714,627
Prepaid Items	12,214	-	27,807	40,021
Property Taxes	784,657	90,338	40,026	915,021
Budget Stabilization	86,386	-	-	86,386
Undesignated, Reported in:				
General Fund	1,436,654	-	-	1,436,654
Special Revenue Funds	-	-	732,268	732,268
Debt Service Funds	-	2,085,009	-	2,085,009
Capital Projects Funds	-	-	24,735	24,735
Total Fund Balances	2,766,021	2,175,347	1,093,353	6,034,721
Total Liabilities and Fund Balances	\$ 12,065,963	\$ 2,610,585	\$ 1,451,375	\$ 16,127,923

See accompany notes to the basic financial statements

Port Clinton City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2003*

Total Governmental Fund Balances \$ 6,034,721

***Amounts reported for governmental activities in the
 statement of net assets are different because***

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 7,691,003

Long-term liabilities, including bonds, notes payable, are not due and
 payable in the current period and therefore are not reported in
 the funds.

Pension Obligation	(269,400)
Compensated Absences	(1,194,000)
Deferred Revenue	560,523
General Obligation Bonds Payable	(4,389,624)
Notes Payable	<u>(1,329,400)</u>

Total (6,621,901)

Net Assets of Governmental Activities \$ 7,103,823

See accompany notes to the basic financial statements

Port Clinton City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Fiscal Year Ended June 30, 2003

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 9,820,757	\$ 640,909	\$ 106,284	\$ 10,567,950
Intergovernmental	4,488,284	78,384	1,006,854	5,573,522
Interest	158,710	-	1,111	159,821
Extracurricular Activities	-	-	140,403	140,403
Classroom Materials and Fees	26,631	-	50,681	77,312
Miscellaneous	12,293	-	178,520	190,813
<i>Total Revenues</i>	<u>14,506,675</u>	<u>719,293</u>	<u>1,483,853</u>	<u>16,709,821</u>
Expenditures				
Current:				
Instruction:				
Regular	7,369,169	-	415,005	7,784,174
Special	1,522,924	-	510,234	2,033,158
Vocational	119,889	-	-	119,889
Other	429,752	-	-	429,752
Support Services:				
Pupils	1,258,911	-	171,418	1,430,329
Instructional Staff	378,330	-	25,133	403,463
Board of Education	15,826	-	-	15,826
Administration	1,277,563	-	77,882	1,355,445
Fiscal	227,695	-	5,568	233,263
Operation and Maintenance of Plant	1,872,274	-	30,487	1,902,761
Pupil Transportation	876,106	-	33,040	909,146
Central	15,653	-	1,732	17,385
Operation of Non-Instructional Services	-	-	167,439	167,439
Extracurricular Activities	355,879	-	172,154	528,033
Capital Outlay	20,504	-	283,231	303,735
Debt Service:				
Principal Retirement	-	271,216	-	271,216
Interest and Fiscal Charges	-	694,344	24,400	718,744
<i>Total Expenditures</i>	<u>15,740,475</u>	<u>965,560</u>	<u>1,917,723</u>	<u>18,623,758</u>
<i>Excess of Revenue Over/(Under) Expenditures</i>	<u>(1,233,800)</u>	<u>(246,267)</u>	<u>(433,870)</u>	<u>(1,913,937)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets	4,521	-	-	4,521
Proceeds of Notes	-	-	700,400	700,400
Refund of Prior Year Expenditures	58,462	-	-	58,462
Transfer In	-	209,590	-	209,590
Transfer Out	(209,590)	-	-	(209,590)
<i>Total Other Financing Sources (Uses)</i>	<u>(146,607)</u>	<u>209,590</u>	<u>700,400</u>	<u>763,383</u>
<i>Net Change in Fund Balances</i>	<u>(1,380,407)</u>	<u>(36,677)</u>	<u>266,530</u>	<u>(1,150,554)</u>
<i>Fund Balances Beginning of Year</i>	<u>4,146,428</u>	<u>2,212,024</u>	<u>826,823</u>	<u>7,185,275</u>
<i>Fund Balances End of Year</i>	<u>\$ 2,766,021</u>	<u>\$ 2,175,347</u>	<u>\$ 1,093,353</u>	<u>\$ 6,034,721</u>

See accompany notes to the basic financial statements

Port Clinton City School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in the Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Net Change in Fund Balances - Total Governmental Funds \$ (1,150,554)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Fixed Assets Additions	303,735	
Current Year Depreciation	<u>(380,894)</u>	
 Total		 (77,159)

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

Taxes	118,412	
Proceeds of Notes	<u>(700,400)</u>	
 Total		 (581,988)

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

271,216

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not required the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Pension Obligation Payable	29,048	
Compensated Absences Payable	<u>(168,250)</u>	
 Total		 <u>(139,202)</u>

Change in Net Assets of Governmental Activities \$ (1,677,687)

See accompany notes to the basic financial statements

Port Clinton City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 9,313,000	\$ 10,018,998	\$ 10,125,859	\$ 106,861
Intergovernmental	5,277,869	4,952,139	4,488,284	(463,855)
Interest	186,630	175,112	158,710	(16,402)
Classroom Materials and Fees	32,974	30,939	28,041	(2,898)
Miscellaneous	14,449	13,557	12,287	(1,270)
Total Revenues	14,824,922	15,190,745	14,813,181	(377,564)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	\$ 5,810,300	\$ 5,810,300	\$ 5,778,473	\$ 31,827
Fringe Benefits	1,458,480	1,458,480	1,388,883	69,597
Purchased Services	135,190	136,675	83,835	52,840
Materials and Supplies	364,305	369,024	241,593	127,431
Capital Outlay - New	130,530	146,051	111,566	34,485
Total Regular	7,898,805	7,920,530	7,604,350	316,180
Special:				
Salaries and Wages	622,300	685,400	685,396	4
Fringe Benefits	152,500	162,000	161,157	843
Purchased Services	23,000	23,000	20,351	2,649
Materials and Supplies	4,000	4,000	3,238	762
Other	660,000	682,400	535,549	146,851
Total Special	1,461,800	1,556,800	1,405,691	151,109
Vocational:				
Salaries and Wages	100,000	88,000	81,489	6,511
Fringe Benefits	22,500	22,500	19,431	3,069
Purchased Services	15,100	15,100	3,058	12,042
Materials and Supplies	2,000	2,000	1,392	608
Total Vocational	139,600	127,600	105,370	22,230
Other:				
Purchased Services	240,743	279,243	254,363	24,880
Other	245,000	237,000	172,199	64,801
Total Other	485,743	516,243	426,562	89,681
Total Instruction	9,985,948	10,121,173	9,541,973	579,200
Support Services:				
Pupils:				
Salaries and Wages	934,900	1,006,164	982,743	23,421
Fringe Benefits	274,100	255,100	245,369	9,731
Purchased Services	55,204	55,204	23,031	32,173
Materials and Supplies	10,500	10,500	6,127	4,373
Capital Outlay - New	3,490	3,490	1,692	1,798
Total Pupils	1,278,194	1,330,458	1,258,962	71,496

Port Clinton City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff:				
Salaries and Wages	\$ 210,800	\$ 288,071	\$ 263,698	\$ 24,373
Fringe Benefits	59,600	59,600	49,234	10,366
Purchased Services	49,860	49,282	17,336	31,946
Materials and Supplies	36,010	38,539	33,390	5,149
Capital Outlay - New	6,642	11,615	10,386	1,229
Total Instructional Staff	362,912	447,107	374,044	73,063
Board of Education:				
Salaries and Wages	11,000	10,000	8,240	1,760
Fringe Benefits	2,300	2,300	1,438	862
Purchased Services	9,649	10,649	6,093	4,556
Total Board of Education	22,949	22,949	15,771	7,178
Administration:				
Salaries and Wages	1,080,800	865,040	864,605	435
Fringe Benefits	289,300	286,300	265,807	20,493
Purchased Services	341,660	341,660	232,787	108,873
Materials and Supplies	38,854	36,354	18,297	18,057
Capital Outlay - New	19,640	17,590	3,825	13,765
Capital Outlay - Replacement	3,200	3,200	716	2,484
Other	36,624	36,624	18,541	18,083
Total Administration	1,810,078	1,586,768	1,404,578	182,190
Fiscal:				
Salaries and Wages	182,000	191,000	188,230	2,770
Fringe Benefits	53,900	62,400	60,682	1,718
Purchased Services	19,564	19,064	12,773	6,291
Materials and Supplies	10,650	10,650	5,190	5,460
Capital Outlay - New	1,500	2,000	1,821	179
Other	25,347	25,347	22,475	2,872
Total Fiscal	292,961	310,461	291,171	19,290
Operation and Maintenance of Plant:				
Salaries and Wages	895,000	895,000	894,141	859
Fringe Benefits	287,553	311,553	295,835	15,718
Purchased Services	894,049	888,549	568,408	320,141
Materials and Supplies	122,386	122,886	83,587	39,299
Capital Outlay - New	21,500	8,500	-	8,500
Capital Outlay - Replacement	10,000	10,000	6,849	3,151
Other	5,754	5,754	3,490	2,264
Total Operation and Maintenance of Plant	2,236,242	2,242,242	1,852,310	389,932
Pupil Transportation:				
Salaries and Wages	507,987	541,986	540,375	1,611
Fringe Benefits	182,916	182,916	174,767	8,149
Purchased Services	98,886	98,886	68,810	30,076
Materials and Supplies	96,000	96,000	73,739	22,261
Capital Outlay - New	19,000	19,000	13,765	5,235
Capital Outlay - Replacement	110,000	110,000	-	110,000
Total Pupils Transportation	1,014,789	1,048,788	871,456	177,332
Central:				
Salaries and Wages	-	15,000	15,000	-
Total Central	-	15,000	15,000	-
Total Support Services	7,018,125	7,003,773	6,083,292	920,481

Port Clinton City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$ 23,000	\$ 28,500	\$ 28,491	\$ 9
Fringe Benefits	3,000	3,700	3,681	19
Total Academic and Subject Oriented Activities	26,000	32,200	32,172	28
Occupation Oriented Activities:				
Salaries and Wages	4,600	5,700	5,646	54
Fringe Benefits	800	825	824	1
Total Occupation Oriented Activities	5,400	6,525	6,470	55
Sports Oriented Activities:				
Salaries and Wages	174,005	269,429	269,329	100
Fringe Benefits	21,500	29,000	28,934	66
Purchased Services	500	500	418	82
Total Sports Oriented Activities	196,005	298,929	298,681	248
Co-Curricular Activities:				
Salaries and Wages	16,000	16,250	16,212	38
Fringe Benefits	2,200	2,200	2,110	90
Total Co-Curricular Activities	18,200	18,450	18,322	128
Total Extracurricular Activities	245,605	356,104	355,645	459
Capital Outlay				
Building Acquisition and Construction:				
Purchased Services	63,533	58,533	20,504	38,029
Total Building Acquisition and Construction	63,533	58,533	20,504	38,029
Total Capital Outlay	63,533	58,533	20,504	38,029
Total Expenditures	\$ 17,313,211	\$ 17,539,583	\$ 16,001,414	\$ 1,538,169
Excess of Revenues Over/(Under) Expenditures	(2,488,289)	(2,348,838)	(1,188,233)	1,160,605
Other Financing Sources (Uses):				
Advances In	59,050	59,050	59,050	-
Advances Out	(50,000)	(156,600)	(156,570)	30
Transfers Out	(184,000)	(257,500)	(209,590)	47,910
Total Other Financing Sources (Uses)	(174,950)	(355,050)	(307,110)	47,940
Net Change in Fund Balance	(2,663,239)	(2,703,888)	(1,495,343)	1,208,545
Fund Balance at The Beginning of Year	4,471,404	4,471,404	4,471,404	-
Prior Year Encumbrances Appropriated	268,920	268,920	268,920	-
Fund Balance at The End of Year	\$ 2,077,085	\$ 2,036,436	\$ 3,244,981	\$ 1,208,545

Port Clinton Local School District
Statement of Fund Assets
Proprietary Funds
June 30, 2003

	Business- Type Activities - Enterprise Fund
	Food Service
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 17,444
Prepaid Items	471
Inventory Held For Resale	10,407
Materials and Supplies Inventory	1,061
<i>Total Current Assets</i>	29,383
Capital Assets, Net	107,034
<i>Total Assets</i>	136,417
Liabilities	
Accounts Payable	9,409
Accrued Wages	24,802
Compensated Absences Payable	4,983
Intergovernmental Payable	309
Deferred Revenue	11,904
<i>Total Current Liabilities</i>	51,407
<i>Total Liabilities</i>	51,407
Net Assets	
Invested in Capital Assets	129,983
Unrestricted	(44,973)
<i>Total Net Assets (Deficit)</i>	\$ 85,010

See accompanying notes to the basic financial statements

Port Clinton Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2003*

	Business- Type Activities - Enterprise Fund
	Food Service
Operating Revenues	
Food Services	\$ 324,089
<i>Total Operating Revenues</i>	324,089
Operating Expenses	
Salaries	249,143
Fringe Benefits	59,425
Purchased Services	19,695
Materials and Supplies	230,363
Depreciation	22,949
<i>Total Operating Expenses</i>	581,575
<i>Operating Income (Loss)</i>	(257,486)
Non-Operating Revenues (Expenses)	
Federal Donated Commodities	52,227
Intergovernmental	180,316
Interest	195
<i>Total Non-Operating Revenues</i>	232,738
<i>Change in Net Assets</i>	(24,748)
<i>Net Assets (Deficit) Beginning of Year</i>	109,758
<i>Net Assets (Deficit) End of Year</i>	\$ 85,010

See accompanying notes to the basic financial statements

Port Clinton Local School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2003

	Business- Type Activities - Enterprise Fund
	Food Service
Increase (Decrease in Cash and Cash Equivalents)	
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 324,089
Cash Payments to Employees for Services	(247,181)
Cash Payments for Employee Benefits	(77,923)
Cash Payments for Goods and Services	(183,785)
<i>Net Cash Provided by (Used in) Operating Activities</i>	(184,800)
Cash Flows from Noncapital Financing Activities	
Grants Received	180,316
<i>Net Cash Provided by (Use by) Noncapital Financing Activities</i>	180,316
Cash Flows from Capital Financing Activities	
Acquisition of Capital Assets	(83,282)
<i>Net Cash Provided by (Used by) Capital Financing Activities</i>	(83,282)
Cash Flows from Investing Activities	
Interest on Investments	195
<i>Net Cash Provided by (Used by) Investing Activities</i>	195
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(87,571)
<i>Cash and Cash Equivalents Beginning of Year</i>	105,015
<i>Cash and Cash Equivalents End of Year</i>	\$ 17,444
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities	
<i>Operating Income (Loss)</i>	\$ (257,486)
Adjustments:	
Depreciation	22,949
Donated Commodities	52,227
(Increase) Decrease in Assets:	
Inventory Held for Resale	3,332
Materials and Supplies Inventory	(1,061)
Prepaid Items	4,372
Increase (Decrease) in Liabilities:	
Accounts Payable	9,289
Accrued Wages	(2,044)
Compensated Absences Payable	(13,515)
Intergovernmental Payable	(1,371)
Deferred Revenue	(1,492)
<i>Total Adjustments</i>	72,686
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$ (184,800)

See accompanying notes to the basic financial statements

Port Clinton City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 15,478	\$ 78,346
<i>Total Assets</i>	15,478	78,346
Liabilities		
Accounts Payable	-	11,988
Interfund Payable	-	5,541
Due to Students	-	60,817
<i>Total Liabilities</i>	-	\$ 78,346
Net Assets		
Held in Trust for Scholarships	15,478	
<i>Total Net Assets</i>	\$ 15,478	

See accompanying notes to the basic financial statements

Port Clinton City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2003

	Private Purpose Trust
	Scholarship
Addition	
Interest	\$ 161
Deduction	
	500
<i>Change in Net Assets</i>	(339)
<i>Net Assets Beginning of Year</i>	15,817
<i>Net Assets End of Year</i>	\$ 15,478

See accompanying notes to the basic financial statements

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 1 – Description of the School District and Reporting Entity

Port Clinton City School District (the “School District”) is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established through the consolidation of existing land areas and school districts. The School District serves an area of approximately 44 square miles. It is located in Ottawa County, and includes all of the territory of the City of Port Clinton, Bay Township, Catawba Township, Erie Township, and Portage Township. It is staffed by 108 non-certificated employees and 181 certificated full-time teaching personnel that provide services to 1,906 students and other community members. The School District currently operates 6 instructional buildings, 1 administrative building, and 1 garage.

Reporting Entity:

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Port Clinton City School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization, or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent of the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes.

Based on the above description, there are no component units within the School District.

The following activities are included within the reporting entity:

Parochial Schools - Within the School District boundaries, the Immaculate Conception Catholic School is operated through the Toledo Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its governmental and proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

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

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

Debt Service Fund The Bond Retirement fund accounts for the accumulation of resources for and the payment of general obligation principal and interest.

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

Proprietary Fund Types Proprietary funds focus on the determination of the changes in net assets, financial position, and cash flows.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Enterprise Funds Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise fund is the *Food Service Fund*. This fund accounts for the financial transactions related to the food service operations of the School District.

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

B. Basis of Presentation

Government-wide Financial Statements The statement of net assets and statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are considered business-type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School 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 and 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 identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and 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 financial uses) of current financial resources.

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

The trust fund is reported using the economic resources measurement focus.

C. 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. Proprietary and fiduciary fund also use the accrual basis of accounting.

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund and function.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Ottawa County Budget Commission for rate determination.

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amount reported as the final budgeted amount in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2003.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund, function, and object level of expenditures. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from the prior years. The amounts reported as the final budgeted amounts in the statement of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations At the close of each 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.

E. Cash and Cash Equivalents

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

During fiscal year 2003, investments were limited to repurchase agreements, STAR Ohio, and certificates of deposit.

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 nonnegotiable certificates of deposit are reported at cost.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2003. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$158,710.

The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are presented on the balance sheet as "cash in segregated accounts" since they are not required to be deposited into the School District treasury.

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

F. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 17 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of proprietary funds consist of donated and purchased foods and are expensed when used.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

I. Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	N/A
Building and Improvements	40 years	N/A
Furniture	10 years	10 years
Equipment	5 years	5 years
Vehicles	10 years	N/A

J. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlement and grants awarded on a non-reimbursement basis, are recorded as revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are carried and become measurable.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

K. Interfund Balances

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

L. Compensated Absences

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all classified and non-classified employees with at least ten (10) years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

N. Interfund Transactions

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

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 as reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid from them are not presented on the financial statements.

O. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, prepaid items, property taxes, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. Net assets held in trust for scholarships signify the legal restrictions on the use of principal.

P. Net Assets

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

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

R. Estimates

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service. Operating expenses are necessary costs occurred to provide the good or service that is the primary activity of the fund.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Major Fund Types are 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as a note disclosure in the proprietary fund types (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the major funds:

<u>Net Change in Fund Balance</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Budget Basis	\$ (1,495,343)	\$ (11,691)
Net Adjustment for Revenue Accruals	(302,573)	(24,986)
Net Adjustment for Expenditure Accruals	240,319	-
Adjustments for Encumbrances	<u>177,190</u>	<u>-</u>
GAAP Basis	<u>\$ (1,380,407)</u>	<u>\$ (36,677)</u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits 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 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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 (STAROhio);

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

At fiscal year end, the School District had \$430 in undeposited cash on hand, which is included on the balance sheet of the School District as part of "Equity in pooled cash and investments".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits (excluding change funds of \$430) was \$6,139,125 and the bank balance was \$ 6,902,653. Of the bank balance, \$200,000 was covered by federal depository insurance and \$6,702,653 was uninsured, but collateralized with securities held by the pledging financial institution's trust department or agent not in the District's name. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterpart trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterpart's, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

	Category 1	Category 2	Category 3	Fair Value
Repurchase Agreement	--	--	\$ 439,041	\$ 439,041
STAR Ohio	--	--	--	289,118
Totals	--	--	<u>\$ 439,041</u>	<u>\$ 728,159</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$ 4,867,714	\$ 2,000,000
Cash on Hand	(430)	
Investments:		
Certificates of Deposit over 90 days	2,000,000	(2,000,000)
Repurchase Agreement	(439,041)	439,041
STAR Ohio	<u>(289,118)</u>	<u>289,118</u>
GASB Statement 3	<u>\$ 6,139,125</u>	<u>\$ 728,159</u>

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at true value (normally 50 percent of cost, with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 32 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31, if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid 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.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Year Ended June 30, 2003

The full tax rate applied to real property for the fiscal year ended June 30, 2003 was \$58.90 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$23.85 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$27.68 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

The rate applied to tangible personal property for the fiscal year ended June 30, 2003 was \$58.90 per \$1,000 of assessed valuation.

The School District receives property taxes from Ottawa County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003 are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2003. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance at June 30, 2003, was \$784,657 for the general fund, \$90,338 for the debt service fund and \$40,026 for the capital project fund.

The assessed values upon which fiscal year 2003 taxes were collected are:

	<u>2003</u>	<u>2002</u>
Real Property -		
Residential/Agricultural	\$ 307,694,730	\$ 302,532,170
Other	79,632,390	78,224,390
Public Utilities	84,180	95,940
 Tangible Personal Property -		
Personal	39,880,548	40,122,425
Public Utilities	<u>19,373,548</u>	<u>18,992,240</u>
 Total Valuation	<u>\$ 446,665,568</u>	<u>\$ 439,967,165</u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 6 - RECEIVABLES

Receivables at June 30, 2003, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the Due from other governments follows:

Special Revenue

Due from other governments:

SchoolNet	\$ 1,403
Title I	124,757
Title VI-B	<u>6,272</u>

Total Due from other governments	<u>\$ 132,432</u>
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PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 7 - FIXED ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	<u>Balance 7/1/2002</u>	<u>Addition</u>	<u>Deletion</u>	<u>Balance 6/30/2003</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 102,165	\$ -	\$ -	\$ 102,165
<i>Total Capital Assets, not being depreciated:</i>	<u>102,165</u>	<u>-</u>	<u>-</u>	<u>102,165</u>
<i>Capital Asset, being depreciated:</i>				
Buildings and Improvements	9,099,527	290,235	-	9,389,762
Equipment and Vehicles	<u>7,440,280</u>	<u>13,500</u>	<u>(35,987)</u>	<u>7,417,793</u>
<i>Total Capital Assets, being depreciated:</i>	<u>16,539,807</u>	<u>303,735</u>	<u>(35,987)</u>	<u>16,807,555</u>
Less Accumulated Depreciation:				
Building and Improvements	(6,248,477)	(172,998)	-	(6,421,475)
Equipment and Vehicles	<u>(2,625,333)</u>	<u>(207,896)</u>	<u>35,987</u>	<u>(2,797,242)</u>
<i>Total Accumulated Depreciation</i>	<u>(8,873,810)</u>	<u>(380,894)</u>	<u>35,987</u>	<u>(9,218,717)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>7,665,997</u>	<u>(77,159)</u>	<u>-</u>	<u>7,588,838</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,768,162</u>	<u>\$ (77,159)</u>	<u>\$ -</u>	<u>\$ 7,691,003</u>
Business-Type Activities				
Furniture, Equipment and Fixtures	\$ 161,149	\$ 83,282	\$ -	\$ 244,431
Less Accumulated Depreciation	<u>(114,448)</u>	<u>(22,949)</u>	<u>-</u>	<u>(137,397)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 46,701</u>	<u>\$ 60,333</u>	<u>\$ -</u>	<u>\$ 107,034</u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	248,267
Special		1,943
Vocational		114
Support Services:		
Pupils		3,161
Fiscal		76
Pupil Transportation		43,879
Central		29,138
Extracurricular Activities		5,752
		<hr/>
	\$	380,894

NOTE 8 - RISK MANAGEMENT

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 2003, the District has entered into contracts with various insurance agencies for various insurance.

The following is a list of all insurance coverage of the District and the deductibles associated with each:

<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Building and Contents	\$54,105,148	\$ 1,000
Extra Expense	5,000	-
Valuable Papers	5,000	-
Non-bus vehicles - liability - bodily inj.	(a)	-
liability - Property damage	(a)	-
Non-bus vehicles - uninsured motorists	1,000,000	-
Physical damage	cash value	-
Bus vehicles - liability	2,000,000	-
uninsured motorists	1,000,000	-

(a) Non-bus vehicle liability insurance is limited to \$5,000,000 under the umbrella in the aggregate and \$1,000,000 per incident.

Settled claims have not exceeded this commercial coverage in any of the past three years. Also, the School District did not significantly reduce their limits of liability during the year.

All employees of the District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

The District joined together with other governments to form the Ohio School Board Association Worker's Compensation Group Rating Program, a public entity currently operating as a common risk management and insurance program for workers' compensation. The District pays an annual premium to the pool for its workers compensation coverage. See Note 13 for further description.

The District has joined together with other school districts in the area to form the San-Ott Schools Employee Welfare Benefit Association, whose purpose is to provide health coverage and benefits to and for the eligible employees of Association members and their dependents. The District pays premiums to the Association based upon the benefits structure selected. The Association Trust Agreement provides that the Association will be self-sustaining through member premiums and will reinsure through commercial companies for specific claims in excess of \$100,000 and aggregate claims in excess of 120 percent of expected claims.

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 E. Broad Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$419,040, \$422,520, and \$392,640, respectively; 50 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$209,520 representing the unpaid contribution for fiscal year 2003, is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The Port Clinton City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

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

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent, 9.5 percent was the portion used for fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,120,224, \$1,105,032, and \$1,101,864, respectively. 83 percent has been contributed for 2003 and 100 percent has been contributed for 2002 and 2001. \$190,272 represents the unpaid contributions for fiscal year 2003 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2003, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the year ended June 30, 2002 (the latest information available) the Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$360,072 during fiscal 2003.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.011 billion at June 30, 2002 (the latest information available). For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For the year ended June 30, 2003 (the latest information available) employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year ended June 30, 2003, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$174,500 during the 2003 fiscal year.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 11 - EMPLOYEE BENEFITS

A. Sick Leave

Each full time professional staff member is entitled to fifteen (15) days sick leave with pay for each year under contract and accrues sick leave at the rate of one and one-fourth (1 1/4) days for each calendar month under contract. Sick leave is cumulative to two hundred fifty-five (255) days.

B. Service Retirement

Certified Employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Severance payment is based on the total number of days of unused sick leave, up to a maximum of 255 days, multiplied by 1/4 (.25) and then that number will be multiplied by the daily rate the teacher is currently receiving to determine the total severance pay. Employees must have ten years service with the State of Ohio Retirement system.

Non-certified employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement pay is the non-certified employee's accrued but unused sick leave days at the time of retirement of which payment is based on the first thirty-six (36) days at the employee's per diem rate and from the thirty-seventh (37) day on, the employee shall be paid at ten percent (10%) of his/her per diem rate. Employees must have ten years service with the State of Ohio Retirement system.

Secretaries are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement pay is the secretaries' accrued but unused sick leave days at the time of retirement of which payment is based on the total number of days of unused sick leave, up to a maximum of 255 days will be multiplied by 1/4 (.25) and then that number will be multiplied by the daily rate the secretary is currently receiving to determine the total severance pay.

Administrative employees are eligible for service retirement pay after the Board of Education accepts the employee's resignation. Service retirement pay is the administrative employee's accrued but unused sick leave days at the time of retirement of which payment is based on the total number of days of unused sick leave, up to a maximum of 255 days will be multiplied by 1/4 (.25) and then that number will be multiplied by the daily rate the administrator/supervisor is currently receiving to determine the total severance pay. Daily rate will be determined by dividing the total administrative salary plus longevity by 184 days.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

C. Vacation

The following scales are used to determine vacation leave for employees according to classifications:

(12) month administrators:

0-3 years	Two Weeks
4-7 years	Three Weeks
8 or more years	Four Weeks

Classified employees:

1-7 years	Two Weeks
8-12 years	Three Weeks
13-14 years	Four Weeks
15 or more years	Five Weeks

Secretaries:

1-10 years	Two Weeks
15 years	Three Weeks
After 15 years	Four Weeks

The Superintendent and Treasurer's vacation leave are determined through negotiated agreements.

PORT CLINTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
For the Year Ended June 30, 2003

NOTE 12 - LONG - TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2003 were as follows:

	<u>Amount Outstanding 6/30/2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Amount Outstanding 6/30/2003</u>	<u>Amount Due in One Year</u>
<i>Governmental Activities</i>					
Bonds - Series 1989					
7/7/93 5.248%	\$ 3,953,840	\$ -	\$ (44,216)	\$ 3,909,624	\$ 30,024
Bonds - Series 1992					
6/1/92 6.250%	115,000	-	(115,000)	-	-
Bonds - Series 1993					
7/7/93 5.248%	<u>545,000</u>	<u>-</u>	<u>(65,000)</u>	<u>480,000</u>	<u>80,000</u>
Total Long-Term Bonds	<u>4,613,840</u>	<u>-</u>	<u>(224,216)</u>	<u>4,389,624</u>	<u>110,024</u>
House Bill Note	<u>676,000</u>	<u>700,400</u>	<u>(47,000)</u>	<u>1,329,400</u>	<u>94,000</u>
Total Long-Term Notes	<u>676,000</u>	<u>700,400</u>	<u>(47,000)</u>	<u>1,329,400</u>	<u>94,000</u>
Compensated Absences	<u>1,178,870</u>	<u>311,267</u>	<u>(251,305)</u>	<u>1,238,832</u>	<u>44,832</u>
Total Governmental Activities	<u>\$ 6,468,710</u>	<u>\$ 1,011,667</u>	<u>\$ (522,521)</u>	<u>\$ 6,957,856</u>	<u>\$ 248,856</u>
<i>Business-type Activities</i>					
Compensated Absences	<u>\$ 18,498</u>	<u>\$ 4,983</u>	<u>\$ (18,498)</u>	<u>\$ 4,983</u>	<u>\$ -</u>

Compensated absences will be paid from the funds from which the employees' salaries are paid.

The School District's voted legal debt margin was \$36,656,424 with an unvoted debt margin of \$1,292,593 at June 30, 2003.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2003 are as follows.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2004	204,024	695,492	899,516
2005	624,000	270,388	894,388
2006	649,000	238,269	887,269
2007	674,000	204,440	878,440
2008	699,000	168,425	867,425
2009 – 2013	2,475,000	331,408	2,806,408
2014 - 2017	<u>394,000</u>	<u>40,127</u>	<u>434,127</u>
Totals	<u>\$ 5,719,024</u>	<u>\$1,948,549</u>	<u>\$ 7,667,573</u>

NOTE 13 - INSURANCE PURCHASING POOL

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP.

The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates, McDonald & Co. provides administrative, cost control and actuarial services to the GRP. In accordance with the above, the OSBA Group Rating Program has not been included as a component unit of the reporting entity.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

Bay Area Council of Governments

The Bay Area Council of Governments is a jointly governed organization. Members of the organization consist of twenty-six school districts representing seven counties (Ottawa, Sandusky, Seneca, Erie, Huron, Wood, and Crawford). The jointly governed organization was formed for the purpose of purchasing goods and services at a lower cost. The items currently being purchased through the council of governments is natural gas and insurance. The only cost to the district is an administrative charge if they participate in purchasing through the council. The Bay Area Council of Governments consists of the superintendent of each school district. The Board of Directors of the Bay Area Council of Governments consists of one elected representative of each county and the superintendent of the fiscal agent, and two non-voting members (administrator and fiscal agent). Members of the Board serve two-year terms which are staggered. Financial information can be obtained by contacting Betty Schwiefert, who serves as fiscal agent, at 2900 South Columbus Avenue, Sandusky, Ohio 44870. In accordance with the above, the Bay Area Council of Governments has not been included as a component unit of the reporting entity.

Vanguard-Sentinel Joint Vocational School

The Vanguard-Sentinel Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of two representatives from Fremont City Schools and one representative from the Port Clinton City School District and each of the other twelve participating school districts' elected boards, which possesses its own budgeting and taxing authority. Accordingly, the Vanguard-Sentinel Joint Vocational School is not part of the Port Clinton City School District and its operations are not included as part of the reporting entity. To obtain financial information write to Vanguard-Sentinel Joint Vocational School, Jay Valasek, Treasurer, at 1306 Cedar Street, Fremont, Ohio 43420.

Northern Ohio Educational Computer Association

The Northern Ohio Educational Computer Association (NOECA) is a computer consortium. It is comprised of thirty-eight area school districts. The association was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports NOECA based upon a per pupil charge dependent upon the software package utilized. In the event of dissolution of the organization, all current members will share in net obligations or asset liquidations in ratio proportionate to their last twelve months financial contributions. The NOECA assembly consists of a superintendent from each participating school district and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and two Assembly members from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting Betty Schwiefert, who serves as controller, at 2900 South Columbus Avenue, Sandusky, Ohio 44870. In accordance with the above, the Northern Ohio Educational Computer Association has not been included as a component unit of the reporting entity.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 15 - RELATED ORGANIZATION

Ida Rupp Public Library

The library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The trustees are appointed by the Port Clinton Board of Education. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the school district for operational subsidies. In accordance with the above, the Ida Rupp Public Library has not been included as a component unit of the reporting entity.

NOTE 16 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

B. Litigation

The School District may be party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

C. State School Funding Decision

On December 11, 2002, The Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

NOTE 17 - SET-ASIDE REQUIREMENTS

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks, capital acquisition and budget reserve. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>Budget reserve</u>	<u>Total</u>
Set aside balance as of June 30, 2002	--	--	\$ 86,386	\$ 86,386
Current year set-aside requirement	374,230	374,230	--	\$ 748,460
Qualifying expenditures	<u>\$(448,822)</u>	<u>\$ (387,791)</u>	<u>--</u>	<u>\$(836,613)</u>
Totals	<u>\$ (74,592)</u>	<u>\$ (13,561)</u>	<u>\$ 86,386</u>	<u>\$ (1,767)</u>
Cash balance carried forward to FY2004	<u>--</u>	<u>--</u>	<u>\$ 86,386</u>	<u>\$ 86,386</u>
Amount restricted for budget reserve				<u>\$ 86,386</u>
Total restricted assets				<u>\$ 86,386</u>

Although the District had qualifying expenditures during the year that reduced the set-aside amounts below zero, the District chose not to carry forward these negative balances.

NOTE 18 – INTERFUND TRANSACTIONS

A. Interfund Receivable/Payable

The interfund receivable/payable consisted of the following at June 30, 2003, as reported on the fund financial statements:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 136,570	\$ 0
Title IV-B	0	124,757
Title VI	0	6,272
Agency	0	5,541

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

B. Interfund Transfers

The interfund transfers consisted of the following at June 30, 2003, as reported on the fund financial statements:

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General	\$ 209,590	\$ 0
Bond Retirement	0	209,590

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 to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Transfers are also used to close funds that are no longer required.

NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES, AND RESTATEMENTS OF FUND BALANCE AND NET ASSETS

Changes in Accounting Principles For the fiscal year 2003, the School District has implemented GASB No. 34, “Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments”, GASB No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB No. 38, “Certain Financial Statement Note Disclosures”, GASB No. 41, “Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.” At June 30, 2002, there was no effect on fund balances as a result of implementing GASB Statements No. 37, 38, 41 and Interpretation 6.

Restatement of Fund Balances The restatements of fund balance for correction of prior year accrual balances and assets and fund reclassification had the following effect on the fund balances of the major and non-major funds of the School District as they were previously reported.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances at June 30, 2002	\$ 4,146,428	\$ 2,212,024	\$ 740,158	\$ 7,098,610
Fund Reclassification	<u>-</u>	<u>-</u>	<u>86,665</u>	<u>86,665</u>
Fund Balances at July 1, 2002	<u>\$ 4,146,428</u>	<u>\$ 2,212,024</u>	<u>\$ 826,823</u>	<u>\$ 7,185,275</u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

GASB 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the School District's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the changes in fund balance for governmental funds at June 30, 2002, caused by the conversion to the accrual basis of accounting.

The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances at July 1, 2002	<u>\$ 4,146,428</u>	<u>\$ 2,212,024</u>	<u>\$ 826,823</u>	<u>\$ 7,185,275</u>
Adjustments:				
GASB 34				
Compensated Absences				(1,193,318)
Capital Assets				7,768,162
Deferred Revenue				442,111
Pension Obligation Payable				(130,880)
Long-term Liabilities				<u>(5,289,840)</u>
Governmental Activities Net Assets at July 1, 2002				<u><u>\$ 8,781,510</u></u>

The transition from proprietary fund equity to net assets of the business-type activities is presented as follows:

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

	<u>Enterprise Fund</u>
Fund Equity at June 30, 2002	\$ 211,034
Fund Reclassification	(85,741)
Adjustments:	
Capital Assets	<u>(15,535)</u>
Business-type Activities Net Assets at June 30, 2002	<u>\$ 109,758</u>

NOTE 20 – ACCOUNTABILITY AND COMPLIANCE

Special Revenue funds Title VI-B and Title VI had total available resources below the current level of appropriations, in violation of Ohio Revised Code 5705.39.

Port Clinton City School District

Combining Statements and Individual Fund Schedules

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Port Clinton City School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

Special Trust Fund This fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

Performing Arts Center Fund This fund accounts for the activities related to use of the Port Clinton High School's Performing Arts Center by the public.

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

Local Grants Fund This fund accounts for proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specific purposes.

Champions for Children Fund This fund accounts for the after school and summer enrichment program provided to children age six through sixth grade.

Severance Retirement Fund This fund accounts for amounts due retiring staff for severance and buy-out provisions of the negotiated agreements.

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

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

Teacher Development Fund This fund accounts for State monies in support of locally developed professional development programs.

Educational Management Information Systems Fund This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

Public School Preschool Fund This fund accounts for State monies used to assist the School District by paying the cost of preschool programs for three and four year olds.

Disadvantaged Pupil Impact Aid Fund This fund accounts for State monies received for disadvantaged pupils.

Port Clinton City School District

Nonmajor Special Revenue Funds

(continued)

Data Communication Fund This fund accounts for State monies received to provide Ohio Educational Computer Network Connections.

SchoolNet Professional Development Fund This fund accounts for State monies to assist staff in gaining knowledge of technology.

Textbook Subsidy Fund This fund is used to purchase textbooks for the School District.

Ohio Reads Grant Fund This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Extended Learning Fund This fund accounts for funds received from the State agencies that are used for development of basic educational skills and increase of opportunities for useful employment.

Eisenhower Math and Science Grant Fund This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning.

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

Title I Fund This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Grant Fund This fund accounts for Federal monies which support the implementation of programs for drug abuse education and prevention.

Class Size Reduction Fund This fund accounts for Federal monies used to reduce class sizes in elementary schools.

Technology Grants Fund This fund is used to purchase technology equipment and software for the School District.

Port Clinton City School District

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement Fund This fund accounts for all transaction related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5707, Revised Code.

SchoolNet Plus Fund This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Port Clinton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 1,037,240	\$ 89,096	\$ 1,126,336
Cash and Cash Equivalents:			
In Segregated Accounts	3,850	-	3,850
Receivables:			
Taxes	-	157,362	157,362
Accounts	3,588	-	3,588
Intergovernmental	132,432	-	132,432
Prepaid Items	441	27,366	27,807
<i>Total Assets</i>	<u>1,177,551</u>	<u>273,824</u>	<u>1,451,375</u>
Liabilities:			
Accounts Payable	26,075	7,687	33,762
Accrued Wages	58,800	-	58,800
Interfund Payable	131,029	-	131,029
Intergovernmental Payable	4,464	-	4,464
Deferred Revenue	1,403	128,564	129,967
<i>Total Liabilities</i>	<u>221,771</u>	<u>136,251</u>	<u>358,022</u>
Fund Balance:			
Reserved for Encumbrances	223,071	45,446	268,517
Reserved for Prepaid Items	441	27,366	27,807
Reserved for Property Taxes	-	40,026	40,026
Unreserved, Undesignated	732,268	24,735	757,003
<i>Total Fund Balance</i>	<u>955,780</u>	<u>137,573</u>	<u>1,093,353</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,177,551</u>	<u>\$ 273,824</u>	<u>\$ 1,451,375</u>

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2003

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ 106,284	\$ 106,284
Intergovernmental	963,156	43,698	1,006,854
Interest	946	165	1,111
Extracurricular Activities	140,403	-	140,403
Classroom Materials and Fees	50,681	-	50,681
Miscellaneous	178,520	-	178,520
<i>Total Revenues</i>	<u>1,333,706</u>	<u>150,147</u>	<u>1,483,853</u>
Expenditures:			
Current:			
Instruction:			
Regular	387,670	27,335	415,005
Special	510,234	-	510,234
Support Services:			
Pupils	171,418	-	171,418
Instructional Staff	25,133	-	25,133
Administration	77,882	-	77,882
Fiscal	5,568	-	5,568
Operation and Maintenance of Plant	30,487	-	30,487
Pupil Transportation	33,040	-	33,040
Central	1,732	-	1,732
Operation of Non-Instructional Services	80,966	86,473	167,439
Extracurricular Activities	172,154	-	172,154
Capital Outlay	-	283,231	283,231
Debt Service:			
Interest and Fiscal Charges	-	24,400	24,400
<i>Total Expenditures</i>	<u>1,496,284</u>	<u>421,439</u>	<u>1,917,723</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(162,578)	(271,292)	(433,870)
Other Financing Sources (Uses):			
Proceeds of Notes	-	700,400	700,400
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>700,400</u>	<u>700,400</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(162,578)	429,108	266,530
Fund Balance (Deficit) Beginning of Year	<u>1,118,358</u>	<u>(291,535)</u>	<u>826,823</u>
Fund Balance (Deficit) End of Year	<u>\$ 955,780</u>	<u>\$ 137,573</u>	<u>\$ 1,093,353</u>

Port Clinton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Special Trust Fund	Performing Arts Center Fund	Public School Support
Assets:			
Equity in Pooled Cash and Investments	\$ 1,578	\$ 2,262	\$ 140,442
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	-
Receivables:			
Accounts	-	-	3,588
Intergovernmental	-	-	-
Prepaid Items	-	-	-
<i>Total Assets</i>	<u>1,578</u>	<u>2,262</u>	<u>144,030</u>
Liabilities:			
Accounts Payable	-	35	798
Accrued Wages	-	-	-
Interfund Payable	-	-	-
Intergovernmental Payable	-	-	210
Deferred Revenue	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>35</u>	<u>1,008</u>
Fund Balance:			
Reserved for Encumbrances	-	28	3,234
Reserved for Prepaid Items	-	-	-
Unreserved, Undesignated	1,578	2,199	139,788
<i>Total Fund Balance</i>	<u>1,578</u>	<u>2,227</u>	<u>143,022</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,578</u>	<u>\$ 2,262</u>	<u>\$ 144,030</u>

<u>Local Grants Fund</u>	<u>Champions for Children Fund</u>	<u>Severance Retirement Fund</u>	<u>Athletic and Music</u>	<u>Auxiliary Services</u>	<u>Teacher Development Fund</u>
\$ 34,966	\$ 93,075	\$ 379,401	\$ 79,044	\$ 25,471	\$ 2,295
-	-	-	3,850	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	384	-	-
<u>34,966</u>	<u>93,075</u>	<u>379,401</u>	<u>83,278</u>	<u>25,471</u>	<u>2,295</u>
-	683	-	3,804	4,935	-
-	-	-	-	5,577	-
-	-	-	-	-	-
-	-	-	-	45	-
-	-	-	-	-	-
<u>-</u>	<u>683</u>	<u>-</u>	<u>3,804</u>	<u>10,557</u>	<u>-</u>
1,090	7,087	-	12,815	19,807	-
-	-	-	384	-	-
<u>33,876</u>	<u>85,305</u>	<u>379,401</u>	<u>66,275</u>	<u>(4,893)</u>	<u>2,295</u>
<u>34,966</u>	<u>92,392</u>	<u>379,401</u>	<u>79,474</u>	<u>14,914</u>	<u>2,295</u>
<u>\$ 34,966</u>	<u>\$ 93,075</u>	<u>\$ 379,401</u>	<u>\$ 83,278</u>	<u>\$ 25,471</u>	<u>\$ 2,295</u>

(continued)

Port Clinton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003
(continued)

	Educational Management Information System	Public School Pre-school	Disadvantaged Pupil Program
Assets:			
Equity in Pooled Cash and Investments	\$ 390	\$ 1,691	\$ -
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	-
Receivables:			
Accounts	-	-	-
Intergovernmental	-	-	-
Prepaid Items	-	-	-
	390	1,691	-
<i>Total Assets</i>	390	1,691	-
Liabilities:			
Accounts Payable	-	-	-
Accrued Wages	-	-	-
Interfund Payable	-	-	-
Intergovernmental Payable	-	-	-
Deferred Revenue	-	-	-
	-	-	-
<i>Total Liabilities</i>	-	-	-
Fund Balance:			
Reserved for Encumbrances	-	1,691	-
Reserved for Prepaid Items	-	-	-
Unreserved, Undesignated	390	-	-
	390	1,691	-
<i>Total Fund Balance</i>	390	1,691	-
<i>Total Liabilities and Fund Balance</i>	\$ 390	\$ 1,691	\$ -

<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Extended Learning Fund</u>
\$ 1,829	\$ 1,370	\$ 52,529	\$ 7,688	\$ 20,649
-	-	-	-	-
-	-	-	-	-
-	1,403	-	-	-
-	-	-	-	-
<u>1,829</u>	<u>2,773</u>	<u>52,529</u>	<u>7,688</u>	<u>20,649</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
518	-	-	3,086	-
-	1,403	-	-	-
<u>518</u>	<u>1,403</u>	<u>-</u>	<u>3,086</u>	<u>-</u>
1,311	135	-	416	523
-	-	-	-	-
-	1,235	52,529	4,186	20,126
<u>1,311</u>	<u>1,370</u>	<u>52,529</u>	<u>4,602</u>	<u>20,649</u>
<u>\$ 1,829</u>	<u>\$ 2,773</u>	<u>\$ 52,529</u>	<u>\$ 7,688</u>	<u>\$ 20,649</u>

(continued)

Port Clinton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003
(continued)

	Eisenhower Math and Science Grant	Title VI-B	Title I
Assets:			
Equity in Pooled Cash and Investments	\$ -	\$ 55,671	\$ 65,198
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	-
Receivables:			
Accounts	-	-	-
Intergovernmental	-	124,757	-
Prepaid Items	-	-	-
	-	-	-
<i>Total Assets</i>	-	180,428	65,198
Liabilities:			
Accounts Payable	-	12,614	42
Accrued Wages	-	4,971	43,579
Interfund Payable	-	124,757	-
Intergovernmental Payable	-	31	506
Deferred Revenue	-	-	-
	-	-	-
<i>Total Liabilities</i>	-	142,373	44,127
Fund Balance:			
Reserved for Encumbrances	-	41,389	65,155
Reserved for Prepaid Items	-	-	-
Unreserved, Undesignated	-	(3,334)	(44,084)
	-	-	-
<i>Total Fund Balance</i>	-	38,055	21,071
<i>Total Liabilities and Fund Balance</i>	\$ -	\$ 180,428	\$ 65,198

<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Technology Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 7,613	\$ 2,117	\$ 59,668	\$ 2,293	\$ 1,037,240
-	-	-	-	3,850
-	-	-	-	3,588
6,272	-	-	-	132,432
-	-	-	57	441
<u>13,885</u>	<u>2,117</u>	<u>59,668</u>	<u>2,350</u>	<u>1,177,551</u>
-	-	3,164	-	26,075
-	-	4,673	-	58,800
6,272	-	-	-	131,029
-	-	68	-	4,464
-	-	-	-	1,403
<u>6,272</u>	<u>-</u>	<u>7,905</u>	<u>-</u>	<u>221,771</u>
7,595	2,117	56,504	2,174	223,071
-	-	-	57	441
18	-	(4,741)	119	732,268
<u>7,613</u>	<u>2,117</u>	<u>51,763</u>	<u>2,350</u>	<u>955,780</u>
<u>\$ 13,885</u>	<u>\$ 2,117</u>	<u>\$ 59,668</u>	<u>\$ 2,350</u>	<u>\$ 1,177,551</u>

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2003

	Special Trust Fund	Performing Arts Center Fund	Public School Support
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Interest	10	-	-
Extracurricular Activities	844	-	13,445
Classroom Materials and Fees	-	-	50,681
Miscellaneous	-	-	6,809
	<u> </u>	<u> </u>	<u> </u>
<i>Total Revenues</i>	854	-	70,935
Expenditures:			
Current:			
Instruction:			
Regular	200	-	35,120
Special	-	-	-
Support Services:			
Pupils	-	-	-
Instructional Staff	-	-	4,815
Administration	-	-	-
Fiscal	-	-	-
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	-	-	-
Central	-	-	-
Operation of Non-Instructional Services	-	503	-
Extracurricular Activities	-	-	24,253
	<u> </u>	<u> </u>	<u> </u>
<i>Total Expenditures</i>	200	503	64,188
<i>Excess of Revenues Over (Under) Expenditures</i>	654	(503)	6,747
Fund Balance (Deficit) Beginning of Year	<u>924</u>	<u>2,730</u>	<u>136,275</u>
Fund Balance (Deficit) End of Year	<u>\$ 1,578</u>	<u>\$ 2,227</u>	<u>\$ 143,022</u>

<u>Local Grants Fund</u>	<u>Champions for Children Fund</u>	<u>Severance Retirement Fund</u>	<u>Athletic and Music</u>	<u>Auxiliary Services</u>	<u>Teacher Development Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ 68,010	\$ -
-	876	-	-	60	-
-	-	-	126,114	-	-
-	-	-	-	-	-
44,945	108,488	-	18,278	-	-
<u>44,945</u>	<u>108,488</u>	<u>-</u>	<u>18,278</u>	<u>-</u>	<u>-</u>
44,945	109,364	-	144,392	68,070	-
3,979	-	198,270	-	-	-
-	93,787	-	-	-	-
-	-	-	-	-	-
6,000	-	-	-	-	674
-	-	-	-	-	-
-	-	-	-	-	-
-	-	22,329	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,196	-	-	68,012	-
-	-	-	147,901	-	-
<u>9,979</u>	<u>99,983</u>	<u>220,599</u>	<u>147,901</u>	<u>68,012</u>	<u>674</u>
34,966	9,381	(220,599)	(3,509)	58	(674)
-	83,011	600,000	82,983	14,856	2,969
<u>\$ 34,966</u>	<u>\$ 92,392</u>	<u>\$ 379,401</u>	<u>\$ 79,474</u>	<u>\$ 14,914</u>	<u>\$ 2,295</u>

(continued)

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2003
(continued)

	Educational Management Information System	Public School Pre-school	Disadvantaged Pupil Program
Revenues:			
Intergovernmental	\$ 6,993	\$ 100,167	\$ 24,601
Interest	-	-	-
Extracurricular Activities	-	-	-
Classroom Materials and Fees	-	-	-
Miscellaneous	-	-	-
<i>Total Revenues</i>	6,993	100,167	24,601
Expenditures:			
Current:			
Instruction:			
Regular	-	23,013	13,601
Special	-	-	-
Support Services:			
Pupils	-	32,337	10,953
Instructional Staff	-	10,514	-
Administration	15,655	9,342	-
Fiscal	-	5,568	-
Operation and Maintenance of Plant	-	8,158	-
Pupil Transportation	-	10,829	-
Central	-	1,732	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	-
<i>Total Expenditures</i>	15,655	101,493	24,554
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,662)	(1,326)	47
Fund Balance (Deficit) Beginning of Year	9,052	3,017	(47)
Fund Balance (Deficit) End of Year	\$ 390	\$ 1,691	\$ -

<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Extended Learning Fund</u>
\$ 17,500	\$ 4,600	\$ -	\$ 23,000	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>17,500</u>	<u>4,600</u>	<u>-</u>	<u>23,000</u>	<u>-</u>
33,689	3,500	1,181	22,755	5,394
-	-	1,373	-	-
-	-	-	-	-
-	3,130	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>33,689</u>	<u>6,630</u>	<u>2,554</u>	<u>22,755</u>	<u>5,394</u>
(16,189)	(2,030)	(2,554)	245	(5,394)
<u>17,500</u>	<u>3,400</u>	<u>55,083</u>	<u>4,357</u>	<u>26,043</u>
<u>\$ 1,311</u>	<u>\$ 1,370</u>	<u>\$ 52,529</u>	<u>\$ 4,602</u>	<u>\$ 20,649</u>

(continued)

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2003
(continued)

	Eisenhower Math and Science Grant	Title VI-B	Title I
Revenues:			
Intergovernmental	\$ -	\$ 241,357	\$ 323,484
Interest	-	-	-
Extracurricular Activities	-	-	-
Classroom Materials and Fees	-	-	-
Miscellaneous	-	-	-
<i>Total Revenues</i>	-	241,357	323,484
Expenditures:			
Current:			
Instruction:			
Regular	3,584	-	-
Special	-	59,723	352,187
Support Services:			
Pupils	-	93,625	229
Instructional Staff	-	-	-
Administration	-	52,885	-
Fiscal	-	-	-
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	-	22,211	-
Central	-	-	-
Operation of Non-Instructional Services	-	37	6,204
Extracurricular Activities	-	-	-
<i>Total Expenditures</i>	3,584	228,481	358,620
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,584)	12,876	(35,136)
Fund Balance (Deficit) Beginning of Year	3,584	25,179	56,207
Fund Balance (Deficit) End of Year	\$ -	\$ 38,055	\$ 21,071

<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Technology Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 12,067	\$ 13,782	\$ 112,551	\$ 15,044	\$ 963,156
-	-	-	-	946
-	-	-	-	140,403
-	-	-	-	50,681
-	-	-	-	178,520
<u>12,067</u>	<u>13,782</u>	<u>112,551</u>	<u>15,044</u>	<u>1,333,706</u>
5,938	-	36,636	810	387,670
-	-	3,164	-	510,234
-	11,011	23,263	-	171,418
-	-	-	-	25,133
-	-	-	-	77,882
-	-	-	-	5,568
-	-	-	-	30,487
-	-	-	-	33,040
-	-	-	-	1,732
14	-	-	-	80,966
-	-	-	-	172,154
<u>5,952</u>	<u>11,011</u>	<u>63,063</u>	<u>810</u>	<u>1,496,284</u>
6,115	2,771	49,488	14,234	(162,578)
<u>1,498</u>	<u>(654)</u>	<u>2,275</u>	<u>(11,884)</u>	<u>1,118,358</u>
<u>\$ 7,613</u>	<u>\$ 2,117</u>	<u>\$ 51,763</u>	<u>\$ 2,350</u>	<u>\$ 955,780</u>

Port Clinton City School District
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2003

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 87,046	\$ 2,050	\$ 89,096
Receivables:			
Taxes	157,362	-	157,362
Prepaid Items	27,366	-	27,366
<i>Total Assets</i>	271,774	2,050	273,824
Liabilities:			
Accounts Payable	7,687	-	7,687
Deferred Revenue	128,564	-	128,564
<i>Total Liabilities</i>	136,251	-	136,251
Fund Balance:			
Reserved for Prepaid Items	27,366	-	27,366
Reserved for Property Taxes	40,026	-	40,026
Unreserved, Undesignated	22,685	2,050	24,735
<i>Total Fund Balance</i>	135,523	2,050	137,573
<i>Total Liabilities and Fund Balance</i>	\$ 271,774	\$ 2,050	\$ 273,824

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended June 30, 2003

	<u>Permanent Improvement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Taxes	\$ 106,284	\$ -	\$ 106,284
Intergovernmental	15,313	28,385	43,698
Interest	<u>165</u>	<u>-</u>	<u>165</u>
<i>Total Revenues</i>	121,762	28,385	150,147
Expenditures:			
Current:			
Instruction:			
Regular	-	27,335	27,335
Capital Outlay	283,231	-	283,231
Debt Service:			
Interest and Fiscal Charges	<u>24,400</u>	<u>-</u>	<u>24,400</u>
<i>Total Expenditures</i>	<u>394,104</u>	<u>27,335</u>	<u>421,439</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(272,342)	1,050	(271,292)
Other Financing Sources (Uses):			
Proceeds of Notes	<u>700,400</u>	<u>-</u>	<u>700,400</u>
<i>Total Other Financing Sources (Uses)</i>	<u>700,400</u>	<u>-</u>	<u>700,400</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	428,058	1,050	429,108
Fund Balance (Deficit) Beginning of Year	<u>(292,535)</u>	<u>1,000</u>	<u>(291,535)</u>
Fund Balance (Deficit) End of Year	<u>\$ 135,523</u>	<u>\$ 2,050</u>	<u>\$ 137,573</u>

Port Clinton City School District
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2003

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2003</u>
Student Activities				
Assets:				
Cash and Cash Equivalents	\$ 62,418	\$ 175,134	\$ (159,206)	\$ 78,346
Total Assets	<u>62,418</u>	<u>175,134</u>	<u>(159,206)</u>	<u>78,346</u>
Liabilities:				
Accounts Payable	2,327	11,988	(2,327)	11,988
Due to Other Funds	2,126	5,541	(2,126)	5,541
Due to Students	<u>57,965</u>	<u>169,593</u>	<u>(166,741)</u>	<u>60,817</u>
Total Liabilities	<u>\$ 62,418</u>	<u>\$ 187,122</u>	<u>\$ (171,194)</u>	<u>\$ 78,346</u>

Port Clinton City School District

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual**

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Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 13	\$ 10	\$ 10	\$ -
Extracurricular Activities	1,062	844	844	-
Total Revenues	1,075	854	854	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	700	700	200	500
Capital Outlay - New	150	150		150
Total Instruction	850	850	200	650
<i>Total Expenditures</i>	<u>850</u>	<u>850</u>	<u>200</u>	<u>650</u>
Net Change in Fund Balance	225	4	654	650
Fund Balance (Deficit) at The Beginning of Year	<u>925</u>	<u>925</u>	<u>925</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u><u>\$ 1,150</u></u>	<u><u>\$ 929</u></u>	<u><u>\$ 1,579</u></u>	<u><u>\$ 650</u></u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Performing Arts Center Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular Activities	\$ 150,000	\$ -	\$ -	-
Total Revenues	150,000	-	-	-
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Other:				
Purchased Services	302	442	355	87
Materials and Supplies	1,127	1,127	801	326
Total Operation of Non-Instructional Services	1,429	1,569	1,156	413
<i>Total Expenditures</i>	<u>1,429</u>	<u>1,569</u>	<u>1,156</u>	<u>413</u>
Net Change in Fund Balance	148,571	(1,569)	(1,156)	413
Fund Balance (Deficit) at The Beginning of Year	<u>3,417</u>	<u>3,417</u>	<u>3,417</u>	-
Fund Balance (Deficit) at The End of Year	<u>\$ 151,988</u>	<u>\$ 1,848</u>	<u>\$ 2,261</u>	<u>\$ 413</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Extracurricular Activities	\$ 11,714	\$ 12,656	\$ 12,827	171
Classroom Materials and Fees	44,068	47,610	48,255	645
Miscellaneous	6,218	6,718	6,809	91
Total Revenues	62,000	66,984	67,891	907
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	60,220	59,989	35,022	24,967
Total Instruction	60,220	59,989	35,022	24,967
Support Services:				
Instructional Staff:				
Materials and Supplies	2,650	2,650	1,624	1,026
Capital Outlay - New	3,600	3,600	3,191	409
Total Support Services	6,250	6,250	4,815	1,435
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	4,731	2,231	974	1,257
Materials and Supplies	29,970	31,248	13,679	17,569
Capital Outlay - New	730	430	56	374
Other	998	3,559	1,059	2,500
Total Academic and Subject Oriented Activities	36,429	37,468	15,768	21,700
Occupation Oriented Activities:				
Materials and Supplies	10,740	10,123	6,154	3,969
Total Occupation Oriented Activities	10,740	10,123	6,154	3,969
Sports Oriented Activities:				
Materials and Supplies	100	100	-	100
Other	-	3,330	3,330	-
Total Sports Oriented Activities	100	3,430	3,330	100
Total Extracurricular Activities	47,269	51,021	25,252	25,769
Total Expenditures	113,739	117,260	65,089	52,171
Other Financing Sources (Uses):				
Transfers Out	-	(3,826)	-	3,826
Total Other Financing Sources (Uses)	-	(3,826)	-	3,826
Net Change in Fund Balance	(51,739)	(54,102)	2,802	56,904
Fund Balance (Deficit) at The Beginning of Year	133,997	133,997	133,997	-
Prior Year Encumbrances Appropriated	3,639	3,639	3,639	-
Fund Balance (Deficit) at The End of Year	\$ 85,897	\$ 83,534	\$ 140,438	\$ 56,904

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 44,945	\$ 44,945	\$ -
Total Revenues	-	44,945	44,945	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	858	123	735
Fringe Benefits	-	90	-	90
Purchased Services	-	2,872	598	2,274
Materials and Supplies	-	22,380	1,338	21,042
Capital Outlay - New	-	2,000	1,920	80
Total Instruction	-	28,200	3,979	24,221
Support Services:				
Pupils:				
Salaries and Wages	-	345	-	345
Fringe Benefits	-	55	-	55
Total Pupils	-	400	-	400
Instructional Staff:				
Materials and Supplies	-	6,000	6,000	-
Total Instructional Staff	-	6,000	6,000	-
Pupil Transportation:				
Salaries and Wages	-	300	-	300
Fringe Benefits	-	50	-	50
Purchased Services	-	50	-	50
Total Pupils Transportation	-	400	-	400
Total Support Services	-	6,800	6,000	800
<i>Total Expenditures</i>	-	35,000	9,979	25,021
Net Change in Fund Balance	-	9,945	34,966	25,021
Fund Balance (Deficit) at The Beginning of Year	-	-	-	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 9,945</u>	<u>\$ 34,966</u>	<u>\$ 25,021</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Champions for Children Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 921	\$ 861	\$ 876	\$ 15
Miscellaneous	114,080	106,640	108,488	1,848
Total Revenues	115,001	107,501	109,364	1,863
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	115,435	115,435	83,167	32,268
Fringe Benefits	15,355	15,355	11,063	4,292
Purchased Services	4,068	4,068	2,931	1,137
Materials and Supplies	4,503	4,503	3,244	1,259
Total Instruction	139,361	139,361	100,405	38,956
Total Expenditures	139,361	139,361	100,405	38,956
Net Change in Fund Balance	(24,360)	(31,860)	8,959	40,819
Fund Balance (Deficit) at The Beginning of Year	79,616	79,616	79,616	-
Prior Year Encumbrances Appropriated	4,501	4,501	4,501	-
Fund Balance (Deficit) at The End of Year	\$ 59,757	\$ 52,257	\$ 93,076	\$ 40,819

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Severance/Retirement Payments Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	\$ 150,000	\$ 198,346	\$ 198,270	\$ 76
Total Instruction	150,000	198,346	198,270	76
Operation and Maintenance of Plant:				
Salaries and Wages	30,000	22,676	22,329	347
Total Operation and Maintenance of Plant	30,000	22,676	22,329	347
<i>Total Expenditures</i>	180,000	221,022	220,599	423
Net Change in Fund Balance	(180,000)	(221,022)	(220,599)	423
Fund Balance (Deficit) at The Beginning of Year	600,000	600,000	600,000	-
Fund Balance (Deficit) at The End of Year	<u>\$ 420,000</u>	<u>\$ 378,978</u>	<u>\$ 379,401</u>	<u>\$ 423</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular Activities	\$ 104,810	\$ 125,939	\$ 126,114	\$ 175
Miscellaneous	15,190	18,253	18,278	25
Total Revenues	120,000	144,192	144,392	200
Expenditures:				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	845	1,045	449	597
Other	220	570	110	460
Total Academic and Subject Oriented Activities	1,065	1,615	559	1,057
Sports Oriented Activities:				
Salaries and Wages	1,075	1,075	-	1,075
Purchased Services	77,574	73,310	46,228	27,082
Materials and Supplies	39,361	35,558	27,288	8,270
Capital Outlay - New	4,500	5,518	4,489	1,029
Capital Outlay - Replacement	55,303	59,209	41,217	17,992
Other	16,957	24,282	19,168	5,114
Total Sports Oriented Activities	194,770	198,952	138,390	60,562
Co-Curricular Activities:				
Purchased Services	4,550	5,453	5,453	-
Materials and Supplies	226	276	85	191
Capital Outlay - New	1,200	247	-	247
Other	50	22	-	22
Total Co-Curricular Activities	6,026	5,998	5,538	460
Total Extracurricular Activities	201,861	206,565	144,487	62,079
Total Expenditures	201,861	206,565	144,487	62,079
Net Change in Fund Balance	(81,861)	(62,373)	(95)	62,279
Fund Balance (Deficit) at The Beginning of Year	69,212	69,212	69,212	-
Prior Year Encumbrances Appropriated	13,775	13,775	13,775	-
Fund Balance (Deficit) at The End of Year	\$ 1,126	\$ 20,614	\$ 82,893	\$ 62,279

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 96,012	\$ 86,091	\$ 68,010	\$ (18,081)
Interest	85	76	60	(16)
Total Revenues	96,097	86,167	68,070	(18,097)
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	8,491	47,858	39,114	8,744
Fringe Benefits	5,241	14,735	8,515	6,220
Purchased Services	2,913	8,328	5,241	3,087
Materials and Supplies	5,837	16,552	9,260	7,292
Capital Outlay - New	-	204	204	-
Other	-	2,850	2,720	130
Total Operation of Non-Instructional Services	22,482	90,527	65,054	25,473
Total Expenditures	22,482	90,527	65,054	25,473
Net Change in Fund Balance	73,615	(4,360)	3,016	7,376
Fund Balance (Deficit) at The Beginning of Year	18,096	18,096	18,096	-
Prior Year Encumbrances Appropriated	4,360	4,360	4,360	-
Fund Balance (Deficit) at The End of Year	\$ 96,071	\$ 18,096	\$ 25,472	\$ 7,376

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,501	\$ -	\$ -	\$ -
Total Revenues	10,501	-	-	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	613	713	693	20
Purchased Services	1,322	1,322	-	1,322
Materials and Supplies	790	690	-	690
Total Support Services	2,725	2,725	693	2,032
<i>Total Expenditures</i>	<u>2,725</u>	<u>2,725</u>	<u>693</u>	<u>2,032</u>
Net Change in Fund Balance	7,776	(2,725)	(693)	2,032
Fund Balance (Deficit) at The Beginning of Year	2,948	2,948	2,948	-
Prior Year Encumbrances Appropriated	40	40	40	-
Fund Balance (Deficit) at The End of Year	<u>\$ 10,764</u>	<u>\$ 263</u>	<u>\$ 2,295</u>	<u>\$ 2,032</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Education Management Information Systems
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,000	\$ 6,993	\$ 6,993	\$ -
Total Revenues	7,000	6,993	6,993	-
Expenditures:				
Current:				
Support Services:				
Administration:				
Salaries and Wages	3,202	2,715	2,715	-
Fringe Benefits	278	-	-	-
Purchased Services	100	6,993	6,993	-
Materials and Supplies	500	-	-	-
Capital Outlay - New	4,980	6,344	5,955	389
Total Support Services	9,060	16,052	15,663	389
Total Expenditures	9,060	16,052	15,663	389
Net Change in Fund Balance	(2,060)	(9,059)	(8,670)	389
Fund Balance (Deficit) at The Beginning of Year	9,059	9,059	9,059	-
Fund Balance (Deficit) at The End of Year	<u>\$ 6,999</u>	<u>\$ -</u>	<u>\$ 389</u>	<u>\$ 389</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 101,000	\$ 100,166	\$ 100,166	\$ -
Total Revenues	101,000	100,166	100,166	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	23,232	23,013	23,013	-
Total Instruction	23,232	23,013	23,013	-
Support Services:				
Pupils:				
Purchased Services	32,337	32,337	32,337	-
Total Pupils	32,337	32,337	32,337	-
Instructional Staff:				
Purchased Services	10,975	10,514	10,514	-
Total Instructional Staff	10,975	10,514	10,514	-
Administration:				
Purchased Services	9,443	9,342	9,342	-
Total Administration	9,443	9,342	9,342	-
Fiscal:				
Salaries and Wages	6,294	4,425	4,425	-
Fringe Benefits	1,275	845	421	424
Purchased Services	2,794	2,007	741	1,266
Total Fiscal	10,363	7,277	5,587	1,690
Operation and Maintenance of Plant:				
Purchased Services	8,245	8,158	8,158	-
Total Operation and Maintenance of Plant	8,245	8,158	8,158	-
Pupil Transportation:				
Purchased Services	10,946	10,830	10,830	-
Total Pupils Transportation	10,946	10,830	10,830	-
Central:				
Purchased Services	1,751	1,732	1,732	-
Total Central	1,751	1,732	1,732	-
Total Support Services	84,060	80,190	78,500	1,690
Total Expenditures	107,292	103,203	101,513	1,690
Net Change in Fund Balance	(6,292)	(3,037)	(1,347)	1,690
Fund Balance (Deficit) at The Beginning of Year	1,840	1,840	1,840	-
Prior Year Encumbrances Appropriated	1,197	1,197	1,197	-
Fund Balance (Deficit) at The End of Year	<u>\$ (3,255)</u>	<u>\$ -</u>	<u>\$ 1,690</u>	<u>\$ 1,690</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Disadvantaged Pupil Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,601	\$ 24,601	\$ 24,601	\$ -
Total Revenues	24,601	24,601	24,601	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	13,601	13,601	13,601	-
Total Instruction	13,601	13,601	13,601	-
Support Services:				
Pupils:				
Salaries and Wages	11,000	11,000	11,000	-
Total Support Services	11,000	11,000	11,000	-
<i>Total Expenditures</i>	24,601	24,601	24,601	-
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Data Communication Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 17,500	\$ 17,500	\$ 17,500	\$ -
Total Revenues	17,500	17,500	17,500	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	17,500	29,385	33,171	(3,786)
Total Instruction	17,500	29,385	33,171	(3,786)
Total Expenditures	17,500	29,385	33,171	(3,786)
Other Financing Sources (Uses):				
Transfers Out	(4,759)	(4,759)	-	4,759
Total Other Financing Sources (Uses)	(4,759)	(4,759)	-	4,759
Net Change in Fund Balance	(4,759)	(16,644)	(15,671)	973
Fund Balance (Deficit) at The Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	17,500	17,500	17,500	-
Fund Balance (Deficit) at The End of Year	<u>\$ 12,741</u>	<u>\$ 856</u>	<u>\$ 1,829</u>	<u>\$ 973</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,500	\$ 4,600	\$ 4,600	\$ -
Total Revenues	7,500	4,600	4,600	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	1,000	5,285	4,050	1,235
Total Instruction	1,000	5,285	4,050	1,235
Support Services:				
Instructional Staff:				
Purchased Services	3,388	3,703	3,568	135
Total Support Services	3,388	3,703	3,568	135
<i>Total Expenditures</i>	<u>4,388</u>	<u>8,988</u>	<u>7,618</u>	<u>1,370</u>
Net Change in Fund Balance	3,112	(4,388)	(3,018)	1,370
Fund Balance (Deficit) at The Beginning of Year	3,450	3,450	3,450	-
Prior Year Encumbrances Appropriated	938	938	938	-
Fund Balance (Deficit) at The End of Year	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ 1,370</u>	<u>\$ 1,370</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	\$ 20,000	\$ 18,500	\$ 1,181	\$ 17,319
Total Regular	20,000	18,500	1,181	17,319
Special:				
Materials and Supplies	-	1,500	1,373	127
Total Special	-	1,500	1,373	127
Total Instruction	20,000	20,000	2,554	17,446
<i>Total Expenditures</i>	20,000	20,000	2,554	17,446
Net Change in Fund Balance	(20,000)	(20,000)	(2,554)	17,446
Fund Balance (Deficit) at The Beginning of Year	55,083	55,083	55,083	-
Fund Balance (Deficit) at The End of Year	<u>\$ 35,083</u>	<u>\$ 35,083</u>	<u>\$ 52,529</u>	<u>\$ 17,446</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,000	\$ 23,000	\$ 23,000	\$ -
Total Revenues	15,000	23,000	23,000	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,421	21,799	18,094	3,705
Fringe Benefits		1,120	1,099	21
Materials and Supplies	2,700	6,201	2,553	3,648
Total Instruction	6,121	29,120	21,746	7,374
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	314	314	-	314
Total Operation of Non-Instructional Services	314	314	-	314
<i>Total Expenditures</i>	<u>6,435</u>	<u>29,434</u>	<u>21,746</u>	<u>7,688</u>
Net Change in Fund Balance	8,565	(6,434)	1,254	7,688
Fund Balance (Deficit) at The Beginning of Year	3,757	3,757	3,757	-
Prior Year Encumbrances Appropriated	<u>2,677</u>	<u>2,677</u>	<u>2,677</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ 14,999</u>	<u>\$ -</u>	<u>\$ 7,688</u>	<u>\$ 7,688</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Extended Learning Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,000	-	-	-
Total Revenues	10,000	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	800	800	-	800
Fringe Benefits	276	276	-	276
Purchased Services	5,000	5,000	496	4,504
Materials and Supplies	22,540	21,040	6,146	14,894
Total Instruction	28,616	27,116	6,642	20,474
Total Expenditures	28,616	27,116	6,642	20,474
Net Change in Fund Balance	(18,616)	(27,116)	(6,642)	20,474
Fund Balance (Deficit) at The Beginning of Year	21,976	21,976	21,976	-
Prior Year Encumbrances Appropriated	5,315	5,315	5,315	-
Fund Balance (Deficit) at The End of Year	<u>\$ 8,675</u>	<u>\$ 175</u>	<u>\$ 20,649</u>	<u>\$ 20,474</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Eisenhower Math and Science Grant Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 11,000	\$ -	\$ -	\$ -
Total Revenues	11,000	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	311	311	311	-
Fringe Benefits	80	80	80	-
Purchased Services	716	716	716	-
Materials and Supplies	3,319	3,319	3,319	-
Total Instruction	4,426	4,426	4,426	-
Total Expenditures	4,426	4,426	4,426	-
Net Change in Fund Balance	6,574	(4,426)	(4,426)	-
Fund Balance (Deficit) at The Beginning of Year	2,264	2,264	2,264	-
Prior Year Encumbrances Appropriated	2,162	2,162	2,162	-
Fund Balance (Deficit) at The End of Year	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 36,413	\$ 116,600	\$ 135,430	\$ 18,830
Total Revenues	36,413	116,600	135,430	18,830
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	5,953	5,953	2,343	3,610
Purchased Services	8,973	60,652	32,710	27,942
Materials and Supplies	3,223	9,993	7,078	2,915
Capital Outlay - New	1,721	10,852	8,286	2,566
Capital Outlay - Replacement	2,308	2,308	2,308	-
Total Instruction	22,178	89,758	52,725	37,033
Support Services:				
Pupils:				
Salaries and Wages	3,877	19,424	19,037	387
Fringe Benefits	2,462	13,661	13,661	-
Purchased Services	881	65,771	60,405	5,366
Capital Outlay - New	170	255	224	31
Total Pupils	7,390	99,111	93,327	5,784
Administration:				
Salaries and Wages	4,481	36,395	36,395	-
Fringe Benefits	2,345	16,045	15,726	319
Materials and Supplies	1,089	2,089	1,447	642
Capital Outlay - New	2,414	2,414	2,311	103
Total Administration	10,329	56,943	55,879	1,064
Total Support Services	17,719	185,054	171,417	13,637
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	-	5,000	-	5,000
Materials and Supplies	37	37	37	-
Total Operation of Non-Instructional Services	37	5,037	37	5,000
Total Expenditures	39,934	279,849	224,179	55,670
Other Financing Sources (Uses):				
Advances In	-	-	134,757	134,757
Advances Out	-	(10,000)	(28,830)	(18,830)
Total Other Financing Sources (Uses)	-	(10,000)	105,927	115,927
Net Change in Fund Balance	\$ (3,521)	\$ (173,249)	\$ 17,178	\$ 190,427
Fund Balance (Deficit) at The Beginning of Year	25,664	25,664	25,664	-
Prior Year Encumbrances Appropriated	12,829	12,829	12,829	-
Fund Balance (Deficit) at The End of Year	\$ 34,972	\$ (134,756)	\$ 55,671	\$ 190,427

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 279,999	\$ 384,282	\$ 384,283	\$ 1
Total Revenues	279,999	384,282	384,283	1
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	49,303	323,899	264,893	59,006
Fringe Benefits	16,507	66,724	63,617	3,107
Purchased Services	9,317	4,059	4,059	-
Materials and Supplies	7,172	11,503	8,419	3,084
Capital Outlay - New	5,000	660	660	-
Total Instruction	87,299	406,845	341,648	65,197
Support Services:				
Pupils:				
Salaries and Wages	952	951	951	-
Fringe Benefits	580	125	125	-
Total Support Services	1,532	1,076	1,076	-
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	1,374	5,228	5,228	-
Fringe Benefits	461	1,000	1,000	-
Total Operation of Non-Instructional Services	1,835	6,228	6,228	-
<i>Total Expenditures</i>	90,666	414,149	348,952	65,197
Net Change in Fund Balance	189,333	(29,867)	35,331	65,198
Fund Balance (Deficit) at The Beginning of Year	29,835	29,835	29,835	-
Prior Year Encumbrances Appropriated	33	33	33	-
Fund Balance (Deficit) at The End of Year	<u>\$ 219,201</u>	<u>\$ 1</u>	<u>\$ 65,199</u>	<u>\$ 65,198</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,728	\$ 5,795	\$ 10,406	\$ 4,611
Total Revenues	5,728	5,795	10,406	4,611
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	3,075	-	3,075
Materials and Supplies	1,484	9,712	5,938	3,774
Total Instruction	1,484	12,787	5,938	6,849
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	-	764	-	764
Materials and Supplies	14	14	14	-
Total Operation of Non-Instructional Services	14	778	14	764
<i>Total Expenditures</i>	1,498	13,565	5,952	7,613
Other Financing Sources (Uses):				
Advances In	-	-	6,272	6,272
Advances Out	-	-	(4,611)	(4,611)
<i>Total Other Financing Sources (Uses)</i>	-	-	1,661	1,661
Net Change in Fund Balance	4,230	(7,770)	6,115	13,885
Fund Balance (Deficit) at The Beginning of Year	1,498	1,498	1,498	-
Fund Balance (Deficit) at The End of Year	<u>\$ 5,728</u>	<u>\$ (6,272)</u>	<u>\$ 7,613</u>	<u>\$ 13,885</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,182	\$ 12,533	\$ 13,782	\$ 1,249
Total Revenues	9,182	12,533	13,782	1,249
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	-	6,700	6,700	-
Purchased Services	581	4,932	3,272	1,660
Materials and Supplies	210	1,209	753	456
Capital Outlay - New	-	300	300	-
Total Support Services	791	13,141	11,025	2,116
Total Expenditures	791	13,141	11,025	2,116
Other Financing Sources (Uses):				
Advances Out	-	-	(1,249)	(1,249)
Total Other Financing Sources (Uses)	-	-	(1,249)	(1,249)
Net Change in Fund Balance	8,391	(608)	1,508	2,116
Fund Balance (Deficit) at The Beginning of Year	441	441	441	-
Prior Year Encumbrances Appropriated	168	168	168	-
Fund Balance (Deficit) at The End of Year	<u>\$ 9,000</u>	<u>\$ 1</u>	<u>\$ 2,117</u>	<u>\$ 2,116</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 131,322	\$ 121,322	\$ (10,000)
Total Revenues	75,000	131,322	121,322	(10,000)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	15,060	46,010	40,677	5,333
Fringe Benefits	-	4,700	3,953	747
Total Instruction	15,060	50,710	44,630	6,080
Support Services:				
Pupils:				
Salaries and Wages	-	17,500	14,664	2,836
Purchased Services	-	55,000	7,719	47,281
Materials and Supplies	-	4,351	880	3,471
Total Support Services	-	76,851	23,263	53,588
<i>Total Expenditures</i>	15,060	127,561	67,893	59,668
Other Financing Sources (Uses):				
Advances In	-	-	10,000	10,000
Advances Out	-	(10,000)	(10,000)	-
<i>Total Other Financing Sources (Uses)</i>	-	(10,000)	-	10,000
Net Change in Fund Balance	59,940	(6,239)	53,429	59,668
Fund Balance (Deficit) at The Beginning of Year	6,239	6,239	6,239	-
Fund Balance (Deficit) at The End of Year	<u>\$ 66,179</u>	<u>\$ -</u>	<u>\$ 59,668</u>	<u>\$ 59,668</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Technology Grant Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 2,810	\$ 15,044	\$ 12,234
Total Revenues	-	2,810	15,044	12,234
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	229	2,390	216	2,174
Materials and Supplies	962	7,384	7,289	95
Capital Outlay - New	436	436	436	-
Total Instruction	1,627	10,210	7,941	2,269
Support Services:				
Administration:				
Purchased Services	1,477	1,315	1,315	-
Materials and Supplies	2,387	2,327	2,327	-
Capital Outlay - New	6,404	829	829	-
Total Support Services	10,268	4,471	4,471	-
Total Expenditures	11,895	14,681	12,412	2,269
Other Financing Sources (Uses):				
Advances Out	-	-	(12,234)	(12,234)
Total Other Financing Sources (Uses)	-	-	(12,234)	(12,234)
Net Change in Fund Balance	(11,895)	(11,871)	(9,602)	2,269
Fund Balance (Deficit) at The Beginning of Year	16	16	16	-
Prior Year Encumbrances Appropriated	11,879	11,879	11,879	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ 2,293</u>	<u>\$ 2,269</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the year ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital Outlay				
Building Acquisition and Construction:				
Capital Outlay - New	\$ 262,075	\$ 262,075	\$ 207,175	\$ 54,900
Total Building Acquisition and Construction	262,075	262,075	207,175	54,900
Building Improvement:				
Capital Outlay - New	691,000	691,000	676,000	15,000
Total Building Improvement	691,000	691,000	676,000	15,000
Total Capital Outlay	953,075	953,075	883,175	69,900
<i>Total Expenditures</i>	953,075	953,075	883,175	69,900
<i>Excess of Revenues Over/(Under) Expenditures</i>	(953,075)	(953,075)	(883,175)	69,900
Other Financing Sources (Uses):				
Transfers Out	(7,000)	(7,000)	-	7,000
<i>Total Other Financing Sources (Uses)</i>	(7,000)	(7,000)	-	7,000
Net Change in Fund Balance	(960,075)	(960,075)	(883,175)	76,900
Fund Balance (Deficit) at The Beginning of Year	161,229	161,229	161,229	-
Prior Year Encumbrances Appropriated	808,989	808,989	808,989	-
Fund Balance (Deficit) at The End of Year	<u>\$ 10,143</u>	<u>\$ 10,143</u>	<u>\$ 87,043</u>	<u>\$ 76,900</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Plus Fund
For the year ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	\$ -	\$ 1,000	\$ -	\$ 1,000
<i>Total Expenditures</i>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	-	(1,000)	-	1,000
Fund Balance (Deficit) at The Beginning of Year	1,000	1,000	1,000	-
Prior Year Encumbrances Appropriated	<u>1,051</u>	<u>1,051</u>	<u>1,051</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ 2,051</u>	<u>\$ 1,051</u>	<u>\$ 2,051</u>	<u>\$ 1,000</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 633,100	\$ 635,854	\$ 665,895	\$ 30,041
Intergovernmental	71,499	74,848	78,384	3,536
Total Revenues	704,599	710,702	744,279	33,577
Debt Service:				
Principal Retirement	\$ 271,216	\$ 271,216	\$ 271,216	\$ -
Interest and Fiscal Charges	694,846	694,846	694,344	502
Total Debt Service	966,062	966,062	965,560	502
<i>Total Expenditures</i>	<i>966,062</i>	<i>966,062</i>	<i>965,560</i>	<i>502</i>
<i>Excess of Revenues Over/(Under) Expenditures</i>	<i>(261,463)</i>	<i>(255,360)</i>	<i>(221,281)</i>	<i>34,079</i>
Other Financing Sources (Uses):				
Transfers In	209,590	209,590	209,590	-
<i>Total Other Financing Sources (Uses)</i>	<i>209,590</i>	<i>209,590</i>	<i>209,590</i>	<i>-</i>
Net Change in Fund Balance	(51,873)	(45,770)	(11,691)	34,079
Fund Balance (Deficit) at The Beginning of Year	2,121,687	2,121,687	2,121,687	-
Fund Balance (Deficit) at The End of Year	<u>\$ 2,069,814</u>	<u>\$ 2,075,917</u>	<u>\$ 2,109,996</u>	<u>\$ 34,079</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Food Services	\$ 324,089	\$ 324,089	\$ 324,089	\$ -
<i>Total Operating Revenues</i>	324,089	324,089	324,089	-
Operating Expenses:				
Salaries:				
Food Services Operation	253,269	253,269	247,181	6,088
Total Salaries	253,269	253,269	247,181	6,088
Fringe Benefits:				
Food Services Operation	79,842	79,842	77,923	1,919
Total Fringe Benefits	79,842	79,842	77,923	1,919
Purchase Services:				
Food Services Operation	20,240	20,240	19,753	487
Total Purchase Services	20,240	20,240	19,753	487
Supplies and Materials:				
Food Services Operation	166,990	166,990	162,976	4,014
Total Supplies and Materials	166,990	166,990	162,976	4,014
Capital Outlay - Replacement:				
Food Services Operation	86,415	86,415	84,336	2,079
Total Capital Outlay - Replacement	86,415	86,415	84,336	2,079
<i>Total Operating Expenses</i>	606,756	606,756	592,169	14,587
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(282,667)	(282,667)	(268,080)	14,587
Non-Operating Revenues/(Expenses):				
Intergovernmental Revenues	180,316	180,316	180,316	-
Interest	195	195	195	-
<i>Total Other Financing Sources (Uses)</i>	180,511	180,511	180,511	-
Net Change in Fund Balance	(102,156)	(102,156)	(87,569)	14,587
Fund Balance (Deficit) at The Beginning of Year	103,166	103,166	103,166	-
Prior Year Encumbrances Appropriated	1,847	1,847	1,847	-
Fund Balance (Deficit) at The End of Year	<u>\$ 2,857</u>	<u>\$ 2,857</u>	<u>\$ 17,444</u>	<u>\$ 14,587</u>

Port Clinton City School District
ScheduleStatement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Scholarship Trust Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Interest	\$ 500	\$ 160	\$ 161	\$ 1
<i>Total Operating Revenues</i>	<u>500</u>	<u>160</u>	<u>161</u>	<u>1</u>
Operating Expenses:				
Other:				
Pupils	500	500	500	-
<i>Total Operating Expenses</i>	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Net Change in Fund Balance	-	(340)	(339)	1
Fund Balance (Deficit) at The Beginning of Year	<u>15,817</u>	<u>15,817</u>	<u>15,817</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ 15,817</u>	<u>\$ 15,477</u>	<u>\$ 15,478</u>	<u>\$ 1</u>

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Statistical Section

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Port Clinton City School District
 General Governmental
 Revenue by Source and Expenses/Expenditures by Function (1)
 Last Ten Fiscal Years

	2003		2002	2001
	Full Accrual	Modified Accrual		
Program Revenues				
Charges for Services	\$ 109,230	N/A	N/A	N/A
Operating Grants and Contributions	450,173	N/A	N/A	N/A
General Revenues				
Taxes	10,686,362	\$ 10,567,950	\$ 10,360,805	\$ 11,760,399
Intergovernmental	5,123,349	5,573,522	5,353,784	5,346,394
Interest	159,821	159,821	367,594	687,628
Tuition and Fees	-	-	-	-
Classroom Materials and Fees	-	77,312	87,784	106,639
Extracurricular Activities	-	140,403	141,645	130,155
Refund of Prior Year Expenditure	58,462	58,462	11,369	60,419
Proceeds from Sale of Notes	-	700,400	676,000	-
Contributions and Donations	-	-	-	-
Gain on Sales of Capital Asset	4,521	4,521	375	1,647
Miscellaneous	268,125	190,813	45,090	97,734
Other Non-operating Revenues	31,173	-	-	-
Transfers	-	209,590	117,461	126,015
Total	\$ 16,891,216	\$ 17,682,794	\$ 17,161,907	\$ 18,317,030
Expenses/Expenditures				
Current:				
Instruction:	\$ -	\$ -	\$ 10,183,979	\$ 9,694,652
Regular	8,279,767	7,784,174	-	-
Special	2,044,738	2,033,158	-	-
Vocational	120,003	119,889	-	-
Other	429,752	429,752	-	-
Support Services:				
Pupil	1,452,659	1,430,329	1,338,307	1,274,601
Instructional Staff	376,684	403,463	365,488	351,656
Board of Education	15,826	15,826	15,884	9,854
Administration	1,301,249	1,355,445	1,825,825	1,592,781
Fiscal	243,313	233,263	332,001	254,763
Business	-	-	-	-
Operation and Maintenance of Plant	1,873,713	1,902,761	1,907,033	1,833,685
Pupil Transportation	960,795	909,146	1,014,587	951,757
Central	45,870	17,385	1,749	2,055
Operation of Non-instructional Services	172,005	167,439	98,973	81,139
Extracurricular Activities	533,785	528,033	1,670,745	415,283
Capital Outlay	-	303,735	21,533	193,925
Debt Service	718,744	989,960	868,973	886,741
Transfers	-	209,590	167,481	167,104
Total	\$ 18,568,903	\$ 18,833,348	\$ 19,812,558	\$ 17,709,996

Source: School District Financial Records

(1) Includes General, Special Revenue, Capital Projects and Debt Service funds for modified accrual and all governmental activities for full accrual.

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$	11,400,256	\$ 11,534,898	\$ 10,951,963	\$ 11,915,484	\$ 10,258,509	\$ 9,248,031	\$ 8,604,012
	5,087,657	4,895,305	4,667,286	4,646,831	5,480,442	4,334,695	4,241,604
	597,920	484,005	460,984	365,452	287,397	161,318	138,887
	-	114,796	102,603	117,200	133,385	61,383	53,172
	98,162	298	-	-	-	-	-
	123,707	111,409	114,247	110,022	122,775	128,054	126,997
	13,468	33,352	73,788	13,407	9,640	13,469	53,973
	-	-	-	-	-	-	8,729,832
	-	-	-	-	-	-	(7,332,420)
	230	2,016	864	(92)	502	6,644	2,644
	102,332	117,431	171,509	67,560	90,211	43,017	73,674
	-	-	-	-	-	-	-
	100,594	896,643	294,847	314,394	313,199	220,130	118,519
	<u>\$ 17,524,326</u>	<u>\$ 18,190,153</u>	<u>\$ 16,838,091</u>	<u>\$ 17,550,258</u>	<u>\$ 16,696,060</u>	<u>\$ 14,216,741</u>	<u>\$ 14,810,894</u>
\$	9,263,680	\$ 8,777,374	\$ 8,234,243	\$ 8,220,089	\$ 7,592,819	\$ 7,436,097	\$ 7,200,486
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,217,897	1,124,746	1,032,561	944,142	874,705	683,675	776,261
	370,326	398,127	419,926	332,486	308,967	255,973	319,938
	8,931	12,543	11,204	9,323	16,769	27,723	17,870
	1,426,513	1,430,375	1,235,441	1,155,351	1,011,458	1,044,809	960,235
	246,822	249,303	216,817	418,575	430,506	249,627	413,213
	184	618	-	-	-	-	-
	1,768,328	1,613,084	1,522,640	1,647,388	1,489,424	1,432,192	1,387,780
	748,557	766,120	671,007	789,154	586,349	569,117	636,840
	2,055	27,505	2,174	4,209	2,154	3,052	5,745
	87,253	106,501	61,819	240,578	9,584	6,186	3,798
	333,786	380,389	364,887	327,984	344,684	364,837	314,679
	116,312	433,930	183,623	83,643	212,639	117,620	287,963
	867,098	863,841	883,129	880,800	877,710	951,242	2,262,124
	160,594	952,218	340,922	352,394	301,808	235,130	193,519
	<u>\$ 16,618,336</u>	<u>\$ 17,136,674</u>	<u>\$ 15,180,393</u>	<u>\$ 15,406,116</u>	<u>\$ 14,059,576</u>	<u>\$ 13,377,280</u>	<u>\$ 14,780,451</u>

Port Clinton City School District
Property Tax Levies and Collections (1)
Last Two Calendar Years (2)

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2002	\$ 14,900,844	\$ 466,758	\$ 15,367,602	\$ 13,088,976	87.84%	n/a	\$ 13,088,976	87.84%
2001	15,811,841	595,708	16,407,549	13,037,365	82.45	n/a	13,037,365	82.45

Source: Ottawa County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

- (1) Includes Homestead/Rollback taxes assessed locally, but distribution through the State and reported as Intergovernmental Revenue.
- (2) Information prior to 2001 is not available.

Port Clinton City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Collection Year	Real Property		Public Utility/ Personal Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	
	Value	Actual Value(1)	Value	Actual Value(1)	Value	Actual Value(1)	Value	Actual Value(1)	
2003	\$387,411,300	\$1,106,689,428	\$19,373,720	\$22,015,591	\$39,880,548	\$159,442,192	\$446,665,568	\$1,276,187,337	35%
2002	380,852,500	1,088,150,000	18,992,240	21,582,091	40,122,425	160,489,700	439,967,165	1,257,049,043	35%
2001	375,200,140	1,072,000,400	23,807,370	27,053,830	42,362,220	169,448,880	441,369,730	1,261,056,371	35%
2000	324,814,930	928,042,657	24,043,690	27,322,375	44,570,971	178,283,884	393,429,591	1,124,084,546	35%
1999	320,827,330	916,649,514	25,955,520	29,494,909	43,687,877	174,751,508	390,470,727	1,115,630,649	35%
1998	317,069,370	905,912,486	25,699,310	29,203,761	39,246,903	156,987,612	382,015,583	1,091,473,094	35%
1997	263,973,680	754,210,514	26,503,600	30,117,727	34,828,328	139,313,312	325,305,608	929,444,594	35%
1996	260,249,840	743,570,971	27,606,620	31,371,159	34,927,312	139,709,248	322,983,772	922,810,777	35%
1995	261,036,250	745,817,657	31,104,600	35,346,136	32,013,906	128,055,624	324,154,756	926,156,446	35%
1994	230,270,850	657,916,714	29,950,560	34,034,727	30,632,998	122,531,992	290,854,408	831,012,594	35%

Source: Ottawa County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

(1) This amount is calculated based on the following percentages:

Real property is assessed at 35 percent of actual value.

Public utility/personal property is assessed at 88 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value.

Port Clinton City School District
Property Tax Rates – Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)
Last Ten Calendar Years

Year	School Levy	JVS	County Levy	Township Levies (ave)	Total Levy	Debt Service Included in Total Levy		
						School	County	Total
2003	57.30	1.60	5.70	5.04	69.64	1.70	0.30	2.00
2002	57.30	1.60	5.70	5.04	69.64	1.70	0.30	2.00
2001	57.30	1.60	5.70	5.04	69.64	1.70	0.30	2.00
2000	58.40	1.60	5.70	4.83	70.53	2.80	0.30	3.10
1999	58.40	1.60	5.70	4.83	70.53	2.80	0.30	3.10
1998	58.40	1.60	5.90	4.75	70.65	2.80	0.30	3.10
1997	58.40	1.60	5.90	4.75	70.65	2.80	0.30	3.10
1996	59.40	1.60	5.90	4.75	71.65	2.80	0.30	3.10
1995	52.80	1.60	5.90	4.75	65.05	2.80	0.30	3.10
1994	55.10	1.60	5.90	5.38	67.98	3.10	0.30	3.40

Source: Geauga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

Port Clinton City School District
Ratio of Net Obligation Bonded Debt to Assessed Value and
Net Bonded Debt Per Capita
Last Ten Years

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Port Clinton CSD Area Population (1)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2003	\$4,389,624	\$446,665,568	13,804	0.98%	\$ 318.00
2002	4,613,840	439,967,165	13,804	1.05	334.24
2001	4,844,671	441,369,730	13,804	1.10	350.96
2000	5,087,528	393,429,591	13,804	1.29	368.55
1999	5,344,947	390,470,727	14,584	1.37	366.49
1998	5,924,957	382,015,583	14,584	1.55	406.26
1997	6,499,957	325,305,608	14,584	2.00	445.69
1996	7,049,957	322,983,772	14,584	2.18	483.40
1995	7,559,957	324,154,756	14,584	2.33	518.37
1994	8,124,957	290,854,408	14,584	2.79	557.11

Source:

- (1) School District Financial Records
- (2) Geauga County, Ohio; County Auditor

Port Clinton City School District
 Computation of Direct and Overlapping
 General Obligation Bonded Debt
 June 30, 2003

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Port Clinton School District	\$ 4,389,624	100.00%	\$ 4,389,624
Overlapping:			
Ottawa County	13,019,249	33.55	4,367,958
Port Clinton City	<u>1,120,812</u>	100.00	<u>1,120,812</u>
Total Overlapping	<u>18,529,685</u>		<u>9,878,394</u>
Totals	\$ <u>22,919,309</u>		\$ <u>14,268,018</u>

Source: Ottawa County Auditor and Port Clinton City School District

(1) Percentage were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

Port Clinton City School District
 Computation of Legal Debt Margin
 June 30, 2003

Assessed Valuation	<u>\$446,665,568</u>
Debt Limit – 9% of Assessed Value (1)	\$40,199,901
Less: Amount of Debt Applicable	(5,719,024)
Amount available in Debt Service Fund	<u>2,175,347</u>
Overall Debt Margin	<u>\$36,656,424</u>
Debt Limit – 0.10% of Assessed Value (1)	\$446,665
Less: Amount of Debt Applicable	(1,329,400)
Amount available in Debt Service Fund	<u>2,175,347</u>
Unvoted Debt Margin	<u>\$1,292,593</u>

Source: Ottawa County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

Port Clinton City School District
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years

Year	General Obligation Principal	General Obligation Interest	General Obligation Debt Service	Total General Fund Expenditures	Ratio of General Obligation Debt Service to General Fund Operating Expenditures
2003	\$ 224,216	\$ 621,879	\$ 846,095	\$ 15,740,475	5.38%
2002	230,831	638,142	868,973	16,223,344	5.36
2001	242,857	643,884	886,741	15,554,462	5.70
2000	257,429	609,669	867,098	14,593,281	5.94
1999	580,000	283,841	863,841	14,024,432	6.16
1998	575,000	308,129	883,129	13,056,080	6.76
1997	550,000	330,800	880,800	13,091,182	6.73
1996	524,720	352,990	877,710	12,007,609	7.31
1995	578,173	373,069	951,242	11,344,676	8.38
1994	1,590,286	671,838	2,262,124	11,022,488	20.52

Source: School District Financial Records

Port Clinton City School District
Demographic Statistics
Last Ten Years

Year	Ottawa County Population (1)	Port Clinton CSD Area Population (2)	School Enrollment (3)	Ottawa County Unemployment Rate (4)
2003	90,895	13,804	1,906	9.5%
2002	90,895	13,804	1,873	9.0
2001	87,913	13,804	1,914	8.9
2000	87,913	13,804	1,969	7.9
1999	86,054	14,584	2,086	7.8
1998	86,054	14,584	2,157	7.6
1997	84,260	14,584	2,310	7.9
1996	83,400	14,584	2,334	6.9
1995	83,241	14,584	2,346	6.8
1994	82,094	14,584	2,387	6.9

Source:

- (1) Estimated Figure from U.S. Census Bureau
- (2) State of Ohio – Office of Strategic Research
- (3) School District Records
- (4) Ohio Bureau of Employment Services

Port Clinton City School District
 Financial Institution Deposits, Property Value and Building Permits
 Last Five Years (1)

<u>Year</u>	<u>Property Value (2) (Real Estate Only)</u>	<u>Financial Institution Deposit Banks</u>	<u>Value of Permits Issued Ottawa County</u>	<u>Value of Permits Issued City of Port Clinton</u>	<u>Value of Permits Issued Bay Township</u>	<u>Value of Permits Issued Catawba Township</u>	<u>Value of Permits Issued Erie Township</u>	<u>Value of Permits Issued Portage Township</u>
2002	\$ 380,852,500	\$ 253,635,000	\$ 58,659,255	\$ 2,224,152	\$ 1,222,658	\$ 10,938,164	\$ 326,800	\$ 2,619,783
2001	375,200,140	222,518,000	47,746,550	441,583	730,443	7,702,080	534,780	1,467,249
1998	317,069,370	222,202,000	41,717,536	130,000	901,044	7,058,238	382,000	444,200

Sources: Ottawa County Auditor
 Federal Reserve Bank of Cleveland
 Building Department reports

- (1) Information prior to 1998 and for the years of 1999 and 2000 is unavailable.
- (2) Represents assessed value.

Port Clinton City School District
Principal Taxpayers
Real Property Tax
December 31, 2002

Taxpayer	Assessed Value (1)	Percentage of Total Real Property Tax Assessed Value
SMBR Realty	\$ 648,680	0.17%
Walmart Stores	934,500	0.24
Knoll Crest Village LTD	1,047,740	0.27
Bassetts IGA	1,183,950	0.31
Baker Family LTD Partnership	1,303,050	0.34
Marina Alliance LTD	1,473,320	0.38
R & M Co	1,510,260	0.39
USCO Logistics Services	1,610,660	0.42
The Kroger Co	1,742,540	0.45
United States Gypsum	<u>1,803,750</u>	<u>0.47</u>
	\$ <u>13,258,450</u>	<u>3.42%</u>
Total Real Property Tax Assessed Valuation	\$ <u>387,411,300</u>	

Sources: Ottawa County Auditor

(1) Assessed values are for the 2003 collection year

Port Clinton City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2002

Taxpayer	Assessed Value(1)	Percentage of Total Tangible Personal Property Tax Assessed Value
Courtesy Auto World	\$ 52,605	0.13%
Adelphia Communications	51,798	0.13
Walmart Stores	55,539	0.14
Vern Miller Chevrolet	59,628	0.15
Metaldyne Corp	73,128	0.18
Marinemax of Ohio	117,503	0.29
Scandura Ohio	204,405	0.51
United States Gypsum	335,779	0.84
Silgan Plastics Corp	374,451	0.94
	<u>\$ 1,324,836</u>	<u>3.32%</u>
 Total Tangible Personal Property Tax Assessed Valuation	 <u>\$ 39,880,548</u>	

Sources: Ottawa Auditor

(1) Assessed values are for the 2003 collection year

Port Clinton City School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2002

Taxpayer	Assessed Value(1)	Percentage of Total Public Utility Tangible Property Tax Assessed Value
Columbia Gas Transmission	\$ 363,510	1.88%
Ohio Telephone & Telegraph	383,050	1.98
Columbia Gas	871,170	4.50
Norfolk Southern	1,384,890	7.15
American Transmission	1,507,300	7.78
Verizon North	2,639,560	13.62
Ohio Edison	<u>6,361,630</u>	<u>32.84</u>
	\$ <u>13,511,110</u>	<u>69.74%</u>
Total Public Utility Tangible Property Tax Assessed Valuation	\$ <u><u>19,373,720</u></u>	

Sources: Ottawa County Auditor

(1) Assessed values are for the 2003 collection year.

Port Clinton City School District
Per Pupil Cost
Last Ten Fiscal Years

Year	General Fund Expenditures	School Enrollment	Per Pupil Cost
2003	\$ 15,740,475	1,906	\$ 8,258
2002	16,223,344	1,873	8,662
2001	15,554,462	1,914	8,127
2000	14,593,281	1,969	7,412
1999	14,024,432	2,086	6,723
1998	13,056,080	2,157	6,053
1997	13,091,182	2,310	5,667
1996	12,007,609	2,334	5,145
1995	11,344,676	2,346	4,836
1994	11,022,488	2,387	4,618

Sources: School District Financial Records

Port Clinton City School District
 Teacher Education and Experience
 June 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	13	10.00%
Bachelor + 150 hours	25	19.23%
Master's Degree	67	51.54%
Master's + 30 Hours	<u>25</u>	<u>19.23%</u>
Total	<u><u>130</u></u>	<u><u>100.00%</u></u>

<u>Year of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	14	10.77%
6 - 10	26	20.00%
11 - 15	25	19.23%
16 and Over	<u>65</u>	<u>50.00%</u>
Total	<u><u>130</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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**Auditor of State
Betty Montgomery**

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PORT CLINTON CITY SCHOOL DISTRICT

OTTAWA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 1, 2004**