

**PORTSMOUTH CITY
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2005



**Auditor of State
Betty Montgomery**

Board of Education
Portsmouth City School District
1149 Gallia Street
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditors' Report* of the Portsmouth City School District, Scioto County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2004 through June 30, 2005. 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 Portsmouth City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 20, 2006

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PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

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PORTSMOUTH CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2005

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
Food Donation	N/A	10.550	\$ 100,021	100,021
School Breakfast Program	05PU	10.553	186,182	186,182
National School Lunch Program	LLP4	10.555	<u>515,729</u>	<u>515,729</u>
Nutrition Cluster Total			<u>801,932</u>	<u>801,932</u>
Total U.S. Department of Agriculture			<u>801,932</u>	<u>801,932</u>
<u>U.S. Department of Education:</u>				
<i>Direct from Department of Education:</i>				
Impact Aid	N/A	84.041	22,734	22,734
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	C1S1/C1SK	84.010	1,138,381	1,236,594
Special Education Cluster:				
Special Education - Grants to States	6BSD/6BSF	84.027	651,120	609,115
Special Education - Preschool Grants	PGS1	84.173	<u>7,552</u>	<u>6,957</u>
Special Education Cluster Total			<u>658,672</u>	<u>616,072</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	33,069	37,238
Education for Homeless Children and Youth	HCS1	84.196	13,866	16,624
Even Start - State Educational Agencies	EVS1	84.213	161,495	164,179
Innovative Education Program Strategies	C2S1	84.298	15,953	14,598
Education Technology State Grants	TJS1	84.318	22,721	26,964
Comprehensive School Reform Demonstration	RFCC/RFS3	84.332	87,335	104,606
Rural Education	RUS1	84.358	77,493	84,658
Improving Teacher Quality State Grants	TRS1	84.367	<u>336,305</u>	<u>338,627</u>
Total U.S. Department of Education			<u>2,568,024</u>	<u>2,662,894</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>				
Medical Assistance Program	N/A	93.778	<u>75,098</u>	<u>75,098</u>
Total U.S. Department of Health and Human Services			<u>75,098</u>	<u>75,098</u>
Total Federal Awards			\$ <u>3,445,054</u>	<u>3,539,924</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To the Board of Education
Portsmouth City School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District, Ohio (the School District) as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 14, 2005 wherein we noted that the School District implemented Governmental Accounting Standards Board Statement No. 40, Governmental Accounting Standards Board Statement No. 46, and Governmental Accounting Standards Board Technical Bulletin No. 2004-2. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts 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 operations that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 14, 2005



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To the Board of Education
Portsmouth City School District, Ohio:

Compliance

We have audited the compliance of Portsmouth City School District, Ohio (School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School 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 federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the School 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 School 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 the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be 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.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 14, 2005 wherein we noted that the School District implemented Governmental Accounting Standards Board Statement No. 40, Governmental Accounting Standards Board Statement No. 46, and Governmental Accounting Standards Board Technical Bulletin No. 2004-2. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 14, 2005

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2005

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none reported
• Reportable condition(s) identified that are not considered to be material weaknesses?	no
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Reportable condition(s) identified not considered to be material weaknesses?	no
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133?	no
Identification of major programs:	
<i>CFDA 84.010 – Title I Grants to Local Educational Agencies</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Schedule of Prior Audit Findings

Year Ended June 30, 2005

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with internal controls over compliance were reported in the prior year.

Portsmouth City School District

1149 Gallia Street, Portsmouth, Ohio 45662



Portsmouth High School
We say goodbye to an "Old Friend"
-but the P.H.S. tradition lives on!

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2005

PORTSMOUTH CITY SCHOOL DISTRICT

PORTSMOUTH, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Issued by:

Treasurer's Office

Paula J. Butler, Treasurer

INTRODUCTORY SECTION

*Portsmouth City School District
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2005*

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**POSITIVELY
PORTSMOUTH
CITY SCHOOLS**

CHARACTER CURRICULUM CAREER COMMUNITY

Your School System of Choice!

OFFICE OF THE TREASURER

December 14, 2005

To the Citizens and
Board of Education of the
Portsmouth City School District

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Portsmouth City School District for the fiscal year ended June 30, 2005. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the Portsmouth City School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision-making.

State law requires that every general-purpose local government file its financial statements with the Auditor of State and publish their availability within five months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2005.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark, Schaefer, Hackett & Co., has issued an unqualified ("clean") opinion on the Portsmouth City School District's financial statements for the fiscal year ended June 30, 2005. The independent auditors' report is located at the front of the Financial Section of this report.

Management's discussion and analysis immediately follows the report of independent accountants and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes the table of contents, this transmittal letter, a Certificate of Achievement for Excellence in Financial Reporting (GFOA), a Certificate of Excellence in Financial Reporting (ASBO), a list of principal officials, and the School District's organizational chart.

The **Financial Section** includes the independent auditors' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for non-major funds and other schedules that provide detailed information relative to the basic financial statements.

The **Statistical Section** includes selective financial, economic and demographic information, which may be useful for further analysis and comparisons, generally presented on a multi-year basis.

This report includes all funds of the School District. The School District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum offerings at general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; and special education programs and facilities.

FORM OF GOVERNMENT AND REPORTING ENTITY

The Portsmouth City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a local-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 Current Board members, their terms and years on the Board as of June 30, 2005, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Ray Thompson	Jan. 2005 - Dec. 2007	3 1/2
Mrs. Teresa Midkiff	Jan. 2000 - Dec. 2005	5
Dr. Lacey Curtis	Jan. 2004 - Dec. 2007	5 - 1/2
Dr. George P. Pettit	Jan. 2002 - Dec. 2005	4 - 3/4
Mr. Clarence M. Parker	Jan. 2004 - Dec. 2007	5 - 1/2

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. Wyvonna J. Broughton was appointed acting Superintendent March 8, 2001 through July 31, 2001 and was then appointed Superintendent August 1, 2001 for a period of four years. In May 2004, the Board extended the contract to July 31, 2010.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and custody of all District funds and assets, and also serves as Secretary to the Board. Mrs. Paula Butler was appointed Treasurer, effective January 1, 2002, through December 31, 2003. The Treasurer's contract was renewed for a four-year term, January 1, 2004 through December 31, 2007.

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can 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 on the School District in that the School District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

The Booster groups, Alumni associations and Parent Teacher Organizations perform activities within the School District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

The following activities are included within the reporting entity:

Parochial Schools – Within the School District's boundaries, Notre Dame Elementary and Notre Dame High School are both operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a non-major special revenue fund for financial reporting purposes.

The School District is associated with five organizations, four of which are defined as jointly governed organizations, and one of which is defined as insurance purchasing pool. These organizations are the South Central Ohio Computer Association (SCOCA), the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

The School Board is required by State statute to adopt a budget. This annual budget serves as the foundation of the Portsmouth City School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

ECONOMIC CONDITION AND OUTLOOK

The Portsmouth City School District is located in Scioto County, on the beautiful Ohio River. The Portsmouth City School District is the gateway to three states, seven counties, and within 90 miles of major metropolitan markets. The City of Portsmouth, the county seat, is just 89 miles south of Columbus, OH on U.S. 23; 112 miles east of Cincinnati, OH, via U.S. 52 (a scenic route) or State Route 32; and 54 miles west of Huntington, WV on U.S. 52.

In Portsmouth and South Central Ohio you'll discover a region with abundant natural resources and an area that possesses a skilled and productive labor, technical, and management workforce.

Southern Ohio was the first part of the State to be settled and is rich in historic communities and buildings. Because of its heritage, the area has a strong and proud work ethic among its citizens, who are renowned for their professionalism, craftsmanship, and loyalty.

A citizen sponsored project, starting in 1992 and continuing today, is the painting of murals on the floodwall in the Boneyfiddle District of the City. These murals tell the "story" of Portsmouth and are a great tourist attraction.

Portsmouth hosts the annual Roy Rogers Festival, to honor native son Roy Rogers. A display of memorabilia from his collection is on permanent display in Portsmouth.

Visitors can also revel in Portsmouth's past by visiting the Boneyfiddle District Brewery Arcade, a unique and fascinating historic area of antique enthusiasts. The Scioto County Historical Society presents the 1810 Homestead, meticulously detailed and furnished to delight visitors.

Portsmouth is ideally located on the Ohio and Scioto Rivers, to provide for all types of water related activities. The annual River Days is held over Labor Day weekend and draws many visitors.

The City of Portsmouth is also home to the continually expanding Shawnee State University, bringing higher education to the Tri-State area. Shawnee State currently offers over eighty Bachelor and Associate degree programs in areas such as arts and humanities, mathematical sciences, natural sciences, social sciences, teacher education, business administration, industrial and engineering technologies, and health sciences. Other higher education facilities in the area include Southeastern Business College in New Boston, four miles east of the City and Ohio University Ironton Branch, 35 miles east of the City.

Industry

Portsmouth was a city bent on industry until the 1970's when a number of companies closed down their plants over labor disputes and foreign influence. The city used to have a steel plant owned by Cyclops on the east side of the city, but closed in February 1980. The city has been going in a downward trend since the 1990's.

In November 2002 the Portsmouth Uranium Enrichment Plant, located within the Portsmouth workforce area, was recognized as an ANS Nuclear Historic Landmark by the American Nuclear Society. It has served a military function from 1952 until the mid-1960s when the mission changed from enriching operations in 2001 and began to support operational and administrative functions and perform external contract work.

All uranium enrichment in the area was taken over by Portsmouth's sister plant across the Ohio River in Paducah, Kentucky. Uranium enrichment functions had previously been shared by the two plants. United States Enrichment Corporation interests in the area remain strong with the American Centrifuge Plant being built in Piketon, Ohio.

In January of 2004, United States Enrichment Corporation announced the selection of Piketon as the expected site for its future American Centrifuge Plant. This commercial uranium enrichment facility is expected to employ up to 500 people and reach an initial annual production level of 3.5 million separate work units by 2010.

The County's major employers that provide products and services to the Portsmouth area are as follows:

Ohio Power
Southern Ohio Medical Center Holding Company
OSCO Industries
Verizon North
N & S Railway Company
Hatcher, Neal & Vicky
Hillview Retirement Center
Columbia Gas of Ohio
Mitchellace
Fifth Third Bank

Unemployment Rates

Although the unemployment number is high in comparison to the State and national average, data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County has decreased in the last ten years. From 1996 to 1999, the average in Scioto County was over 9%, with a high of 10.7% in 1998. However, from 2000 to 2005, the average has been in the 8% range, from a low of 6.3% in 2001 to a high of 8.5% in 2002. Local initiatives are serving to promote a renewed spirit of pride in the community.

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 2,079 students during the 2005 fiscal year. Facilities include one middle/high school and four elementary schools. Preschool is offered at Roosevelt Elementary. The enrollment per school is as follows:

School	Date		Enrollment
	Established	Grades	
Harding Elementary	1920	K - 6	318
Roosevelt Elementary	1926	PK - 3	329
Wilson Elementary	1925	K - 3	402
McKinley Elementary	1916	4 - 6	298
Portsmouth Middle/High	1912	7 - 12	732

EMPLOYEE RELATIONS

The School District currently employs 273 full-time and part-time employees. Since 2000, the School District's enrollment has decreased from 2,918 to the current enrollment of 2,079, due to open enrollment and the creation of the Sciotoville Community School.

The teachers, educational specialist, and counselors of the School District are represented by the Portsmouth City Teachers Association (PCTA), which is one of two organizations representing School District employees. On August 26, 2004, the PCTA and the School District's Board of Education adopted a three-year contract beginning July 1, 2004 and extending through June 30, 2007. The PCTA negotiated and received a three percent salary increase for fiscal year 2005 and fiscal year 2006, with a wage and benefit re-opener in the spring of 2006. The School District's beginning teacher's salary for fiscal year 2005 is \$27,607.

Classified employees are represented by the Ohio Council 8 AFSCME Local 2684. The Board and Local 2684 have agreed on a "me too" clause for the 2004-2005, 2005-2006 and 2006-2007 school years. The "me too" clause stipulates that if any bargaining group of employees of the Portsmouth City School District receives an increase in wages or benefits, Local 2684 bargaining unit employees shall receive the same percentage. The Local 2684 bargaining unit has negotiated a three percent salary increase for fiscal years 2005, 2006 and 2007. Currently the Local 2684 bargaining unit is operating under a contract effective until August 31, 2007.

The School District's administrators are not organized. Administrators typically receive the same benefits extended to PCTA.

MAJOR INITIATIVES

On November 6, 2001, the School District voters approved a 6.5 mill levy to build five new school buildings in cooperation with the Ohio School Facilities Commission. Proceeds were first received from the levy during fiscal year 2002. The School District's obligation of \$17,070,000

is 24.5% compared to \$52,600,000 (75.5%) coming from the State of Ohio. However, due to the School District being placed into Fiscal Caution by the Ohio Department of Education on May 23, 2001, the School District chose to participate in the Intercept Program to ease investor's fears in the purchasing of bonds. This additional level of security provides that, should the School District experience a shortfall in the Board of Education's funding of the debt service payment, ODE will pay the debt service payment rather than certain foundation payments being paid to the Board of Education. Should a shortfall occur, the Board of Education is to notify ODE fifteen business days in advance of the payment due date. If foundation payments are used for debt service payments, ODE is required to evaluate the Board of Education's ability to meet the debt service payments and recommend corrective actions to be implemented by the Board of Education.

FOR THE YEAR

The Portsmouth City School District has adopted the following vision and mission statements:

“Our vision is to be designated as an “Effective” school district as defined by the Ohio Department of Education. The mission of the Portsmouth City School District is to provide the highest quality of education for all students.”

The Portsmouth City School District believes that:

- All students can learn, given appropriate instruction and sufficient time.
- Children are our most valuable assets.
- Each person is unique and deserves respect.
- Self-discipline is a key element to success.
- A safe and healthy environment improves the quality of our lives.
- Many values that shape and influence lives are learned in the family.
- Change is inevitable and the ability to adapt enhances success.
- Life is a learning process and learning is lifelong.
- A positive work ethic promotes a higher quality of life.
- Individuals are responsible for their actions.
- Morality and ethics are the foundation of society.

The School District also instituted the following continuous improvement goals for the 2005 school year:

1. Annual Yearly Progress (AYP) will improve in core curriculum areas. The AYP will improve according to regulations of the Elementary and Secondary Education Act (ESEA) “No Child Left Behind”.
2. The School Improvement Plan (SIP) goals for each school building will correlate with the School District Continuous Improvement Plan (CIP) goals.
3. Financially, the School District will maintain solvency by ensuring efficient and effective use of resources in order to support an effective learning environment for children.

4. School based decision-making will improve. Various stakeholders will be involved, where appropriate, to facilitate effective, meaningful change that enhances teaching and learning in support of our School District's goal.

This school year, the School District has received several grants that will serve to increase the programs and opportunities for our students. Below are just a few:

- Access
- Comprehensive School Reform
- Early Childhood Special Education
- Eden Project/Hillview Partnership
- Even Start
- High Schools That Work
- McKinney-Vento Homeless Assistance
- OhioReads
- Professional Development, Grades 9-10
- Student Intervention, Grades 1-4
- Student Intervention, Grades 9-10

The School District has also adopted and implemented numerous security measures such as the addition of cameras and monitors in the high/middle school as well as on buses. The School District has also added identification badges for all employees. It is now School District policy that the majority of all doors, at all schools, be locked after the arrival of students for the remainder of the school day. In addition, the School District has implemented stricter enforcement of the code of conduct and the dress code.

FOR THE FUTURE

To achieve the goals stated above, the Portsmouth City School District has designed the Continuous Improvement Plan for 2003-2006 to assure each and every student that he or she will achieve the required academic proficiencies to the maximum extent of his or her abilities. The School District plans on funding these programs with the assistance of several grants.

In addition, the School District staff and students will be entering new facilities with the beginning of fiscal year 2006. This construction project was funded twenty percent by the Ohio School Facilities Commission and twenty percent by a tax levy passed in 2001 for this purpose.

SERVICE EFFORTS

With the assistance of the Ohio Department of Education, and under the guidance, direction, and leadership of the Superintendent of Schools and the Board of Education, the Portsmouth City School District administration continues to forge strategic alliances with State, national and regional agencies and organizations to achieve the goals and expectations mandated by the local community and the Board of Education it represents. Strategic alliances presently in place and currently benefiting students include:

Access

The School District receives a federal subsidy, Access, to increase access to and progress in the general curriculum for students with disabilities. The purpose of this grant is to ensure that students with disabilities have access to the general curriculum aligned with Ohio's academic content standards, regardless of the educational setting(s) in which they receive special education services and to identify and support evidence-based strategies for increased student achievement.

Class Size Reduction

Class sizes have been reduced by utilizing a State subsidy, Disadvantaged Pupil Impact Aid, and two federal subsidies: Title VI-B, "Rural and Low Income"; and Title II-A, "Improving Teacher Quality. These subsidies enable the School District to hire additional highly qualified teachers to reduce class sizes in an effort to increase student proficiency.

Early Literacy Intervention

This is a comprehensive district-wide literacy program for students in kindergarten, grade one, and grade two. The goals of the Early Literacy Intervention is to enable all students to become independent readers and writers.

Comprehensive School Reform and School Improvement

Two Comprehensive School Reform grants were awarded, one to Harding Elementary School and one to Portsmouth High School. These grants are for three years. Both schools are finishing their third year. In addition, Portsmouth Junior High School received a three-year school improvement grant and has completed the first year. These grants are awarded to schools demonstrating high economic needs, low performance on the report card indicators and the capacity to reform. The purpose of the grant is to encourage comprehensive, research-based reform practices and strengthen linkages between district level and building level improvement initiatives.

Reading Recovery/Arkansas

Reading Recovery teachers serve students using the one-to-one strategies of reading recovery. The rest of the day they service students using the reading recovery approach. Some of these students will end up being served in the reading recovery model and others will be placed back in the classroom. Roosevelt, Harding, and Wilson schools have this program as an early intervention for first graders.

Peer Mediation / Conflict Involvement

With guidance and support from staff at the Ohio University Southern Campus in Ironton, Ohio, the School District implements Peer Mediation and Conflict techniques at the middle school level across the School District. Conflict Resolution works on preventative discipline rather than punitive discipline. The School District has experienced positive, demonstrable results from these programs and has begun to implement them systemically across the School District.

Safe and Drug-Free Schools and Communities

The purpose of the federally funded grant is to support programs that prevent violence in and around schools; that prevent the illegal use of alcohol, tobacco, and drugs; that involve parents and communities; and that are coordinated with related Federal, State, school, and community efforts and resources to foster a safe and drug-free learning environment that supports student academic achievement.

Technology

For several years, a dedicated group of teachers from all levels has not only devised a technology plan for the School District, and written and received many grants, but has also joined forces to train teachers in the mechanics of computer operation with progression to instruction in how to incorporate technology into instructional practices in the classroom at all levels and disciplines. This training is funded by a federal subsidy, Title II-D.

Parent and Community Involvement

Past projects of the School District could not have succeeded without strong parent and community interest and support. The School District is continually working to broaden and strengthen that support and participation.

Even Start

Even Start is a family literacy program that services families with children from birth to seven years old. Both the parent and the child must come to school. The parent works on his/her GED and parenting skills, while the child is experiencing preschool. This program is housed at Wilson Elementary School.

Head Start Collaboration

This program is the collaboration between public education and local community agencies. Children aged three to six receive preschool experiences and benefit from the school setting. This program is housed offsite.

Preschool Handicapped Units

The School District has two preschool handicapped units funded by the Ohio Department of Education, which benefits the handicapped preschool child in a public education setting. One unit is housed at Roosevelt Elementary School, and one is housed offsite. In addition, the School District also provides preschool itinerant services.

McKinny-Vento Homeless Assistance

The School District receives a federal subsidy to assure that each homeless child, and homeless youth of a homeless individual, has access to a free, appropriate public education. The grant is used to provide educational activities and services to homeless children and youth that enable them to enroll in, attend and achieve in school; and to develop and implement programs for school personnel and the general public to heighten awareness of specific problems related to the education of homeless children and youth.

Ohio Reads

This grant supported staff development on the 4-Block literacy model.

Positive Behavior Support

The School District receives a federal subsidy to meet the behavioral needs of all students. This helps to prepare students with behavioral disabilities to participate in State assessment and contributes to closing the achievement gap and generates high achievement for all students.

High Schools that Work

This program was added in an exploration stage. Grant monies and local monies were used to send educators to various workshops to explore this model for future implementation into the Portsmouth City School District.

The School District has long recognized the value of on-going, on-site staff development and continues to support and encourage professional staff development through all grade levels. The School District has increased its commitment over the last several years to provide its instructional staff with greater access to a variety of professional development opportunities. Many opportunities have been available through the South Regional Professional Development Center, the South Central Ohio Educational Service Center, and various workshops, conferences and college classes. Sessions on horizontal and vertical curriculum mapping, Competency Based Assessment, curriculum alignment, and test result analysis continue to be offered.

FINANCIAL TRENDS

During fiscal year 2005, the School District only experienced a .3% increase in the State foundation revenue (cash basis), even though the basic aid dollars per pupil increased 2.2% from fiscal year 2004. This is primarily due to a declining enrollment as a result of a declining population in the attendance area and as a result of students leaving the School District via open enrollment and community school transfers. The number of students the School District educates has dropped from 3,466 in 1995 to 2,079 in 2005. It is anticipated the enrollment will stabilize with the opening of new facilities in fiscal year 2006.

In addition, House Bill 66 phases out the tax on the tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by tax year 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by a reduction in the assessment rate on property each year. At the same time, the bill replaces the revenue lost due to phasing out the tax by reimbursing the district in full through tax year 2010. However, the reimbursement will be phased out beginning in 2011 and ending in 2018. Personal Property tax revenue amounts to approximately 16% of the School District's local operating dollars.

FINANCIAL PLANNING AND POLICIES

On April 19, 2001, the Auditor of State certified an operating deficit in the amount of \$826,000 in the General Fund for the fiscal year ended June 30, 2001. The Auditor of State determined that there was a deficit between two percent and eight percent, but that no declaration of fiscal watch or fiscal emergency would occur. As a result, under ORC 3316.031(B)(3), the State Superintendent of Public Instruction placed the School District under fiscal caution. Therefore, the Auditor of State initiated a performance audit that began in June 2001 and was conducted primarily during the months of August through December 2001. The performance audit contained recommendations that provided cost savings, revenue enhancements and/or efficiency improvements. It should be noted that the School District did not end fiscal year 2001 with a deficit.

As a result of being placed in fiscal caution the School District adopted a Financial Recovery Plan for State review, and this Plan is updated annually. By implementing the efficiency improvements outlined in the Financial Recovery Plan, the School District has reduced fifty-nine (59) staff positions, and realized a cost savings of over three million dollars (\$3,000,000). More recently, at the end of fiscal year 2005 (to begin fiscal year 2006), the District reduced General/DPIA funded personnel by 7.34 FTE positions.

Using the Performance Audit recommendations, the School District considered the series of ideas and suggestions when making the important decisions necessary to establish financial stability, to meet the needs of students and to improve educational standards. Certain recommendations are dependent on labor negotiations.

If enrollment figures continue to decline and the School District continues to suffer financially due to inadequate local, State and federal funding, the School District will be forced to cut costs in order to balance the budget. Costs may be reduced as a result of:

1. Reducing the number of teachers, administrators, and classified staff via natural attrition or reduction-in-force.
2. Reducing/eliminating extended service and supplemental contracts
3. Restricting or minimizing salary increases;
4. Reducing health costs by requiring employees to increase healthcare contributions, insure only district employees and not spouses who are insured by other agencies, or through insurance plan modification; and
5. Eliminating certain programs or courses.

In addition, as a result of being placed in fiscal caution, the School District also receives, on a monthly basis, State management assistance through the Ohio Department of Education, Area 5 Coordinator's Office. This assistance provides reviews of School District finances and suggestions are offered to improve the financial condition of the School District.

OTHER INFORMATION

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark, Schaefer, Hackett and Company conducted the School District's audit for fiscal year 2005. The Auditor's report on the School District's basic financial statements, combining statements and individual fund schedules is included in the financial section of this comprehensive annual financial report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. It is the School District's belief that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004

A Certificate of Excellence is awarded to those school districts that have voluntarily submitted a Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

ACKNOWLEDGMENTS

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. Appreciation is expressed to the Treasurer's staff: Karen Walker, Cathi Evans and Barbara Thompson. In addition, a special recognition goes to the Portsmouth High School Trojan Printshop: Arthur Lard, Instructor, and students for their expertise in assembling and printing this report. A special thank you is also extended to the Auditor of State's Local Government Services Section for all of their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Finally, the support and commitment to excellence by the Portsmouth City Board of Education was vital to the successful preparation and issuance of this report.

Respectfully submitted,

Paula J. Butler
Treasurer

Wyvonna J. Broughton
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Portsmouth City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Portsmouth City School District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

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

President

Executive Director

Portsmouth City School District

List of Principal Officials
June 30, 2005

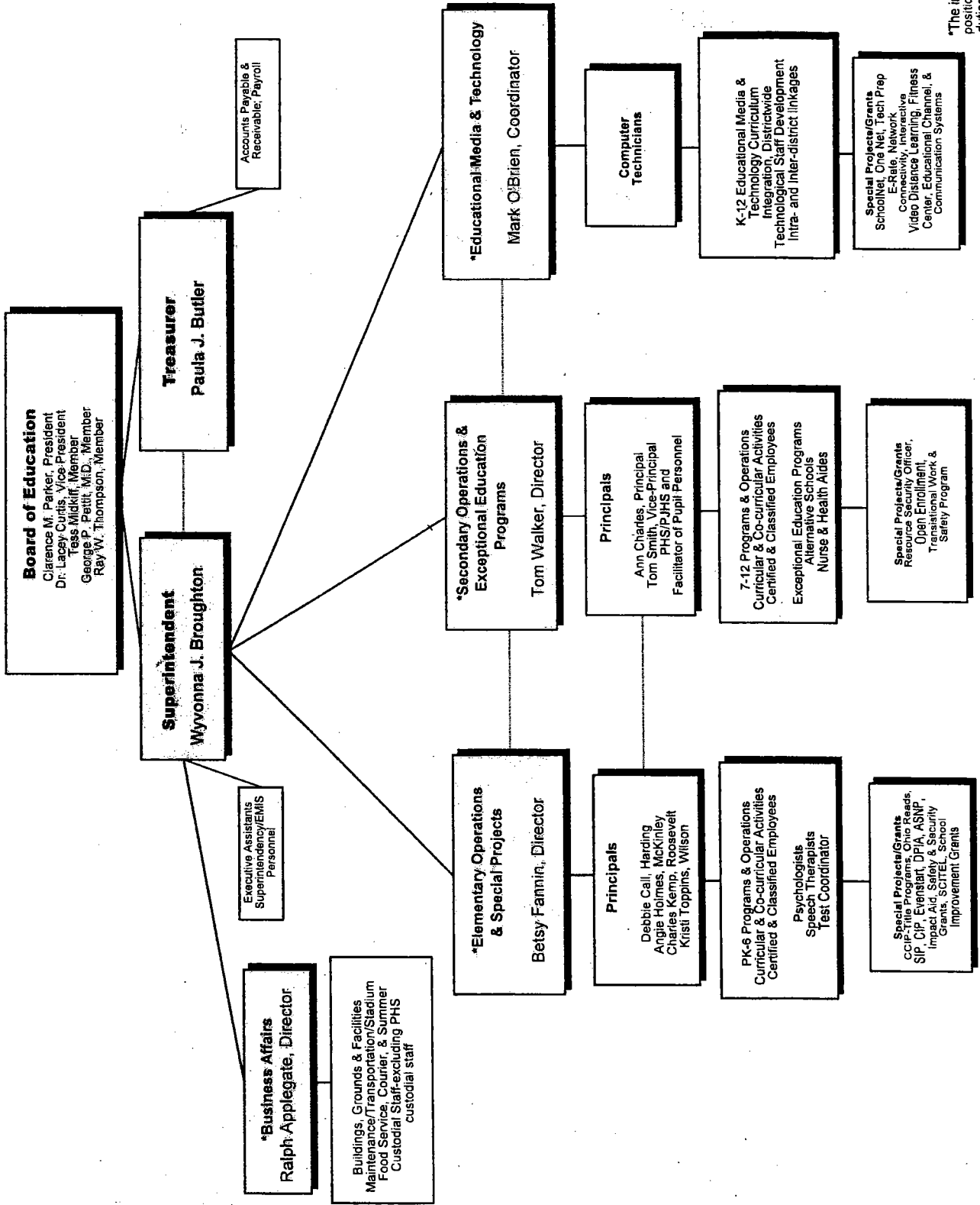
ELECTED OFFICIALS

President, Board of Education Mr. Clarence M. Parker
Vice President, Board of Education..... Dr. Lacey Curtis
Board Member Mrs. Teresa Midkiff
Board Member Dr. George P. Pettit
Board Member Mr. Ray Thompson

ADMINISTRATIVE OFFICIALS

Superintendent Wyvonna J. Broughton
Treasurer Paula J. Butler
Director of Business Affairs Ralph Applegate
Coordinator of State and Federal Funds Elizabeth Fannin
Director of Elementary Operations & Curriculum/Instruction Elizabeth Fannin
Director of Secondary Operations & Alternative School Thomas Walker
Director of Educational Media/Technology Mark O'Brien
Director of Special Ed /School Psychologist Brenda Musser
Gifted Coordinator / Curriculum Rebecca Davis
Safe Drug Free Coordinator..... Helen Wells

2004-2005 Portsmouth City School District Organization Chart



*The individuals filling these positions will have other job duties & responsibilities as outlined in their job descriptions.

FINANCIAL SECTION

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Portsmouth City School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Portsmouth City School District, Ohio (the School District), as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District, Ohio, as of June 30, 2005, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposits and Investment Risk Disclosures*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employees* for the year ended June 30, 2005.

As disclosed in Note 22, the School District is experiencing certain negative financial conditions. Note 22 discloses those conditions and management's intended plans.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2005, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 14, 2005

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The discussion and analysis of the Portsmouth City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government" issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- Net assets of governmental activities increased \$1,512,884 which represents a significant increase from 2004. This is primarily due to a decrease in maintenance expenses related to the closure of the Grant Middle School and to an increase in revenues in parity aid and Disadvantaged Pupils Impact Aid.
- General revenues accounted for \$21,879,584 or 79 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$5,901,727 or 21 percent of total revenues of \$27,781,311.
- Total assets of governmental activities increased by \$1,203,259. Capital assets increased by \$28,020,811 due to additional land acquisitions and the ongoing construction of facilities. Equity in pooled cash and cash equivalents decreased \$8,124,068 due to construction related expenditures. Receivables and other current assets decreased by \$18,693,484 due primarily to the receiving and spending of classroom facilities monies.
- The School District had \$26,268,427 in expenses related to governmental activities; only \$5,901,727 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$21,879,584 were used to provide for these programs.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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 Portsmouth 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 the *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column. The major funds for the Portsmouth City School District are the General Fund and the Site Acquisition and Ohio School Facilities Commission Capital Projects Funds.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during 2005?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is 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 School District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, the School District has only one kind of activity:

- Government Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, extracurricular activities, and food service operations.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

Fiduciary Fund – The School District's only fiduciary fund is an agency fund. All of the School District's fiduciary assets are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 1 provides a summary of the School District's net assets for fiscal year 2005 and fiscal year 2004:

	Table 1		
	Net Assets		
Current and Other Assets	\$38,470,328	\$65,287,880	(\$26,817,552)
Capital Assets, Net	<u>52,392,644</u>	<u>24,371,833</u>	<u>28,020,811</u>
Total Assets	<u>90,862,972</u>	<u>89,659,713</u>	<u>1,203,259</u>
Liabilities			
Long-Term Liabilities	(17,915,661)	(18,395,376)	479,715
Other Liabilities	<u>(10,881,128)</u>	<u>(10,711,038)</u>	<u>(170,090)</u>
Total Liabilities	<u>(28,796,789)</u>	<u>(29,106,414)</u>	<u>309,625</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	47,821,407	19,628,944	28,192,463
Restricted	13,801,697	41,319,641	(27,517,944)
Unrestricted	<u>443,079</u>	<u>(395,286)</u>	<u>838,365</u>
Total Net Assets	<u>\$62,066,183</u>	<u>\$60,553,299</u>	<u>\$1,512,884</u>

Equity in pooled cash and cash equivalents decreased \$8,124,068 due to construction related expenses. Intergovernmental receivables decreased \$18,961,575 due to receiving classroom facilities grant monies for the construction of new facilities. Current liabilities increased primarily due to an increase in accrued wages and benefits. Capital Assets increased due to additional land acquisitions and the ongoing construction of facilities.

Table 2 shows the changes in net assets for fiscal years 2005 and 2004.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2
Change in Net Assets

	2005	2004
Revenues		
Program Revenues:		
Charges for Services	\$1,152,614	\$1,408,047
Operating Grants, Contributions, and Interest	4,749,113	4,923,390
Capital Grants and Contributions	0	53,438
Total Program Revenues	<u>5,901,727</u>	<u>6,384,875</u>
General Revenues:		
Property Taxes	5,961,811	5,525,455
Grants and Entitlements not Restricted to Specific Programs	15,183,620	14,682,918
Investment Earnings	516,895	116,557
Miscellaneous	206,988	74,774
Contributions and Donations	10,270	17,724
Gain on Early Retirement of Capital Lease	0	2,492
Total General Revenues	<u>21,879,584</u>	<u>20,419,920</u>
Total Revenues	<u>\$27,781,311</u>	<u>\$26,804,795</u>
Program Expenses		
Instruction		
Regular	\$10,608,667	\$10,475,429
Special	5,436,258	5,685,775
Vocational	431,277	436,071
Support Services		
Pupils	1,121,140	1,249,081
Instructional Staff	1,987,011	2,170,104
Board of Education	16,589	14,780
Administration	1,367,234	1,491,750
Fiscal	642,889	618,945
Business	109,044	117,910
Operation and Maintenance of Plant	1,795,612	2,241,541
Pupil Transportation	375,360	449,424
Central	22,133	58,711
Operation of Non-Instructional Services	1,207,192	1,243,384
Extracurricular Activities	252,910	241,093
Interest and Fiscal Charges	860,111	892,098
Intergovernmental	35,000	38,500
Total Expenses	<u>26,268,427</u>	<u>27,424,596</u>
Increase (Decrease) in Net Assets	1,512,884	(619,801)
Net Assets Beginning of Year	<u>60,553,299</u>	<u>61,173,100</u>
Net Assets End of Year	<u>\$62,066,183</u>	<u>\$60,553,299</u>

Grants and Entitlements not Restricted to Specific Programs made up 55 percent of the total revenue for governmental activities of the Portsmouth City School District for fiscal year 2005. Property Tax revenue made up 21 percent of the total revenue for governmental activities for a

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

total of 76 percent of all revenue coming from Property Taxes and Grants and Entitlements not Restricted to Specific Programs. Charges for Services and Sales decreased \$255,433 primarily due to the Juvenile Detention Center changing fiscal agents. The South Central Ohio Educational Service Center was the fiscal agent in fiscal year 2005. Grants and Entitlements not Restricted to Specific Programs revenue increased \$500,702 primarily due to an increase in charge-off supplements and the increase in parity aid provided by the State of Ohio. Also, parity aid revenue is no longer considered as program revenues. Investment earnings revenue increased by \$400,338 due to a slight increase in interest rates during the 2005 fiscal year, and the fact that more funds were available to earn interest due to larger drawdowns from the Ohio School Facilities Commission.

Regular instruction makes up 40 percent of governmental program expenses. Support services expenses make up 28 percent of governmental program expenses. Regular instruction expenses increased \$133,238, primarily due to increases in salary and benefits. Special instruction expenses decreased \$249,517 due to the School District not continuing to manage the Juvenile Detention Center. The expenses for Instructional Staff decreased \$183,093 primarily due to staff reduction through natural attrition. The Operation and Maintenance of Plant support service expenses decreased \$445,929, due primarily to the demolition of Grant Middle School during fiscal year 2004. The cost of demolition was expensed during the year rather than capitalized as part of the construction of new facilities.

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

Table 3
Governmental Activities

	Total Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2005	Net Cost of Services 2004
Instruction	\$16,476,202	\$16,597,275	\$13,040,137	\$12,313,895
Support Services	7,437,012	8,412,246	6,184,403	7,612,498
Operation of Non-				
Instructional Services	1,207,192	1,243,384	108,017	70,472
Extracurricular Activities	252,910	241,093	174,032	150,758
Interest and Fiscal Charges	860,111	892,098	860,111	892,098
Intergovernmental	35,000	38,500	0	0
Total Expenses	\$26,268,427	\$27,424,596	\$20,366,700	\$21,039,721

*Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited*

The School District's Funds

Information about the School 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 \$49,845,094 and expenditures of \$54,809,495. The net change in fund balance for the year was most significant in the Ohio School Facilities Commission Capital Projects Fund with a decrease of \$5,708,159. The Ohio School Facilities Commission fund balance decreased due to the spending of classroom facilities monies for the ongoing construction project.

General Fund - Budget Highlights

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

During the course of fiscal year 2005 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

For the General Fund, final estimated revenues were \$19,082,228 with original budget estimates of \$19,573,712. The difference of \$491,484 was due primarily to overestimating the revenues for State basic aid and open enrollment students entering the School District.

Final estimated expenditures were \$19,756,465 with original budget estimates of \$19,709,942. The difference of \$46,523 was due primarily to an outstanding payment of an invoice from the South Central Ohio Educational Service Center for the teacher that works at the Juvenile Detention Center. This would have reduced expenditures for salaries and benefits.

The School District's ending unobligated cash balance was \$1,137,907 above the final budgeted amount. This was due to the School District continually monitoring expenditures throughout the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005 the School District had \$52,392,644 invested in land, land improvements, buildings and improvements, furniture, fixtures, and equipment, vehicles, textbooks, and construction in progress. Table 4 shows fiscal year 2005 balances compared to 2004:

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

	2005	2004
Land	\$5,791,313	\$5,637,313
Land Improvements	5,033	6,629
Buildings and Improvements	1,124,079	1,224,024
Furniture, Fixtures, and Equipment	1,486,131	1,674,062
Vehicles	340,606	330,078
Textbooks	1,023,394	1,144,827
Construction in Progress	42,622,088	14,354,900
Totals	\$52,392,644	\$24,371,833

The primary increase occurred in land and construction in progress. This is due to the continuing acquisition of land and the ongoing construction of new educational facilities. (see Note 8 in the Notes to the Basic Financial Statements).

Debt

At June 30, 2005 the School District had a \$35,707 EPA Asbestos loan outstanding, of which \$14,284 is due within one year and \$16,399,340 in bonds outstanding, \$415,000 of which is due within one year. The School District also had an outstanding premium on the debt issue of \$195,749 and capital lease obligations outstanding of \$95,114, of which \$91,320 is due within one year. Table 5 summarizes the outstanding debt:

Table 5
Outstanding Debt, at June 30

	2005	2004
1988 EPA Asbestos Loan	\$35,707	\$49,990
2002 Classroom Facilities Bonds	16,399,340	16,642,599
Premium on Debt Issue	195,749	205,608
Capital Lease	95,114	173,169
Totals	\$16,725,910	\$17,071,366

On December 14, 1988, Portsmouth City School District obtained a loan in the amount of \$257,106 for the purpose of providing asbestos removal. The loan was issued for a twenty year period with final maturity during fiscal year 2008.

Portsmouth City School District
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On April 30, 2002, the School District issued a total of \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. Of the total, \$16,645,000 were serial bonds, and \$425,000 were capital appreciation bonds. The bonds were issued for a twenty-three year period with final maturity in December 2024.

The School District has entered into capitalized leases for a vehicle and equipment.

The School District's overall legal debt margin was \$6,574,312 with an unvoted debt margin of \$202,345 at June 30, 2005. (see Note 14 in the Notes to the Basic Financial Statements).

Current Issues

The Portsmouth City School District consists of four elementary buildings and one middle/high school building. Our buildings were established in 1912 - 1930 and are in need of major renovation. Thus, as part of the Ohio School Facilities Commission (OSFC) Classroom Assistance Program, the School District was provided with approximately \$52.6 million for construction of one K-6 building in Sciotoville, and one 7-8 and 9-12 combination building with shared resources and one PK-3 and 4-6 combination building with shared resources in the downtown Portsmouth area.

On November 6, 2001, the voters of the Portsmouth City School District passed a \$17 million bond levy for its matching portion of the construction costs, which are estimated to total \$64.1 million. A portion (.5 mill) of the bond levy is designated for maintenance of the new facilities.

The construction phase has begun with the projections for completion as follows:

Portsmouth High / Middle School Complex	July 11, 2006
Portsmouth Elementary School Complex	May 9, 2006
East Portsmouth Elementary School Building	December 31, 2005

During fiscal year 2003, the School District entered into an agreement with the National School Fitness Foundation, a non-profit public charity organized to educate the general public relative to physical fitness and well-being as well as funding and supporting school-based fitness programs. The School District is leasing the fitness equipment that is financed by a three-year lease agreement with Fifth Third Bank in the amount of \$218,901. The Foundation reimburses the School District for each monthly installment payment to Fifth Third Bank in exchange for "User Health Data". At the end of the lease agreement, the School District will own the equipment.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

However, on June 1, 2004, the National School Fitness Foundation filed for Chapter 11 reorganization. On July 1, the United States Bankruptcy Court converted the case to a Chapter 7 dissolution proceeding. Thus, the National School Fitness Foundation stopped reimbursing the School District, leaving a balance of \$166,298 to be reimbursed. The School District's legal counsel filed a claim on behalf of the School District in the amount of \$166,298 in an attempt to recover all or a portion of this amount. As of June 30, 2005, the claim is still pending.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Paula J. Butler, Treasurer, at Portsmouth City School District, 1149 Gallia Street, Portsmouth, Ohio 45662, or e-mail at butlerp@portsmouth.k12.oh.us.

BASIC FINANCIAL STATEMENTS

Portsmouth City School District
Statement of Net Assets
 June 30, 2005

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$19,853,645
Materials and Supplies Inventory	45,529
Accrued Interest Receivable	110,081
Accounts Receivable	4,009
Prepaid Items	108,059
Cash and Cash Equivalents With Escrow Agent	1,147,446
Taxes Receivable	6,159,748
Intergovernmental Receivable	10,846,084
Deferred Charges	195,727
Capital Assets:	
Land and Construction in Progress	48,413,401
Depreciable Capital Assets, Net	3,979,243
<i>Total Assets</i>	90,862,972
<u>Liabilities:</u>	
Accounts Payable	129,177
Contracts Payable	2,145,205
Accrued Wages and Benefits Payable	1,625,913
Intergovernmental Payable	409,127
Accrued Interest Payable	61,064
Matured Compensated Absences Payable	13,124
Retainage Payable	1,230,720
Deferred Revenue	5,266,798
Long-Term Liabilities:	
Due Within One Year	689,459
Due in More Than One Year	17,226,202
<i>Total Liabilities</i>	28,796,789
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	47,821,407
Restricted for:	
Debt Service	1,139,392
Capital Projects	11,567,314
Other Purposes	487,886
Set-Asides	607,105
Unrestricted	443,079
<i>Total Net Assets</i>	\$62,066,183

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$10,608,667	\$601,777	\$175,052	(\$9,831,838)
Special	5,436,258	37,294	2,488,229	(2,910,735)
Vocational	431,277	0	133,713	(297,564)
Support Services:				
Pupils	1,121,140	35,426	298,969	(786,745)
Instructional Staff	1,987,011	41,114	707,063	(1,238,834)
Board of Education	16,589	0	0	(16,589)
Administration	1,367,234	0	0	(1,367,234)
Fiscal	642,889	0	0	(642,889)
Business	109,044	6,913	0	(102,131)
Operation and Maintenance of Plant	1,795,612	145,301	0	(1,650,311)
Pupil Transportation	375,360	0	11,266	(364,094)
Central	22,133	0	6,557	(15,576)
Operation of Non-Instructional Services:				
Food Service Operations	1,003,493	206,136	690,722	(106,635)
Other	203,699	0	202,317	(1,382)
Extracurricular Activities	252,910	78,653	225	(174,032)
Interest and Fiscal Charges	860,111	0	0	(860,111)
Intergovernmental	35,000	0	35,000	0
Total Governmental Activities	\$26,268,427	\$1,152,614	\$4,749,113	(20,366,700)

General Revenues:

Property Taxes Levied for:

General Purposes	4,644,731
Debt Service	1,228,724
Capital Outlay	88,356
Grants and Entitlements not Restricted to Specific Programs	15,183,620
Contributions and Donations	10,270
Investment Earnings	516,895
Miscellaneous	206,988

Total General Revenues **21,879,584**

Change in Net Assets 1,512,884

Net Assets Beginning of Year 60,553,299

Net Assets End of Year \$62,066,183

See accompanying notes to the basic financial statements

Portsmouth City School District
Balance Sheet
Governmental Funds
June 30, 2005

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$2,069,776	\$205,186	\$14,453,535	\$2,518,043	\$19,246,540
Cash and Cash Equivalents with Escrow Agent	0	3,422	0	0	3,422
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	607,105	0	0	0	607,105
Cash and Cash Equivalents with Escrow Agent	0	0	1,144,024	0	1,144,024
Receivables:					
Taxes	4,779,982	0	0	1,379,766	6,159,748
Accounts	3,470	0	0	539	4,009
Intergovernmental	91,618	0	10,361,820	392,646	10,846,084
Accrued Interest	7,935	136	91,501	10,509	110,081
Interfund	106,762	0	0	0	106,762
Prepaid Items	29,387	0	24,235	54,437	108,059
Materials and Supplies Inventory	24,398	0	0	21,131	45,529
<i>Total Assets</i>	<u>\$7,720,433</u>	<u>\$208,744</u>	<u>\$26,075,115</u>	<u>\$4,377,071</u>	<u>\$38,381,363</u>
<u>Liabilities:</u>					
Accounts Payable	\$35,618	\$21,100	\$2,949	\$69,510	\$129,177
Contracts Payable	0	167	2,145,038	0	2,145,205
Accrued Wages and Benefits Payable	1,033,895	0	0	592,018	1,625,913
Intergovernmental Payable	271,263	0	0	137,864	409,127
Interfund Payable	0	0	0	106,762	106,762
Retainage Payable	0	0	86,696	0	86,696
Retainage Payable from Restricted Assets	0	0	1,144,024	0	1,144,024
Matured Compensated Absences Payable	13,124	0	0	0	13,124
Deferred Revenue	4,543,271	0	7,153,852	1,372,370	13,069,493
<i>Total Liabilities</i>	<u>5,897,171</u>	<u>21,267</u>	<u>10,532,559</u>	<u>2,278,524</u>	<u>18,729,521</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	6,587	0	63,174	70,749	140,510
Reserved for Property Taxes	239,343	0	0	76,368	315,711
Reserved for Textbooks and Instructional Materials	607,105	0	0	0	607,105
Unreserved, Undesignated, Reported in:					
General Fund	970,227	0	0	0	970,227
Special Revenue Funds	0	0	0	655,987	655,987
Debt Service Fund	0	0	0	1,198,864	1,198,864
Capital Projects Funds	0	187,477	15,479,382	96,579	15,763,438
<i>Total Fund Balances</i>	<u>1,823,262</u>	<u>187,477</u>	<u>15,542,556</u>	<u>2,098,547</u>	<u>19,651,842</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,720,433</u>	<u>\$208,744</u>	<u>\$26,075,115</u>	<u>\$4,377,071</u>	<u>\$38,381,363</u>

See accompanying notes to the basic financial statements

Portsmouth City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2005*

Total Governmental Fund Balances \$19,651,842

***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. These assets consist of:

Land	5,791,313	
Construction in progress	42,622,088	
Other capital assets	10,627,228	
Accumulated depreciation	<u>(6,647,985)</u>	
Total capital assets		52,392,644

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Delinquent property taxes	577,239	
Intergovernmental	7,210,874	
Interest	13,561	
Accounts	<u>1,021</u>	
		7,802,695

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 195,727

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(16,595,089)	
EPA Asbestos loan payable	(35,707)	
Accrued interest on bonds	(61,064)	
Capital leases	(95,114)	
Compensated absences	<u>(1,189,751)</u>	
Total liabilities		<u>(17,976,725)</u>

Net Assets of Governmental Activities \$62,066,183

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,553,590	\$0	\$0	\$1,289,746	\$5,843,336
Intergovernmental	13,821,334	0	21,967,497	6,301,565	42,090,396
Investment Earnings	65,936	2,435	355,868	57,430	481,669
Increase in Fair Value of Investments	6,800	0	25,157	0	31,957
Tuition and Fees	705,177	0	0	3,550	708,727
Extracurricular Activities	17,953	0	0	68,980	86,933
Rentals	301	0	0	145,000	145,301
Charges for Services	0	0	0	202,898	202,898
Contributions and Donations	4,980	0	0	42,440	47,420
Miscellaneous	123,741	0	0	82,716	206,457
Total Revenues	19,299,812	2,435	22,348,522	8,194,325	49,845,094
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	10,163,023	0	0	289,949	10,452,972
Special	2,003,814	0	0	3,462,782	5,466,596
Vocational	362,804	0	0	1,898	364,702
Support Services:					
Pupils	691,832	0	0	442,010	1,133,842
Instructional Staff	1,025,344	0	0	927,079	1,952,423
Board of Education	16,589	0	0	0	16,589
Administration	1,301,046	0	0	71,509	1,372,555
Fiscal	604,056	0	0	32,154	636,210
Business	75,031	0	0	0	75,031
Operation and Maintenance of Plant	1,586,912	0	0	8,629	1,595,541
Pupil Transportation	396,939	0	0	0	396,939
Central	16,736	0	0	5,397	22,133
Operation of Non-Instructional Services:					
Food Service Operations	24,636	0	0	993,711	1,018,347
Other	0	0	0	220,710	220,710
Extracurricular Activities	171,230	0	0	85,941	257,171
Capital Outlay	8,966	189,175	28,358,107	31,046	28,587,294
Debt Service:					
Principal Retirement	83,096	0	0	378,208	461,304
Interest and Fiscal Charges	5,668	0	0	738,468	744,136
Intergovernmental	0	0	0	35,000	35,000
Total Expenditures	18,537,722	189,175	28,358,107	7,724,491	54,809,495
Excess of Revenues Over (Under) Expenditures	762,090	(186,740)	(6,009,585)	469,834	(4,964,401)
<u>Other Financing Sources (Uses):</u>					
Inception of Capital Lease	8,966	0	0	0	8,966
Transfers In	0	0	301,426	14,284	315,710
Transfers Out	(14,284)	0	0	(301,426)	(315,710)
Total Other Financing Sources (Uses)	(5,318)	0	301,426	(287,142)	8,966
Net Change in Fund Balances	756,772	(186,740)	(5,708,159)	182,692	(4,955,435)
Fund Balances Beginning of Year - Restated (See Note 3)	1,066,490	374,217	21,250,715	1,915,855	24,607,277
Fund Balances End of Year	\$1,823,262	\$187,477	\$15,542,556	\$2,098,547	\$19,651,842

See accompanying notes to the basic financial statements

Portsmouth City School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2005*

Net Change in Fund Balances - Total Governmental Funds (\$4,955,435)

**Amounts reported for governmental activities in the
Statement of Activities are different because:**

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	371,679	
Construction in progress additions	28,267,188	
Depreciation expense	(491,296)	
Excess of capital outlay over depreciation expense	28,147,571	28,147,571

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital asset account in the Statement of Net Assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the statement of activities.

Loss on disposal of capital assets	(126,760)	
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Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	118,475	
Intergovernmental	(22,159,886)	
Interest	3,768	
Tuition and Fees	(26,036)	
Charges for Services	(635)	
Miscellaneous	531	
	(22,063,783)	(22,063,783)

Governmental funds report the effect of premiums and bond issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of bond issuance costs	(9,858)	
Amortization of bond premium	9,859	
	1	1

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.

(8,966)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:

Loan principal retirement	14,283	
Bond payments	360,000	
Capital lease payments	87,021	
Total long-term debt repayment	461,304	461,304

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in compensated absences payable	134,259	
Decrease in accrued interest	765	
Decrease in intergovernmental payable	40,669	
Accretion on bonds	(116,741)	
Total (increase)/decrease	58,952	58,952

Change in Net Assets of Governmental Activities \$1,512,884

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$5,225,000	\$4,498,889	\$4,498,889	\$0
Intergovernmental	13,483,120	13,774,694	13,774,694	0
Interest	57,669	58,916	58,916	0
Tuition and Fees	665,568	679,961	679,961	0
Extracurricular Activities	84,598	17,953	17,953	0
Rentals	295	301	301	0
Contributions and Donations	10,053	4,980	4,980	0
Miscellaneous	47,409	46,534	52,055	5,521
Total Revenues	19,573,712	19,082,228	19,087,749	5,521
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,544,320	4,575,418	4,324,532	250,886
Special	2,148,899	2,140,902	2,029,894	111,008
Vocational	365,179	370,202	363,629	6,573
Other	5,836,000	5,917,439	5,841,041	76,398
Support Services:				
Pupils	936,238	810,856	774,873	35,983
Instructional Staff	1,155,144	1,127,909	1,012,925	114,984
Board of Education	22,697	22,363	16,584	5,779
Administration	1,407,003	1,383,770	1,322,620	61,150
Fiscal	667,379	667,426	605,178	62,248
Business	131,239	126,510	72,001	54,509
Operation and Maintenance of Plant	1,744,962	1,824,557	1,588,311	236,246
Pupil Transportation	480,985	514,808	463,827	50,981
Central	34,778	28,697	16,656	12,041
Operation of Non-Instructional Services:				
Food Service Operations	35,930	33,301	29,813	3,488
Extracurricular Activities	199,189	212,307	182,751	29,556
Total Expenditures	19,709,942	19,756,465	18,644,635	1,111,830
Excess of Revenues Over (Under) Expenditures	(136,230)	(674,237)	443,114	1,117,351
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	122,477	126,833	126,833	0
Transfers In	609	609	0	(609)
Transfers Out	(50,678)	(50,678)	(14,284)	36,394
Advances In	102,662	101,887	49,023	(52,864)
Advances Out	(40,521)	(144,262)	(106,762)	37,500
Refund of Prior Year Receipts	(245)	(245)	(110)	135
Total Other Financing Sources (Uses)	134,304	34,144	54,700	20,556
Net Change in Fund Balance	(1,926)	(640,093)	497,814	1,137,907
Fund Balance at Beginning of Year	2,072,649	2,072,649	2,072,649	0
Prior Year Encumbrances Appropriated	89,889	89,889	89,889	0
Fund Balance at End of Year	\$2,160,612	\$1,522,445	\$2,660,352	\$1,137,907

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2005

	<u>Student Managed Activity</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$7,033</u></u>
Liabilities	
Undistributed Monies	<u><u>\$7,033</u></u>

See accompanying notes to the basic financial statements

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Portsmouth City School District (the "School District") is organized under Article VI, Sections 2 and 3 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 federal guidelines.

The School District serves an area of approximately 20 square miles. It is located in Scioto County and includes portions of Porter and Vernon Townships. It is staffed by 94 non-certificated employees, 166 certificated full-time teaching personnel and 13 administrative employees who provide services to 2,079 students and other community members. The School District currently operates six buildings.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Portsmouth 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 on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

The following activities are included within the reporting entity:

Parochial Schools - Within the School District boundaries, Notre Dame Elementary and Notre Dame High School are operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

The School District participates in four jointly governed organizations and one insurance purchasing pool. These organizations are the South Central Ohio Computer Association, the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Portsmouth City School District have been prepared in conformity with generally accepted account principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental 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. Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements ordinarily distinguish between those activities of the School District that are governmental and those that are considered business-type, however, the School District has no activities that are classified as business-type.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid 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. All funds of the School District fall within two categories: governmental and fiduciary.

Governmental Funds:

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses 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's major governmental funds:

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Site Acquisition Fund – To account for the receipts and expenditures related to special bond funds in the School District associated with the costs of acquiring real property. A portion of the proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, was paid into this fund. Expenditures recorded here represent all costs related to the acquisition of real property.

Ohio School Facilities Commission Fund – To account for monies received and expended by the School District in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities. The monies received were from two separate sources: A portion of the proceeds from the sale of bonds, notes, or certificates of indebtedness, except premiums and accrued interest, and all grant monies associated with the project.

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

Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has one fiduciary fund, an agency fund, used to account for student managed activity programs.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the fiduciary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined, and “available” means that the resources are collectible 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 fiscal 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 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal 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.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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 the governmental funds.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The School District also has an amount with their legal representative for the acquisition of land and an escrow account to hold retainage amounts still owed to contractors. These amounts are presented as "Cash and Cash Equivalents with Escrow Agent" and "Restricted Assets: Cash and Cash Equivalents with Escrow Agent," respectively, on the financial statements.

During fiscal year 2005, the School District's investments were limited to a negotiable certificate of deposit, Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, and Federal Home Loan Mortgage Corporation Bonds. Investments are reported at fair value which is based on quoted market prices.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2005 amounted to \$65,936, which includes \$57,014 from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash and cash equivalents legally required to be set-aside by the School District for the purchase of textbooks and instructional materials. Restricted assets in the Ohio School Facilities Commission Capital Projects Fund represent monies legally required to be used for expenditures related to the school construction project.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food.

H. Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand 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.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 - 10 years
Buildings and Improvements	50 years
Furniture, Fixtures, and Equipment	3 - 20 years
Vehicles	10 years
Textbooks	5 years

I. Interfund Balances

On 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 activities column of the Statement of Net Assets.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees will be paid. The non-current portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

L. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use 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. Net assets restricted for other purposes include resources restricted for required budget reserves, food service operations, capital grants used for the construction of new facilities, music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

The government-wide Statement of Net Assets reports \$13,731,697 of restricted net assets, of which \$13,293,264 is restricted by enabling legislation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Interfund Transactions

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

O. Estimates

The preparation of 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.

P. Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts reflect the amounts in the amended certificated in effect at the time the final appropriations were passed. Before fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end in all funds.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, 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 fiscal year in which services are consumed.

R. Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds

Bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES

For fiscal year 2005, the School District has implemented *GASB Statement No. 40, “Deposit and Investment Risk Disclosures”*, *GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation”* and *GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Post-Employment Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers”*.

GASB Statement No. 40 establishes new disclosure requirements for deposits and investments related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the School District’s financial statements for fiscal year 2005.

GASB Statement No. 46 clarifies how legal enforceability should be applied for determining restricted net assets. The implementation of this new statement had no effect on the School District’s financial statements for fiscal year 2005.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES (continued)

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other post-employment benefit (OPEB) plans.

For fiscal year 2005, the implementation of this bulletin, along with fund reclassifications, resulted in the following changes to fund balances:

	General Fund	Nonmajor Governmental Funds
Fund Balance, June 30, 2004	\$1,193,837	\$1,901,726
Intergovernmental Payable	(113,218)	0
Fund Reclassification	(14,129)	14,129
Fund Balance, June 30, 2004 as Restated	\$1,066,490	\$1,915,855

NOTE 4 - 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 Balance - Budget and Actual (Budget Basis) is presented for the General Fund 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$756,772
Adjustments:	
Revenue Accruals	(101,995)
Expenditure Accruals	(88,903)
Advances	(57,739)
Encumbrances	(18,120)
Unrecorded Cash - Escrow	7,799
Budget Basis	\$497,814

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State Statute into three categories.

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5- DEPOSITS AND INVESTMENTS (continued)

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio);
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5- DEPOSITS AND INVESTMENTS (continued)

Deposits: Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$8,387,704 of the School District's bank balance of \$8,664,040 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments: As of June 30, 2005, the School District had the following investments. All investments are in an internal investment pool.

	Fair Value	Investment Maturities in Years		
		Less than 1	1 - 2	3 - 4
Federal National Mortgage Association Bonds	\$5,637,300	\$5,637,300	\$0	\$0
Federal Home Loan Bank Bonds	3,060,266	2,223,123	837,143	0
Federal Home Loan Mortgage Corporation Bonds	2,462,395	2,462,395	0	0
Negotiable Certificates of Deposit	489,409	97,823	293,113	98,473
Totals	<u>\$11,649,370</u>	<u>\$10,420,641</u>	<u>\$1,130,256</u>	<u>\$98,473</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Treasurer, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the School District, the School District will not directly invest in securities maturing more than five years from the date of investment.

Credit Risk: The Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, and Federal Home Loan Mortgage Corporation Bonds carry a rating of AAA by Moody's and Standard and Poor's. The School District's investment policy limits investments to those authorized by State statute.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, and negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District's investment policy does not address investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The School District's investment policy places no limit on the amount it may invest in any one issuer. The School District's investments in Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, and Federal Home Loan Mortgage Corporation Bonds represents 52.43 percent, 24.21 percent, and 19.48 percent, respectively, of the School District's total investments.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - PROPERTY TAXES (continued)

Public utility property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

The School District receives property taxes from Scioto 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, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal-year operations and are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit of deferred revenue.

The amount available as an advance at June 30, 2005, was \$315,711 and is recognized as revenue: \$239,343 in the General Fund, \$71,505 in the Bond Retirement Fund and \$4,863 in the Classroom Facilities Maintenance Fund. The amount available as an advance at June 30, 2004, was \$243,777 and was recognized as revenue: \$184,642 in the General Fund, \$55,084 in the Bond Retirement Fund and \$4,051 in the Classroom Facilities Maintenance Fund.

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - PROPERTY TAXES (continued)

The assessed values upon which fiscal year 2005 taxes were collected are:

	2004 Second- Half Collections		2005 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$181,636,310	82.69%	\$199,975,710	84.01%
Public Utility	15,627,110	7.11%	15,599,920	6.55%
Tangible Personal Property	22,408,920	10.20%	22,476,040	9.44%
Total Assessed Value	\$219,672,340	100.00%	\$238,051,670	100.00%

Tax rate per \$1,000 of assessed valuation	\$41.03	\$41.03
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NOTE 7 - RECEIVABLES

Receivables at June 30, 2005, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year with the exception of the Ohio School Facilities Commission grant. These grant monies will be collected over the life of the construction of the new facilities. A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Excess Cost Reimbursements	\$94,048
Ohio School Facilities Commission	10,361,820
Food Service	575
Ohio Reads	8,125
Summer School Subsidy	2,729
High Schools That Work	4,119
Positive Behavior Support	13,948
Access	22,556
Title I	273,379
Title V	1,274
Drug Free Schools	6,412
Early Childhood Special Education	7,036
Title II-A	27,074
Miscellaneous Federal Grants	22,989
Total Intergovernmental Receivables	\$10,846,084

The School District was awarded a grant in the amount of \$52,617,285 on December 14, 2001 from the Ohio School Facilities Commission for the construction of new facilities.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance at 6/30/04	Additions	Deductions	Balance at 6/30/05
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$5,637,313	\$154,000	\$0	\$5,791,313
Construction in Progress	14,354,900	28,267,188	0	42,622,088
Total Capital Assets Not Being Depreciated	<u>19,992,213</u>	<u>28,421,188</u>	<u>0</u>	<u>48,413,401</u>
Capital Assets Being Depreciated:				
Land Improvements	55,258	0	(4,939)	50,319
Buildings and Improvements	4,596,318	3,865	(551,511)	4,048,672
Furniture, Fixtures, and Equipment	3,737,214	64,210	(399,046)	3,402,378
Vehicles	756,407	65,540	0	821,947
Textbooks	2,219,848	84,064	0	2,303,912
Totals at Historical Cost	<u>11,365,045</u>	<u>217,679</u>	<u>(955,496)</u>	<u>10,627,228</u>
Less Accumulated Depreciation:				
Land Improvements	(48,629)	0	3,343	(45,286)
Building and Improvements	(3,372,294)	(36,166)	483,867	(2,924,593)
Furniture, Fixtures, and Equipment	(2,063,152)	(194,621)	341,526	(1,916,247)
Vehicles	(426,329)	(55,012)	0	(481,341)
Textbooks	(1,075,021)	(205,497)	0	(1,280,518)
Total Accumulated Depreciation	<u>(6,985,425)</u>	<u>(491,296) *</u>	<u>828,736</u>	<u>(6,647,985)</u>
Total Capital Assets Being Depreciated, Net	<u>4,379,620</u>	<u>(273,617)</u>	<u>(126,760)</u>	<u>3,979,243</u>
Governmental Activities Capital Assets, Net	<u>\$24,371,833</u>	<u>\$28,147,571</u>	<u>(\$126,760)</u>	<u>\$52,392,644</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 8 - CAPITAL ASSETS (continued)

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$152,494
Special	44,005
Vocational	70,207
Support Services:	
Pupils	30,869
Instructional Staff	69,845
Administration	5,682
Fiscal	6,323
Business	34,193
Operation and Maintenance of Plant	16,423
Pupil Transportation	43,708
Operation of Non-Instructional Services:	
Food Service Operations	11,112
Other	1,730
Extracurricular Activities	4,705
Total Depreciation Expense	<u><u>\$491,296</u></u>

NOTE 9 - RISK MANAGEMENT

The School 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 2005, the School District contracted with the Lickdyke Insurance Company for property, inland marine, and automobile liability coverage.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - RISK MANAGEMENT (continued)

Coverage provided by the Lickdyke Insurance Company is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) - replacement cost (10,000 deductible)	\$54,049,485
Auto Liability:	
Liability - Any Auto	1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	1,000,000
Comprehensive - Bus (\$1,000 deductible)	Actual Cash Value
Comprehensive - All Other (\$250 deductible)	Actual Cash Value
Collision - Bus (\$500 deductible)	Actual Cash Value
Collision - All Other (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	25,000
Comprehensive (\$100 deductible)	Actual Cash Value
Collision (\$500 deductible)	Actual Cash Value
Excess Auto Liability:	
Auto Liability Limit - each accident	1,000,000
Auto Liability Policy Aggregate	1,000,000
Auto Liability - Each Accident Limit	1,000,000
General Liability:	
Each Occurrence Limit	1,000,000
Damage to Premises Rented to You Limit	300,000
Medical Expense Limit (any one person)	15,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
General Aggregate Limit	2,000,000
Products - Completed Operations Aggregate Limit	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in general liability insurance coverage from last year.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - RISK MANAGEMENT (continued)

For fiscal year 2005, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). 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 insures 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. Each year, the School District pays an enrollment fee to the GRP to cover costs of administering the program.

NOTE 10 - 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$236,691, \$215,559, and \$237,808, respectively; 54.48 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio

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

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2004, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 10- DEFINED BENEFIT PENSION PLANS (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,097,722, \$1,122,862, and \$1,175,279, respectively; 84.93 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$7,024 made by the plan members and \$3,681 made by the School District.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2005, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$84,440 for fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000 and STRS Ohio had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. 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.

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005*

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. 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 2005, the minimum pay was established at \$27,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$112,151.

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 the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 204 days for teachers and 200 days for classified employees. Administrators can accumulate a maximum of the number of contract days plus 15. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 51 days for teachers and 50 days for classified employees and one-fourth of accrued, but unused sick leave for administrators.

B. Insurance

The School District provides medical insurance to all employees through Medical Mutual of Ohio. Certified employees are provided with life and dental insurance through Anthem, and vision insurance through Vision Service Plan (VSP). Classified employees are provided with all other benefits by the Health Care Plan of AFSCME Local 2684.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 12 - EMPLOYEE BENEFITS (continued)

C. Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 13 - LEASES - LESSEE DISCLOSURE

In prior years, the School District entered into capitalized leases for a vehicle and exercise equipment. During fiscal year 2005, the School District entered into a capitalized lease for band instruments. All leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease were initially capitalized in the amount of \$265,712 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2005 totaled \$87,021 and were paid from the General Fund and the Food Service Special Revenue Fund.

The assets acquired through capital leases as of June 30, 2005, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Band Instruments	\$8,966	(\$822)	\$8,144
Exercise Equipment	218,901	(47,429)	171,472
Food Service Truck	37,845	(9,146)	28,699
Totals	\$265,712	(\$57,397)	\$208,315

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 13 - LEASES - LESSEE DISCLOSURE (continued)

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2005.

Fiscal Year Ending June 30,	Total Payments
2006	\$94,490
2007	2,385
2008	2,385
Total	99,260
Less: Amount Representing Interest	(4,146)
Present Value of Net Minimum Lease Payments	\$95,114

During fiscal years 2004 and 2005, the School District entered into noncancelable operating leases for the use of copier equipment. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in fiscal year 2005 totaled \$102,445 in the General Fund.

The following is a schedule of the future minimum lease payments:

Year Ending June 30,	Total Payments
2006	\$105,653
2007	30,423
Total	\$136,076

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during the fiscal year 2005 were as follows:

	Principal Outstanding 6/30/04	Additions	Deductions	Principal Outstanding 6/30/05	Amounts Due in One Year
<u>Governmental Activities:</u>					
1988 EPA Asbestos					
Loan 0.00%	\$49,990	\$0	\$14,283	\$35,707	\$14,284
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	16,020,000	0	360,000	15,660,000	415,000
Capital Appreciation					
Bonds 3.9 to 4.6%	425,000	0	0	425,000	0
Accretion on Capital					
Appreciation Bonds	197,599	116,741	0	314,340	0
Premium on Debt Issue	205,608	0	9,859	195,749	0
Capital Leases	173,169	8,966	87,021	95,114	91,320
Compensated Absences	1,324,010	39,129	173,390	1,189,749	168,855
Total Governmental Activities					
Long-Term Obligations	<u>\$18,395,376</u>	<u>\$164,836</u>	<u>\$644,553</u>	<u>\$17,915,659</u>	<u>\$689,459</u>

EPA Asbestos Loan - On December 14, 1988, Portsmouth City School District obtained a loan in the amount of \$257,106 for the purpose of providing asbestos removal. The loan was issued for a twenty year period with final maturity during fiscal year 2008. The loan is interest free and will be retired from the Debt Service Fund.

2002 Classroom Facilities General Obligation Bonds - On April 30, 2002, the School District issued \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. The bonds were issued for a twenty-three year period with final maturity in December 2024. The bonds will be retired from the Debt Service Fund.

The serial bonds, issued at \$16,645,000 with maturity dates of December 1, 2002 to December 1, 2005 and December 1, 2012 to December 1, 2024, are subject to optional redemption, in whole or in part on any date in inverse order of maturity and by lot within a maturity at the option of the issuer on or after December 1, 2012 at the redemption price of 100%.

The capital appreciation bonds, issued at \$425,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2007 and 2008. The maturity amounts of the capital appreciation bonds are \$435,000 in fiscal year 2007 and \$435,014 in fiscal year 2008. Accretion on the capital appreciation bonds for fiscal year 2005 was \$116,741.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

As of June 30, 2005, \$5,524,471 of the bond proceeds had been spent toward the project.

Compensated absences will be paid from the General Fund and the Food Service, Auxiliary Services Non Public, Disadvantaged Pupil Impact Aid, Summer School Subsidy, Miscellaneous State Grants, IDEA-B, Title I, Title V, Early Childhood Special Education, Title II-A, and Miscellaneous Federal Grants Special Revenue Funds.

The School District's overall legal debt margin was \$6,574,312 with an unvoted debt margin of \$202,345 at June 30, 2005.

Principal and interest requirements to retire Classroom Facilities General Obligation Bonds outstanding at June 30, 2005, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2006	\$415,000	\$726,647	\$0	\$0	\$1,141,647
2007	0	720,526	227,544	207,456	1,155,526
2008	0	720,526	197,456	237,558	1,155,540
2009	455,000	712,108	0	0	1,167,108
2010	480,000	694,390	0	0	1,174,390
2011-2015	2,950,000	3,136,719	0	0	6,086,719
2016-2020	4,530,000	2,303,732	0	0	6,833,732
2021-2025	6,830,000	898,819	0	0	7,728,819
Total	<u>\$15,660,000</u>	<u>\$9,913,467</u>	<u>\$425,000</u>	<u>\$445,014</u>	<u>\$26,443,481</u>

Principal requirements to retire the EPA Asbestos Loan outstanding at June 30, 2005, are as follows:

<u>EPA Asbestos Loan - 1988</u>	
Fiscal year Ending June 30,	Principal
2006	\$14,284
2007	14,284
2008	7,139
Total	<u>\$35,707</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - INTERFUND ACTIVITY

As of June 30, 2005, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		General
Payable	Other Governmental Funds	\$106,762

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance.

Transfers made during the year ended June 30, 2005 were as follows:

		Transfers From		
		General Fund	Other Governmental Funds	Total
Transfers To	Other Governmental Funds	\$14,284	\$0	\$14,284
	Ohio School Facilities Commission	0	301,426	301,426
	Totals	\$14,284	\$301,426	\$315,710

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. A transfer was made from the Permanent Improvement Capital Projects Fund to the Ohio School Facilities Commission Capital Projects Fund to help pay for construction costs of the new school buildings.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, Pickaway, Gallia, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$6,518 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

B. Scioto County Joint Vocational School

The Scioto County 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 Portsmouth City School District and three representatives from the South Central Ohio Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Joint Vocational School at P.O. Box 766, Lucasville, Ohio 45648.

C. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The Board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various services for School District administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for School District personnel. The Council is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Council. The School District paid \$300 to the Coalition for services provided during the year.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (continued)

D. Pilasco-Ross Special Education Regional Resource Center

The Pilasco-Ross Special Education Regional Resource Center (SERRC) is a special education service center which represents Lawrence, Pike, Ross and Scioto Counties. The SERRC selects its own governing board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a Board composed of superintendents of participating schools, parents of children with disabilities, representatives of county boards of MR/DD, Joint Vocational Schools, Pickaway-Ross County Career and Technology Center, Shawnee State University, and Ross-Pike, Lawrence and South Central Ohio Educational Service Centers, whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The Portsmouth City School District's superintendent is on the SERRC Board. The fiscal agent for the SERRC is Dawson-Bryant Local School District. Financial information can be obtained by contacting Donald Washburn, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (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 OSBA. 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 costs of administering the program.

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the 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 fiscal year must be held in cash at fiscal 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 and capital acquisition. Disclosure of this information is required by State statute.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESERVES (continued)

	Textbooks	Capital Acquisition	Totals
Set-aside Reserve Balance as of June 30, 2004	\$584,405	\$0	\$584,405
Current Year Set-aside Requirement	317,249	317,249	634,498
Current Year Offsets	0	(127,718)	(127,718)
Qualifying Disbursements	(294,549)	(189,531)	(484,080)
Set-aside Reserve Balance as of June 30, 2005	<u>607,105</u>	<u>0</u>	<u>607,105</u>
Required Set-aside Balances Carried Forward to FY 2006	<u>\$607,105</u>	<u>\$0</u>	<u>\$607,105</u>

NOTE 19 – CONTRACTUAL COMMITMENTS

The School District contracted for the design and construction of new high school, middle school, and elementary school buildings. The outstanding construction commitments at June 30, 2005 are:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/05
Accurate Electric	\$5,666,408	\$4,298,492	\$1,367,916
Action Builders	\$811,089	\$709,770	101,319
BBL Construction	3,540,102	2,081,116	1,458,986
Brewer and Co.	312,179	278,454	33,725
Boone Coleman Construction	1,746,560	1,603,118	143,442
Columbus Heating and Ventilation	792,102	699,580	92,522
C.R.M. Land Surveying	22,024	19,766	2,258
CTL Engineering, Inc.	75,000	12,529	62,471
J & H Reinforcing and Structural Erectors	18,091,788	12,693,917	5,397,871
Hattenbach Company	372,538	136,550	235,988
Kenney Huston Company	6,981,155	6,857,654	123,501
Mechanical Construction	5,755,925	5,197,942	557,983
Peck, Shaffer, and Williams	28,000	26,686	1,314
Scioto Masonry Builders	1,018,314	1,010,414	7,900
Spectrum Controls	569,450	281,996	287,454
S. S. Kemp & Co.	574,500	281,318	293,182
Stevens Construction	610,500	557,932	52,568
A J Stockmeister	2,553,716	2,042,335	511,381
Tanner, Stone Architects	3,303,096	2,838,724	464,372
T.P. Mechanical Contractors	255,980	233,411	22,569
Total	<u>\$53,080,426</u>	<u>\$41,861,704</u>	<u>\$11,218,722</u>

NOTE 20 - 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, 2005.

B. Litigation

The School District is party to a legal proceeding. However, no liability has been accrued since the ultimate disposition of this claim and legal proceeding has yet to be determined and the amount of liability, if any, is not measurable.

NOTE 21 - FINANCIAL CONDITION

On April 19, 2001, the School District was placed into Fiscal Caution by the Ohio Department of Education. Under Ohio Revised Code Section 3316.031 (B) (3), the Ohio Department of Education will place a school district in Fiscal Caution when the Auditor of State certifies a forecasted General Fund deficit between 2 percent and 8 percent of the General Fund's prior year's revenue. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education. The School District will be required to update their recovery plan if the School District experiences a significant change of events. A performance audit was conducted on the School District by the Auditor of State of Ohio dated June 26, 2002 to evaluate ways to improve operations within the School District. As of June 30, 2005, the School District was still in Fiscal Caution.

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PORTSMOUTH CITY SCHOOL DISTRICT
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Portsmouth City School District

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service

To account for the provision of food services for the School District.

Education Foundation

To account for local monies received as a result of any bequest, gift, or endowment given to the School District. Monies are to be used for scholarships and for additional costs related to the construction of the new facilities courtyard.

New Facilities Maintenance

To account for property tax revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

District Managed Student Activities

To account for student activity programs which have student participation in the activities, but do not have student management of the programs.

Auxiliary Services Non Public

To account for local monies which provide services and materials to pupils attending non-public schools within the School District.

Teacher Development

To account for receipts and expenditures necessary for the development of in-service programs.

Education Management Information System

To account for State reimbursements for hardware and software development, utilities, materials and supplies, or other costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid

To account for State monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

(continued)

Portsmouth City School District

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds - (continued)

SchoolNet Praise

To account for State grant monies used for Ohio Educational Computer Network connections.

SchoolNet Summer Training

To account for State grant monies used for technology training.

OhioReads

To account for State monies used to support literacy for grades K-4 and to prepare students to be proficient on the reading portion of the proficiency tests.

Summer School Subsidy

To account for State monies used to support student intervention services.

Vocational Education Enhancement

To account for State monies used to fund vocational enhancements such as expanding enrollment in vocational programs, to enable students to develop career plans and goals, and to replace or update equipment used in the instruction of educational programs.

Miscellaneous State Grants

To account for various State monies received from State agencies which are not classified elsewhere.

IDEA-B

To account for federal funds used for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped. This fund was formerly referred to as the Title VI-B fund.

Title I

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

(continued)

Portsmouth City School District

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds - (continued)

Title V

To account for federal funds used to provide programs for gifted students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

Drug Free Schools

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

Early Childhood Special Education

To account for federal monies used to support preschool improvement and expansion of services for handicapped children ages three through five years.

E-Rate Funding

A fund used to account for refunds from utility companies. These refunds will be used to pay future telecommunications bills or will be transferred to the General Fund.

Title II-A

To account for federal monies used to help schools increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and principals in schools; and hold schools accountable for improvements in student academic achievements. This fund was formerly referred to as the Title VI-R fund.

Miscellaneous Federal Grants

To account for various federal monies received from federal agencies which are not classified elsewhere.

(continued)

Portsmouth City School District

Nonmajor Governmental Fund Descriptions - (continued)

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is established to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. There is only one debt service fund.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for the receipts and expenditures involved in the replacement or updating of equipment and other capital assets essential for the instruction of students.

Nonmajor Capital Projects Funds

Permanent Improvement

To account for all transactions relating to the acquiring, constructing, or improving of such permanent improvements as authorized by Chapter 5705, Revised Code.

SchoolNet

To account for State grant monies used for the installation of wiring and the purchase of a computer workstation and related technology for every classroom in Ohio's low-wealth school districts. For fiscal year 2005, there was no balance sheet presented since there were no assets or liabilities in this fund at year-end.

Portsmouth City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,230,527	\$1,189,987	\$97,529	\$2,518,043
Receivables:				
Taxes	90,075	1,289,691	0	1,379,766
Accounts	539	0	0	539
Intergovernmental	392,646	0	0	392,646
Accrued Interest	1,632	8,877	0	10,509
Prepaid Items	54,437	0	0	54,437
Materials and Supplies Inventory	21,131	0	0	21,131
<i>Total Assets</i>	<u>\$1,790,987</u>	<u>\$2,488,555</u>	<u>\$97,529</u>	<u>\$4,377,071</u>
<u>Liabilities:</u>				
Accounts Payable	\$68,560	\$0	\$950	\$69,510
Accrued Wages and Benefits Payable	592,018	0	0	592,018
Intergovernmental Payable	137,864	0	0	137,864
Interfund Payable	106,762	0	0	106,762
Deferred Revenue	154,184	1,218,186	0	1,372,370
<i>Total Liabilities</i>	<u>1,059,388</u>	<u>1,218,186</u>	<u>950</u>	<u>2,278,524</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	70,749	0	0	70,749
Reserved for Property Taxes	4,863	71,505	0	76,368
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	655,987	0	0	655,987
Debt Service Fund	0	1,198,864	0	1,198,864
Capital Projects Funds	0	0	96,579	96,579
<i>Total Fund Balances</i>	<u>731,599</u>	<u>1,270,369</u>	<u>96,579</u>	<u>2,098,547</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,790,987</u>	<u>\$2,488,555</u>	<u>\$97,529</u>	<u>\$4,377,071</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$87,112	\$1,202,634	\$0	\$1,289,746
Intergovernmental	6,140,025	161,540	0	6,301,565
Investment Earnings	6,191	51,239	0	57,430
Tuition and Fees	3,550	0	0	3,550
Extracurricular Activities	68,980	0	0	68,980
Rentals	0	0	145,000	145,000
Charges for Services	202,898	0	0	202,898
Contributions and Donations	42,440	0	0	42,440
Miscellaneous	77,716	0	5,000	82,716
<i>Total Revenues</i>	<u>6,628,912</u>	<u>1,415,413</u>	<u>150,000</u>	<u>8,194,325</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	289,949	0	0	289,949
Special	3,462,782	0	0	3,462,782
Vocational	1,898	0	0	1,898
Support Services:				
Pupils	442,010	0	0	442,010
Instructional Staff	924,135	0	2,944	927,079
Administration	71,509	0	0	71,509
Fiscal	3,420	28,734	0	32,154
Operation and Maintenance of Plant	8,629	0	0	8,629
Central	5,397	0	0	5,397
Operation of Non-Instructional Services:				
Food Service Operations	993,711	0	0	993,711
Other	220,710	0	0	220,710
Extracurricular Activities	85,941	0	0	85,941
Capital Outlay	0	0	31,046	31,046
Debt Service:				
Principal Retirement	3,925	374,283	0	378,208
Interest and Fiscal Charges	1,110	737,358	0	738,468
Intergovernmental	35,000	0	0	35,000
<i>Total Expenditures</i>	<u>6,550,126</u>	<u>1,140,375</u>	<u>33,990</u>	<u>7,724,491</u>
Excess of Revenues Over Expenditures	<u>78,786</u>	<u>275,038</u>	<u>116,010</u>	<u>469,834</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	14,284	0	14,284
Transfers Out	0	0	(301,426)	(301,426)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>14,284</u>	<u>(301,426)</u>	<u>(287,142)</u>
<i>Net Change in Fund Balances</i>	78,786	289,322	(185,416)	182,692
<i>Fund Balances Beginning of Year</i>	<u>652,813</u>	<u>981,047</u>	<u>281,995</u>	<u>1,915,855</u>
<i>Fund Balances End of Year</i>	<u>\$731,599</u>	<u>\$1,270,369</u>	<u>\$96,579</u>	<u>\$2,098,547</u>

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$90,032	\$102,100	\$338,020	\$5,798
Receivables:				
Taxes	0	0	90,075	0
Accounts	0	0	0	506
Intergovernmental	575	0	0	0
Accrued Interest	67	1,089	0	0
Prepaid Items	12,741	0	0	0
Materials and Supplies Inventory	12,425	0	0	0
Total Assets	\$115,840	\$103,189	\$428,095	\$6,304
<u>Liabilities:</u>				
Accounts Payable	\$129	\$0	\$0	\$527
Accrued Wages and Benefits Payable	48,906	0	0	0
Intergovernmental Payable	39,075	0	0	0
Interfund Payable	0	0	0	775
Deferred Revenue	0	0	85,212	0
Total Liabilities	88,110	0	85,212	1,302
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	0	0	0
Reserved for Property Taxes	0	0	4,863	0
Unreserved, Undesignated (Deficit)	27,730	103,189	338,020	5,002
Total Fund Balances	27,730	103,189	342,883	5,002
Total Liabilities and Fund Balances	\$115,840	\$103,189	\$428,095	\$6,304

Auxiliary Services Non Public	Teacher Development	Education Management Information System	Disadvantaged Pupil Impact Aid	SchoolNet Summer Training	OhioReads	Summer School Subsidy
\$62,989	\$2,504	\$1,557	\$305,502	\$441	\$3,831	\$16,049
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,430	0	0	0	0	8,125	2,729
476	0	0	0	0	0	0
1,144	0	0	0	0	0	1,410
6,508	0	0	0	0	0	0
<u>\$73,547</u>	<u>\$2,504</u>	<u>\$1,557</u>	<u>\$305,502</u>	<u>\$441</u>	<u>\$11,956</u>	<u>\$20,188</u>
\$17,456	\$652	\$0	\$0	\$0	\$3,542	\$0
6,666	0	0	250,805	0	0	13,390
1,288	62	0	40,508	0	50	1,983
0	925	0	0	0	8,122	0
0	0	0	0	0	0	0
<u>25,410</u>	<u>1,639</u>	<u>0</u>	<u>291,313</u>	<u>0</u>	<u>11,714</u>	<u>15,373</u>
37,268	1,851	0	0	0	0	0
0	0	0	0	0	0	0
10,869	(986)	1,557	14,189	441	242	4,815
<u>48,137</u>	<u>865</u>	<u>1,557</u>	<u>14,189</u>	<u>441</u>	<u>242</u>	<u>4,815</u>
<u>\$73,547</u>	<u>\$2,504</u>	<u>\$1,557</u>	<u>\$305,502</u>	<u>\$441</u>	<u>\$11,956</u>	<u>\$20,188</u>

(continued)

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005
(continued)

	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B	Title I
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$23,138	\$90,348	\$111,150
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	4,119	0	36,504	273,379
Accrued Interest	0	0	0	0
Prepaid Items	0	0	6,988	21,185
Materials and Supplies Inventory	0	0	2,198	0
Total Assets	\$4,119	\$23,138	\$136,038	\$405,714
<u>Liabilities:</u>				
Accounts Payable	\$2,298	\$0	\$2,222	\$20,575
Accrued Wages and Benefits Payable	0	0	54,505	168,259
Intergovernmental Payable	0	0	15,997	31,132
Interfund Payable	0	4,119	35,130	52,280
Deferred Revenue	0	0	0	46,426
Total Liabilities	2,298	4,119	107,854	318,672
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	3,703	14,861	12,198
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	1,821	15,316	13,323	74,844
Total Fund Balances	1,821	19,019	28,184	87,042
Total Liabilities and Fund Balances	\$4,119	\$23,138	\$136,038	\$405,714

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Early Childhood Special Education</u>	<u>E-Rate Funding</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,771	\$2,065	\$2,140	\$39,092	\$27,675	\$4,325	\$1,230,527
0	0	0	0	0	0	90,075
0	0	0	33	0	0	539
1,274	6,412	7,036	0	27,074	22,989	392,646
0	0	0	0	0	0	1,632
228	349	182	3,267	5,678	1,265	54,437
0	0	0	0	0	0	21,131
<u>\$3,273</u>	<u>\$8,826</u>	<u>\$9,358</u>	<u>\$42,392</u>	<u>\$60,427</u>	<u>\$28,579</u>	<u>\$1,790,987</u>
\$716	\$465	\$0	\$19,978	\$0	\$0	\$68,560
1,590	2,444	890	0	35,964	8,599	592,018
225	315	323	0	4,892	2,014	137,864
0	0	0	5,411	0	0	106,762
0	3,629	7,036	0	0	11,881	154,184
<u>2,531</u>	<u>6,853</u>	<u>8,249</u>	<u>25,389</u>	<u>40,856</u>	<u>22,494</u>	<u>1,059,388</u>
73	465	0	41	0	289	70,749
0	0	0	0	0	0	4,863
669	1,508	1,109	16,962	19,571	5,796	655,987
<u>742</u>	<u>1,973</u>	<u>1,109</u>	<u>17,003</u>	<u>19,571</u>	<u>6,085</u>	<u>731,599</u>
<u>\$3,273</u>	<u>\$8,826</u>	<u>\$9,358</u>	<u>\$42,392</u>	<u>\$60,427</u>	<u>\$28,579</u>	<u>\$1,790,987</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$87,112	\$0
Intergovernmental	690,223	0	11,356	0
Investment Earnings	499	2,134	0	0
Tuition and Fees	3,550	0	0	0
Extracurricular Activities	0	0	0	68,980
Charges for Services	202,898	0	0	0
Contributions and Donations	0	37,150	0	5,290
Miscellaneous	346	22,524	0	2,544
<i>Total Revenues</i>	<u>897,516</u>	<u>61,808</u>	<u>98,468</u>	<u>76,814</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	0	4,500	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	93	0	2,112	0
Operation and Maintenance of Plant	8,629	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	993,711	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	85,941
Debt Service:				
Principal Retirement	3,925	0	0	0
Interest and Fiscal Charges	1,110	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>1,007,468</u>	<u>4,500</u>	<u>2,112</u>	<u>85,941</u>
<i>Net Change in Fund Balances</i>	(109,952)	57,308	96,356	(9,127)
<i>Fund Balances (Deficits) Beginning of Year - Restated (See Note 3)</i>	<u>137,682</u>	<u>45,881</u>	<u>246,527</u>	<u>14,129</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$27,730</u></u>	<u><u>\$103,189</u></u>	<u><u>\$342,883</u></u>	<u><u>\$5,002</u></u>

Auxiliary Services Non Public	Teacher Development	Education Management Information System	Disadvantaged Pupil Impact Aid	SchoolNet Praise	SchoolNet Summer Training	OhioReads	Summer School Subsidy
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
202,317	36,062	6,557	2,135,834	18,000	4,140	29,000	129,501
3,558	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>205,875</u>	<u>36,062</u>	<u>6,557</u>	<u>2,135,834</u>	<u>18,000</u>	<u>4,140</u>	<u>29,000</u>	<u>129,501</u>
0	0	0	118,937	0	0	22,905	117,941
0	0	0	1,738,483	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	125,753	0	0	0	0
0	35,188	0	192,233	33,077	4,080	7,476	0
0	0	0	71,509	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	5,397	0	0	0	0	0
0	0	0	0	0	0	0	0
206,402	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>206,402</u>	<u>35,188</u>	<u>5,397</u>	<u>2,246,915</u>	<u>33,077</u>	<u>4,080</u>	<u>30,381</u>	<u>117,941</u>
(527)	874	1,160	(111,081)	(15,077)	60	(1,381)	11,560
<u>48,664</u>	<u>(9)</u>	<u>397</u>	<u>125,270</u>	<u>15,077</u>	<u>381</u>	<u>1,623</u>	<u>(6,745)</u>
<u>\$48,137</u>	<u>\$865</u>	<u>\$1,557</u>	<u>\$14,189</u>	<u>\$0</u>	<u>\$441</u>	<u>\$242</u>	<u>\$4,815</u>

(continued)

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005
(continued)

	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B	Title I
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	9,707	56,343	687,624	1,588,029
Investment Earnings	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>9,707</u>	<u>56,343</u>	<u>687,624</u>	<u>1,588,029</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	2,017	28,149	0	0
Special	0	0	84,561	1,253,360
Vocational	1,898	0	0	0
Support Services:				
Pupils	0	1,044	308,939	0
Instructional Staff	4,860	992	262,687	254,117
Administration	0	0	0	0
Fiscal	0	0	1,000	215
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	0	12,827
Extracurricular Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Intergovernmental	0	35,000	0	0
<i>Total Expenditures</i>	<u>8,775</u>	<u>65,185</u>	<u>657,187</u>	<u>1,520,519</u>
<i>Net Change in Fund Balances</i>	932	(8,842)	30,437	67,510
<i>Fund Balances (Deficits) Beginning of Year - Restated (See Note 3)</i>	<u>889</u>	<u>27,861</u>	<u>(2,253)</u>	<u>19,532</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,821</u>	<u>\$19,019</u>	<u>\$28,184</u>	<u>\$87,042</u>

Title V	Drug Free Schools	Early Childhood Special Education	E-Rate Funding	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$87,112
17,227	35,852	7,552	0	363,379	111,322	6,140,025
0	0	0	0	0	0	6,191
0	0	0	0	0	0	3,550
0	0	0	0	0	0	68,980
0	0	0	0	0	0	202,898
0	0	0	0	0	0	42,440
0	0	0	52,302	0	0	77,716
<u>17,227</u>	<u>35,852</u>	<u>7,552</u>	<u>52,302</u>	<u>363,379</u>	<u>111,322</u>	<u>6,628,912</u>
0	0	0	0	0	0	289,949
13,159	0	0	0	302,893	70,326	3,462,782
0	0	0	0	0	0	1,898
0	1,774	0	0	0	0	442,010
0	21,001	6,844	34,930	23,461	43,189	924,135
0	0	0	0	0	0	71,509
0	0	0	0	0	0	3,420
0	0	0	0	0	0	8,629
0	0	0	0	0	0	5,397
0	0	0	0	0	0	993,711
1,481	0	0	0	0	0	220,710
0	0	0	0	0	0	85,941
0	0	0	0	0	0	3,925
0	0	0	0	0	0	1,110
0	0	0	0	0	0	35,000
<u>14,640</u>	<u>22,775</u>	<u>6,844</u>	<u>34,930</u>	<u>326,354</u>	<u>113,515</u>	<u>6,550,126</u>
2,587	13,077	708	17,372	37,025	(2,193)	78,786
<u>(1,845)</u>	<u>(11,104)</u>	<u>401</u>	<u>(369)</u>	<u>(17,454)</u>	<u>8,278</u>	<u>652,813</u>
<u>\$742</u>	<u>\$1,973</u>	<u>\$1,109</u>	<u>\$17,003</u>	<u>\$19,571</u>	<u>\$6,085</u>	<u>\$731,599</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
Rentals	\$145,000	\$0	\$145,000
Miscellaneous	5,000	0	5,000
<i>Total Revenues</i>	<u>150,000</u>	<u>0</u>	<u>150,000</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff	0	2,944	2,944
Capital Outlay	31,046	0	31,046
<i>Total Expenditures</i>	<u>31,046</u>	<u>2,944</u>	<u>33,990</u>
Excess of Revenues Over (Under) Expenditures	118,954	(2,944)	116,010
<u>Other Financing Uses:</u>			
Transfers Out	(301,426)	0	(301,426)
<i>Net Change in Fund Balances</i>	(182,472)	(2,944)	(185,416)
<i>Fund Balances Beginning of Year</i>	<u>279,051</u>	<u>2,944</u>	<u>281,995</u>
<i>Fund Balances End of Year</i>	<u><u>\$96,579</u></u>	<u><u>\$0</u></u>	<u><u>\$96,579</u></u>

Portsmouth City School District

Fiduciary Fund Description

AGENCY FUND

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

Student Managed Activity

To account for student activity programs which have student participation in the activity and have students involved in the management of the program.

Portsmouth City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Balance at 6/30/2004	Additions	Deletions	Balance at 6/30/2005
STUDENT MANAGED ACTIVITY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$5,425	\$12,958	\$11,350	\$7,033
<u>Liabilities:</u>				
Undistributed Monies	\$5,425	\$12,958	\$11,350	\$7,033

PORTSMOUTH CITY SCHOOL DISTRICT

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$5,225,000	\$4,498,889	\$4,498,889	\$0
Intergovernmental	13,483,120	13,774,694	13,774,694	0
Investment Earnings	57,669	58,916	58,916	0
Tuition and Fees	665,568	679,961	679,961	0
Extracurricular Activities	84,598	17,953	17,953	0
Rentals	295	301	301	0
Contributions and Donations	10,053	4,980	4,980	0
Miscellaneous	47,409	46,534	52,055	5,521
Total Revenues	19,573,712	19,082,228	19,087,749	5,521
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	2,882,866	2,971,778	2,858,022	113,756
Fringe Benefits	1,358,131	1,312,126	1,257,833	54,293
Purchased Services	11,360	11,175	7,006	4,169
Materials and Supplies	226,855	198,700	123,736	74,964
Capital Outlay	64,708	80,881	77,722	3,159
Other	400	758	213	545
Total Regular	4,544,320	4,575,418	4,324,532	250,886
Special:				
Salaries	1,420,460	1,461,570	1,405,526	56,044
Fringe Benefits	664,688	621,569	594,908	26,661
Purchased Services	3,615	4,831	4,747	84
Materials and Supplies	51,136	39,802	18,885	20,917
Capital Outlay	9,000	13,130	5,828	7,302
Total Special	2,148,899	2,140,902	2,029,894	111,008
Vocational:				
Salaries	266,289	270,181	270,181	0
Fringe Benefits	88,057	87,981	87,226	755
Purchased Services	100	100	0	100
Materials and Supplies	7,733	7,223	1,945	5,278
Capital Outlay	3,000	4,717	4,277	440
Total Vocational	365,179	370,202	363,629	6,573
Other:				
Purchased Services	5,836,000	5,917,439	5,841,041	76,398
Total Instruction	\$12,894,398	\$13,003,961	\$12,559,096	\$444,865

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2005
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries	\$572,445	\$501,671	\$500,781	\$890
Fringe Benefits	234,789	191,391	185,235	6,156
Purchased Services	92,575	84,274	77,891	6,383
Materials and Supplies	36,229	33,420	10,896	22,524
Capital Outlay	200	100	70	30
Total Pupils	<u>936,238</u>	<u>810,856</u>	<u>774,873</u>	<u>35,983</u>
Instructional Staff:				
Salaries	646,977	645,244	591,127	54,117
Fringe Benefits	421,931	380,349	329,649	50,700
Purchased Services	31,107	27,561	25,496	2,065
Materials and Supplies	45,587	42,593	36,326	6,267
Capital Outlay	7,587	30,032	28,992	1,040
Other	1,955	2,130	1,335	795
Total Instructional Staff	<u>1,155,144</u>	<u>1,127,909</u>	<u>1,012,925</u>	<u>114,984</u>
Board of Education:				
Salaries	6,420	6,420	6,420	0
Fringe Benefits	1,009	675	594	81
Purchased Services	2,500	2,500	1,380	1,120
Materials and Supplies	768	768	110	658
Other	12,000	12,000	8,080	3,920
Total Board of Education	<u>22,697</u>	<u>22,363</u>	<u>16,584</u>	<u>5,779</u>
Administration:				
Salaries	668,546	669,711	665,933	3,778
Fringe Benefits	372,158	338,163	330,950	7,213
Purchased Services	150,534	163,002	132,203	30,799
Materials and Supplies	60,415	55,370	40,807	14,563
Capital Outlay	6,950	7,286	2,592	4,694
Other	148,400	150,238	150,135	103
Total Administration	<u>1,407,003</u>	<u>1,383,770</u>	<u>1,322,620</u>	<u>61,150</u>
Fiscal:				
Salaries	161,058	173,037	167,554	5,483
Fringe Benefits	98,966	98,222	97,891	331
Purchased Services	211,939	205,307	161,491	43,816
Materials and Supplies	13,566	8,566	0	8,566
Capital Outlay	2,500	2,264	759	1,505
Other	179,350	180,030	177,483	2,547
Total Fiscal	<u>\$667,379</u>	<u>\$667,426</u>	<u>\$605,178</u>	<u>\$62,248</u>

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2005
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Business:				
Salaries and Wages	\$93,880	\$88,980	\$42,476	\$46,504
Fringe Benefits	15,034	14,024	13,946	78
Purchased Services	13,025	12,999	8,134	4,865
Materials and Supplies	7,300	8,527	6,705	1,822
Capital Outlay	2,000	1,980	740	1,240
Total Business	131,239	126,510	72,001	54,509
Operation and Maintenance of Plant:				
Salaries	738,793	692,190	666,303	25,887
Fringe Benefits	405,403	384,994	365,335	19,659
Purchased Services	481,323	617,093	479,113	137,980
Materials and Supplies	110,443	119,805	72,768	47,037
Capital Outlay	9,000	10,475	4,792	5,683
Total Operation and Maintenance of Plant	1,744,962	1,824,557	1,588,311	236,246
Pupil Transportation:				
Salaries	177,293	181,161	166,237	14,924
Fringe Benefits	112,477	109,385	108,267	1,118
Purchased Services	73,100	93,911	76,677	17,234
Materials and Supplies	52,500	64,736	47,106	17,630
Capital Outlay	65,540	65,540	65,540	0
Other	75	75	0	75
Total Pupil Transportation	480,985	514,808	463,827	50,981
Central:				
Salaries	6,000	14,000	14,000	0
Fringe Benefits	18,978	9,784	1,506	8,278
Purchased Services	9,800	4,913	1,150	3,763
Total Central	34,778	28,697	16,656	12,041
Total Support Services	6,580,425	6,506,896	5,872,975	633,921
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	14,785	13,185	12,866	319
Fringe Benefits	11,682	10,236	9,863	373
Purchased Services	9,463	9,880	7,084	2,796
Total Operation of Non-Instructional Services	\$35,930	\$33,301	\$29,813	\$3,488

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2005
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$13,563	\$13,976	\$11,904	\$2,072
Fringe Benefits	1,796	2,432	2,126	306
Purchased Services	4,000	3,483	2,752	731
Materials and Supplies	0	1,352	1,352	0
Capital Outlay	4,885	4,885	4,770	115
Total Academic Oriented Activities	<u>24,244</u>	<u>26,128</u>	<u>22,904</u>	<u>3,224</u>
Sports Oriented Activities:				
Salaries and Wages	122,387	126,345	108,501	17,844
Fringe Benefits	19,221	18,419	16,747	1,672
Purchased Services	10,082	11,088	9,718	1,370
Materials and Supplies	2,000	2,000	796	1,204
Total Sports Oriented Activities	<u>153,690</u>	<u>157,852</u>	<u>135,762</u>	<u>22,090</u>
School and Public Service:				
Salaries and Wages	3,963	5,255	5,022	233
Fringe Benefits	592	857	732	125
Purchased Services	9,600	12,758	12,733	25
Materials and Supplies	7,100	9,457	5,598	3,859
Total School and Public Service	<u>21,255</u>	<u>28,327</u>	<u>24,085</u>	<u>4,242</u>
Total Extracurricular Activities	<u>199,189</u>	<u>212,307</u>	<u>182,751</u>	<u>29,556</u>
<i>Total Expenditures</i>	<u>19,709,942</u>	<u>19,756,465</u>	<u>18,644,635</u>	<u>1,111,830</u>
Excess of Revenues Over (Under) Expenditures	<u>(136,230)</u>	<u>(674,237)</u>	<u>443,114</u>	<u>1,117,351</u>
<i>Other Financing Sources (Uses):</i>				
Refund of Prior Year Expenditures	122,477	126,833	126,833	0
Transfers In	609	609	0	(609)
Transfers Out	(50,678)	(50,678)	(14,284)	36,394
Advances In	102,662	101,887	49,023	(52,864)
Advances Out	(40,521)	(144,262)	(106,762)	37,500
Refund of Prior Year Receipts	(245)	(245)	(110)	135
<i>Total Other Financing Sources (Uses)</i>	<u>134,304</u>	<u>34,144</u>	<u>54,700</u>	<u>20,556</u>
Net Change in Fund Balance	(1,926)	(640,093)	497,814	1,137,907
Fund Balance at Beginning of Year	2,072,649	2,072,649	2,072,649	0
Prior Year Encumbrances Appropriated	89,889	89,889	89,889	0
Fund Balance at End of Year	<u>\$2,160,612</u>	<u>\$1,522,445</u>	<u>\$2,660,352</u>	<u>\$1,137,907</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Site Acquisition Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Investment Earnings	<u>\$2,000</u>	<u>\$2,410</u>	<u>\$2,410</u>	<u>\$0</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	44,428	71,642	51,782	19,860
Capital Outlay	<u>315,389</u>	<u>278,754</u>	<u>107,023</u>	<u>171,731</u>
Total Site Acquisition Services	359,817	350,396	158,805	191,591
Site Improvement Services:				
Capital Outlay	0	9,262	2,500	6,762
Educational Specifications Development Services:				
Purchased Services	<u>7,500</u>	<u>7,935</u>	<u>1,235</u>	<u>6,700</u>
<i>Total Expenditures</i>	<u>367,317</u>	<u>367,593</u>	<u>162,540</u>	<u>205,053</u>
Net Change in Fund Balance	(365,317)	(365,183)	(160,130)	205,053
Fund Balance at Beginning of Year	351,889	351,889	351,889	0
Prior Year Encumbrances Appropriated	<u>13,428</u>	<u>13,428</u>	<u>13,428</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$134</u></u>	<u><u>\$205,187</u></u>	<u><u>\$205,053</u></u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ohio School Facilities Commission Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$25,885,024	\$18,983,370	\$18,983,370	\$0
Investment Earnings	503,550	369,290	369,290	0
<i>Total Revenues</i>	<u>26,388,574</u>	<u>19,352,660</u>	<u>19,352,660</u>	<u>0</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	70,118	92,156	92,156	0
Educational Specifications Development Services:				
Purchased Services	0	341,262	293,768	47,494
Building Acquisition and Construction Services:				
Purchased Services	342,042	1,166,304	1,029,867	136,437
Materials and Supplies	0	5,890	5,890	0
Capital Outlay	25,397,958	28,257,784	27,487,229	770,555
Total Building Acquisition and Construction Services	<u>25,740,000</u>	<u>29,429,978</u>	<u>28,522,986</u>	<u>906,992</u>
Other Facilities Acquisition and Construction:				
Purchased Services	100,000	324,547	303,964	20,583
<i>Total Expenditures</i>	<u>25,910,118</u>	<u>30,187,943</u>	<u>29,212,874</u>	<u>975,069</u>
Excess of Revenues Over (Under) Expenditures	478,456	(10,835,283)	(9,860,214)	975,069
<u>Other Financing Sources:</u>				
Transfers In	301,426	301,426	301,426	0
Net Change in Fund Balance	779,882	(10,533,857)	(9,558,788)	975,069
Fund Balance at Beginning of Year	24,033,804	24,033,804	24,033,804	0
Prior Year Encumbrances Appropriated	105,118	105,118	105,118	0
Fund Balance at End of Year	<u>\$24,918,804</u>	<u>\$13,605,065</u>	<u>\$14,580,134</u>	<u>\$975,069</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$942,074	\$739,419	\$739,419	\$0
Investment Earnings	815	640	640	0
Tuition and Fees	4,523	3,550	3,550	0
Charges for Services	257,774	202,323	202,323	0
Miscellaneous	314	246	246	0
Total Revenues	1,205,500	946,178	946,178	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Board of Education:				
Other	2,000	2,000	0	2,000
Fiscal:				
Purchased Services	350	350	93	257
Operation and Maintenance of Plant:				
Purchased Services	41,381	21,425	8,598	12,827
Materials and Supplies	550	725	31	694
Capital Outlay	6,000	4,904	0	4,904
Total Operation and Maintenance of Plant	47,931	27,054	8,629	18,425
Total Support Services	50,281	29,404	8,722	20,682
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	417,545	366,120	357,998	8,122
Fringe Benefits	275,800	264,634	228,787	35,847
Purchased Services	7,921	7,956	6,808	1,148
Materials and Supplies	475,486	358,374	357,334	1,040
Capital Outlay	9,000	8,986	3,849	5,137
Total Operation of Non-Instructional Services	1,185,752	1,006,070	954,776	51,294
Total Expenditures	1,236,033	1,035,474	963,498	71,976
Excess of Revenues Over (Under) Expenditures	(30,533)	(89,296)	(17,320)	71,976
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	100	100	100	0
Net Change in Fund Balance	(30,433)	(89,196)	(17,220)	71,976
Fund Balance at Beginning of Year	79,822	79,822	79,822	0
Prior Year Encumbrances Appropriated	27,430	27,430	27,430	0
Fund Balance at End of Year	\$76,819	\$18,056	\$90,032	\$71,976

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Education Foundation Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Investment Earnings	\$4,080	\$1,206	\$1,206	\$0
Contributions and Donations	125,705	37,150	37,150	0
Miscellaneous	76,215	22,524	22,524	0
<i>Total Revenues</i>	206,000	60,880	60,880	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Other	5,000	4,500	4,500	0
Net Change in Fund Balance	201,000	56,380	56,380	0
Fund Balance at Beginning of Year	45,720	45,720	45,720	0
Fund Balance at End of Year	<u>\$246,720</u>	<u>\$102,100</u>	<u>\$102,100</u>	<u>\$0</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
New Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$106,000	\$91,986	\$86,300	(\$5,686)
Intergovernmental	0	5,670	11,356	5,686
<i>Total Revenues</i>	106,000	97,656	97,656	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	0	2,250	2,112	138
Net Change in Fund Balance	106,000	95,406	95,544	138
Fund Balance at Beginning of Year	242,476	242,476	242,476	0
Fund Balance at End of Year	<u>\$348,476</u>	<u>\$337,882</u>	<u>\$338,020</u>	<u>\$138</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$111,942	\$68,474	\$68,474	\$0
Contributions and Donations	8,648	5,290	5,290	0
Miscellaneous	3,106	1,900	1,900	0
<i>Total Revenues</i>	<u>123,696</u>	<u>75,664</u>	<u>75,664</u>	<u>0</u>
<u>Expenditures:</u>				
Extracurricular Activities:				
Sports Oriented Activities				
Salaries and Wages	0	1,573	1,573	0
Fringe Benefits	0	16	16	0
Purchased Services	4,284	40,252	39,032	1,220
Materials and Supplies	7,450	41,226	40,279	947
Capital Outlay	0	730	730	0
Other	350	0	0	0
Total Sports Oriented Activities	<u>12,084</u>	<u>83,797</u>	<u>81,630</u>	<u>2,167</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	19,966	2,372	2,372	0
Materials and Supplies	5,150	1,412	1,412	0
Total School and Public Service Co-Curricular Activities	<u>25,116</u>	<u>3,784</u>	<u>3,784</u>	<u>0</u>
<i>Total Expenditures</i>	<u>37,200</u>	<u>87,581</u>	<u>85,414</u>	<u>2,167</u>
Excess of Revenues Over (Under) Expenditures	<u>86,496</u>	<u>(11,917)</u>	<u>(9,750)</u>	<u>2,167</u>
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	644	644	644	0
Advances In	775	775	775	0
<i>Total Other Financing Sources</i>	<u>1,419</u>	<u>1,419</u>	<u>1,419</u>	<u>0</u>
Net Change in Fund Balance	87,915	(10,498)	(8,331)	2,167
Fund Balance at Beginning of Year	4,057	4,057	4,057	0
Prior Year Encumbrances Appropriated	<u>10,072</u>	<u>10,072</u>	<u>10,072</u>	<u>0</u>
Fund Balance at End of Year	<u>\$102,044</u>	<u>\$3,631</u>	<u>\$5,798</u>	<u>\$2,167</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Non Public Special Revenue Fund
For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$182,319	\$199,952	\$199,952	\$0
Investment Earnings	3,081	3,379	3,379	0
<i>Total Revenues</i>	<u>185,400</u>	<u>203,331</u>	<u>203,331</u>	<u>0</u>
<u>Expenditures:</u>				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	66,984	67,901	62,385	5,516
Fringe Benefits	33,530	30,031	27,274	2,757
Purchased Services	78,505	58,979	58,979	0
Materials and Supplies	31,305	63,723	63,723	0
Capital Outlay	12,800	39,076	39,076	0
<i>Total Expenditures</i>	<u>223,124</u>	<u>259,710</u>	<u>251,437</u>	<u>8,273</u>
Net Change in Fund Balance	(37,724)	(56,379)	(48,106)	8,273
Fund Balance at Beginning of Year	47,134	47,134	47,134	0
Prior Year Encumbrances Appropriated	9,245	9,245	9,245	0
Fund Balance at End of Year	<u><u>\$18,655</u></u>	<u><u>\$0</u></u>	<u><u>\$8,273</u></u>	<u><u>\$8,273</u></u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Teacher Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$50,827	\$49,392	\$48,467	(\$925)
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	22,000	19,838	19,838	0
Fringe Benefits	3,555	3,074	3,074	0
Purchased Services	12,346	16,009	16,009	0
Materials and Supplies	12,109	8,537	8,537	0
<i>Total Expenditures</i>	50,010	47,458	47,458	0
Excess of Revenues Over (Under) Expenditures	817	1,934	1,009	(925)
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	13	13	13	0
Refund of Prior Year Receipts	0	(192)	(192)	0
Advances In	925	925	925	0
Advances Out	(11,276)	(12,201)	(11,276)	925
<i>Total Other Financing Sources (Uses)</i>	(10,338)	(11,455)	(10,530)	925
Net Change in Fund Balance	(9,521)	(9,521)	(9,521)	0
Prior Year Encumbrances Appropriated	9,521	9,521	9,521	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Education Management Information System Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$108,000	\$6,557	\$6,557	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Salaries	0	4,305	3,000	1,305
Fringe Benefits	0	840	840	0
Purchased Services	1,500	1,809	1,557	252
<i>Total Expenditures</i>	<u>1,500</u>	<u>6,954</u>	<u>5,397</u>	<u>1,557</u>
Excess of Revenues Over (Under) Expenditures	106,500	(397)	1,160	1,557
<u>Other Financing Uses:</u>				
Advances Out	(1,759)	(1,759)	(1,759)	0
Net Change in Fund Balance	104,741	(2,156)	(599)	1,557
Fund Balance at Beginning of Year	<u>2,156</u>	<u>2,156</u>	<u>2,156</u>	<u>0</u>
Fund Balance at End of Year	<u>\$106,897</u>	<u>\$0</u>	<u>\$1,557</u>	<u>\$1,557</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$2,135,834	\$2,135,834	\$2,135,834	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	69,257	59,589	50,982	8,607
Fringe Benefits	34,129	16,772	14,681	2,091
Total Regular	103,386	76,361	65,663	10,698
Special:				
Salaries	1,366,650	1,359,680	1,192,712	166,968
Fringe Benefits	627,527	620,685	538,715	81,970
Total Special	1,994,177	1,980,365	1,731,427	248,938
Other:				
Purchased Services	22,128	47,344	47,344	0
Total Instruction	2,119,691	2,104,070	1,844,434	259,636
Support Services:				
Pupils:				
Salaries	41,258	38,265	33,628	4,637
Fringe Benefits	25,877	14,347	12,503	1,844
Purchased Services	58,740	77,745	77,745	0
Total Pupils	125,875	130,357	123,876	6,481
Instructional Staff:				
Salaries	95,373	116,800	101,107	15,693
Fringe Benefits	96,194	90,198	77,419	12,779
Purchased Services	227	83	83	0
Total Instructional Staff	191,794	207,081	178,609	28,472
Administration:				
Salaries	62,736	64,991	56,335	8,656
Fringe Benefits	23,239	16,945	14,688	2,257
Total Administration	85,975	81,936	71,023	10,913
Total Support Services	403,644	419,374	373,508	45,866
Total Expenditures	2,523,335	2,523,444	2,217,942	305,502
Net Change in Fund Balance	(387,501)	(387,610)	(82,108)	305,502
Fund Balance at Beginning of Year	387,610	387,610	387,610	0
Fund Balance at End of Year	\$109	\$0	\$305,502	\$305,502

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Praise Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$18,000	\$18,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	4,025	25,014	25,014	0
Materials and Supplies	5,525	5,525	5,525	0
Capital Outlay	2,664	2,537	2,537	0
<i>Total Expenditures</i>	<u>12,214</u>	<u>33,076</u>	<u>33,076</u>	<u>0</u>
Net Change in Fund Balance	(12,214)	(15,076)	(15,076)	0
Fund Balance at Beginning of Year	<u>15,076</u>	<u>15,076</u>	<u>15,076</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,862</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Summer Training Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$4,140	\$4,140	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	500	500	500	0
Fringe Benefits	77	77	77	0
Purchased Services	115	4,555	4,114	441
Materials and Supplies	300	0	0	0
<i>Total Expenditures</i>	992	5,132	4,691	441
Net Change in Fund Balance	(992)	(992)	(551)	441
Fund Balance at Beginning of Year	992	992	992	0
Fund Balance at End of Year	\$0	\$0	\$441	\$441

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
OhioReads Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$12,878	\$29,000	\$20,875	(\$8,125)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	2,632	4,432	4,432	0
Fringe Benefits	315	591	591	0
Purchased Services	1,044	2,849	2,849	0
Materials and Supplies	19,677	25,536	25,248	288
Total Instruction	23,668	33,408	33,120	288
Support Services:				
Instructional Staff:				
Salaries	3,015	4,332	4,332	0
Fringe Benefits	469	676	673	3
Purchased Services	600	1,140	1,140	0
Materials and Supplies	5,110	1,306	1,306	0
Total Support Services	9,194	7,454	7,451	3
<i>Total Expenditures</i>	32,862	40,862	40,571	291
Excess of Revenues Under Expenditures	(19,984)	(11,862)	(19,696)	(7,834)
<u>Other Financing Sources (Uses):</u>				
Advances In	8,122	8,122	8,122	0
Advances Out	0	(8,122)	0	8,122
<i>Total Other Financing Sources (Uses)</i>	8,122	0	8,122	8,122
Net Change in Fund Balance	(11,862)	(11,862)	(11,574)	288
Prior Year Encumbrances Appropriated	11,862	11,862	11,862	0
Fund Balance at End of Year	\$0	\$0	\$288	\$288

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Summer School Subsidy Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$127,675	\$129,309	\$126,772	(\$2,537)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	102,614	102,391	88,952	13,439
Fringe Benefits	34,360	35,291	31,070	4,221
Materials and Supplies	3,459	3,459	3,459	0
<i>Total Expenditures</i>	<u>140,433</u>	<u>141,141</u>	<u>123,481</u>	<u>17,660</u>
Excess of Revenues Over (Under) Expenditures	(12,758)	(11,832)	3,291	15,123
<u>Other Financing Uses:</u>				
Advances Out	(3,712)	(3,712)	(3,712)	0
Net Change in Fund Balance	(16,470)	(15,544)	(421)	15,123
Fund Balance at Beginning of Year	7,008	7,008	7,008	0
Prior Year Encumbrances Appropriated	9,462	9,462	9,462	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$926</u>	<u>\$16,049</u>	<u>\$15,123</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Enhancement Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,009	\$1,009	\$1,009	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	0	235	235	0
Vocational:				
Capital Outlay	1,898	1,898	1,898	0
Total Instruction	1,898	2,133	2,133	0
Support Services:				
Instructional Staff:				
Purchased Services	4,579	3,519	3,519	0
<i>Total Expenditures</i>	6,477	5,652	5,652	0
Net Change in Fund Balance	(5,468)	(4,643)	(4,643)	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(825)	(825)	0
Net Change in Fund Balance	(5,468)	(5,468)	(5,468)	0
Fund Balance at Beginning of Year	889	889	889	0
Prior Year Encumbrances	4,579	4,579	4,579	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$20,418	\$25,462	\$21,343	(\$4,119)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	1,923	475	475	0
Fringe Benefits	271	35	35	0
Purchased Services	6,946	9,051	9,051	0
Materials and Supplies	12,846	16,181	15,451	730
Capital Outlay	1,848	1,848	0	1,848
Other	4,683	4,683	1,106	3,577
Total Instruction	28,517	32,273	26,118	6,155
Support Services:				
Pupils:				
Salaries	4,652	4,652	4,652	0
Fringe Benefits	61	61	61	0
Purchased Services	0	1,792	1,792	0
Total Pupils	4,713	6,505	6,505	0
Instructional Staff:				
Salaries	2,060	3,460	2,335	1,125
Fringe Benefits	344	573	354	219
Purchased Services	15,473	10,348	3,412	6,936
Total Instructional Staff	17,877	14,381	6,101	8,280
Administration:				
Capital Outlay	5,000	5,000	0	5,000
Total Support Services	27,590	25,886	12,606	13,280
Total Expenditures	56,107	58,159	38,724	19,435
Excess of Revenues Over (Under) Expenditures	(35,689)	(32,697)	(17,381)	15,316
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	(705)	(705)	(705)	0
Advances In	4,119	4,119	4,119	0
Advances Out	0	(4,119)	0	4,119
Total Other Financing Sources (Uses)	3,414	(705)	3,414	4,119
Net Change in Fund Balance	(32,275)	(33,402)	(13,967)	19,435
Fund Balance at Beginning of Year	32,507	32,507	32,507	0
Prior Year Encumbrances Appropriated	895	895	895	0
Fund Balance at End of Year	<u>\$1,127</u>	<u>\$0</u>	<u>\$19,435</u>	<u>\$19,435</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
IDEA-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$652,495	\$687,624	\$651,120	(\$36,504)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	39,000	35,831	33,685	2,146
Fringe Benefits	21,668	22,915	20,042	2,873
Purchased Services	11,000	12,821	12,757	64
Materials and Supplies	8,349	12,559	12,559	0
Capital Outlay	0	803	660	143
Total Instruction	80,017	84,929	79,703	5,226
Support Services:				
Pupils:				
Salaries	161,466	158,364	146,181	12,183
Fringe Benefits	56,736	62,623	56,790	5,833
Purchased Services	92,300	103,121	91,886	11,235
Materials and Supplies	6,289	5,516	5,202	314
Total Pupils	316,791	329,624	300,059	29,565
Instructional Staff:				
Salaries	165,216	184,376	161,596	22,780
Fringe Benefits	109,360	73,089	59,611	13,478
Purchased Services	22,367	21,730	19,116	2,614
Materials and Supplies	5,000	5,938	4,461	1,477
Capital Outlay	1,000	0	0	0
Other	92	157	157	0
Total Instructional Staff	303,035	285,290	244,941	40,349
Fiscal:				
Materials and Supplies	1,000	1,000	1,000	0
Total Support Services	620,826	615,914	546,000	69,914
Total Expenditures	700,843	700,843	625,703	75,140
Excess of Revenues Over (Under) Expenditures	(48,348)	(13,219)	25,417	38,636
<u>Other Financing Sources (Uses):</u>				
Advances In	35,129	35,129	35,129	0
Advances Out	0	(35,129)	0	35,129
Total Other Financing Sources (Uses)	35,129	0	35,129	35,129
Net Change in Fund Balance	(13,219)	(13,219)	60,546	73,765
Fund Balance at Beginning of Year	10,898	10,898	10,898	0
Prior Year Encumbrances Appropriated	2,321	2,321	2,321	0
Fund Balance at End of Year	\$0	\$0	\$73,765	\$73,765

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,619,154	\$1,678,678	\$1,401,076	(\$277,602)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	916,081	974,090	849,769	124,321
Fringe Benefits	456,549	438,905	375,259	63,646
Purchased Services	49,362	36,119	28,840	7,279
Materials and Supplies	36,559	47,018	39,899	7,119
Capital Outlay	0	1,227	1,227	0
Total Instruction	1,458,551	1,497,359	1,294,994	202,365
Support Services:				
Instructional Staff:				
Salaries	85,660	142,327	110,615	31,712
Fringe Benefits	22,160	46,590	31,694	14,896
Purchased Services	82,278	128,722	93,046	35,676
Materials and Supplies	6,537	7,881	6,485	1,396
Capital Outlay	507	2,282	2,103	179
Total Instructional Staff	197,142	327,802	243,943	83,859
Fiscal:				
Materials and Supplies	3,000	215	215	0
Total Support Services	\$200,142	\$328,017	\$244,158	\$83,859

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2005
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	\$25,000	\$15,968	\$6,285	\$9,683
Fringe Benefits	6,525	2,531	91	2,440
Purchased Services	7,498	5,498	2,700	2,798
Materials and Supplies	3,000	9,104	3,959	5,145
Total Operation of Non-Instructional Services:	<u>42,023</u>	<u>33,101</u>	<u>13,035</u>	<u>20,066</u>
<i>Total Expenditures</i>	<u>1,700,716</u>	<u>1,858,477</u>	<u>1,552,187</u>	<u>306,290</u>
Excess of Revenues Over (Under) Expenditures	<u>(81,562)</u>	<u>(179,799)</u>	<u>(151,111)</u>	<u>28,688</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	52,280	52,280	52,280	0
Advances Out	(29,536)	(81,816)	(29,536)	52,280
Transfers In	7,088	7,088	7,088	0
Transfers Out	0	(7,088)	(7,088)	0
<i>Total Other Financing Sources (Uses)</i>	<u>29,832</u>	<u>(29,536)</u>	<u>22,744</u>	<u>52,280</u>
Net Change in Fund Balance	(51,730)	(209,335)	(128,367)	80,968
Fund Balance at Beginning of Year	170,407	170,407	170,407	0
Prior Year Encumbrances Appropriated	<u>38,928</u>	<u>38,928</u>	<u>38,928</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$157,605</u></u>	<u><u>\$0</u></u>	<u><u>\$80,968</u></u>	<u><u>\$80,968</u></u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title V Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$17,582	\$17,227	\$15,953	(\$1,274)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	9,395	10,466	9,347	1,119
Fringe Benefits	4,543	5,100	4,472	628
Materials and Supplies	258	521	15	506
Total Instruction	14,196	16,087	13,834	2,253
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	547	0	0	0
Capital Outlay	3,183	1,484	1,481	3
Total Operation of Non-Instructional Services	3,730	1,484	1,481	3
Total Expenditures	17,926	17,571	15,315	2,256
Excess of Revenues Over (Under) Expenditures	(344)	(344)	638	982
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(73)	(73)	(73)	0
Net Change in Fund Balance	(417)	(417)	565	982
Fund Balance at Beginning of Year	344	344	344	0
Prior Year Encumbrances Appropriated	73	73	73	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$982</u>	<u>\$982</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$39,480	\$39,481	\$33,069	(\$6,412)
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries	375	375	0	375
Fringe Benefits	56	56	2	54
Purchased Services	6,587	4,122	250	3,872
Materials and Supplies	5,672	3,098	3,082	16
Total Pupils	12,690	7,651	3,334	4,317
Instructional Staff:				
Salaries	20,391	24,234	22,142	2,092
Fringe Benefits	10,625	13,481	12,469	1,012
Purchased Services	214	142	15	127
Materials and Supplies	400	208	208	0
Total Instructional Staff	31,630	38,065	34,834	3,231
Total Support Services	44,320	45,716	38,168	7,548
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	1,395	0	0	0
<i>Total Expenditures</i>	45,715	45,716	38,168	7,548
Net Change in Fund Balance	(6,235)	(6,235)	(5,099)	1,136
Fund Balance at Beginning of Year	4,640	4,640	4,640	0
Prior Year Encumbrances Appropriated	1,595	1,595	1,595	0
Fund Balance at End of Year	\$0	\$0	\$1,136	\$1,136

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Early Childhood Special Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$12,606	\$14,668	\$7,552	(\$7,116)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	3,500	500	0	500
Fringe Benefits	560	80	3	77
Purchased Services	1,500	0	0	0
Materials and Supplies	6,767	0	0	0
Total Instruction	12,327	580	3	577
Support Services:				
Instructional Staff:				
Salaries	658	6,389	3,796	2,593
Fringe Benefits	1,164	6,868	3,081	3,787
Purchased Services	0	2,374	75	2,299
Total Support Services	1,822	15,631	6,952	8,679
<i>Total Expenditures</i>	14,149	16,211	6,955	9,256
Net Change in Fund Balance	(1,543)	(1,543)	597	2,140
Fund Balance at Beginning of Year	1,543	1,543	1,543	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$2,140</u>	<u>\$2,140</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
E-Rate Funding Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Miscellaneous	\$19,589	\$52,281	\$52,281	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	5,883	15,476	14,412	1,064
Materials and Supplies	0	3,660	3,660	0
Capital Outlay	0	18,469	18,469	0
Total Instructional Staff	5,883	37,605	36,541	1,064
Central:				
Capital Outlay	12,000	0	0	0
<i>Total Expenditures</i>	17,883	37,605	36,541	1,064
Excess of Revenues Over Expenditures	1,706	14,676	15,740	1,064
<u>Other Financing Sources (Uses):</u>				
Advances In	5,411	5,411	5,411	0
Advances Out	(2,739)	(12,583)	(2,739)	9,844
<i>Total Other Financing Sources (Uses)</i>	2,672	(7,172)	2,672	9,844
Net Change in Fund Balance	4,378	7,504	18,412	10,908
Fund Balance at Beginning of Year	2,211	2,211	2,211	0
Fund Balance at End of Year	\$6,589	\$9,715	\$20,623	\$10,908

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title II-A Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$363,839	\$363,379	\$336,305	(\$27,074)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	249,901	238,100	207,890	30,210
Fringe Benefits	107,239	118,939	103,135	15,804
Purchased Services	5,000	1,073	995	78
Total Instruction	362,140	358,112	312,020	46,092
Support Services:				
Instructional Staff:				
Salaries	7,100	7,000	3,315	3,685
Fringe Benefits	1,237	1,116	546	570
Purchased Services	18,003	22,220	22,220	0
Materials and Supplies	4,261	4,429	527	3,902
Total Support Services	30,601	34,765	26,608	8,157
Operation of Non-Instructional Services:				
Community Recreation Services:				
Purchased Services	1,096	500	0	500
Total Expenditures	393,837	393,377	338,628	54,749
Net Change in Fund Balance	(29,998)	(29,998)	(2,323)	27,675
Fund Balance at Beginning of Year	26,851	26,851	26,851	0
Prior Year Encumbrances Appropriated	3,147	3,147	3,147	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$27,675</u>	<u>\$27,675</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$122,559	\$123,094	\$100,214	(\$22,880)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	1,506	0	1,506
Special:				
Salaries	28,055	53,097	44,103	8,994
Fringe Benefits	13,295	24,636	20,823	3,813
Purchased Services	1,044	0	0	0
Materials and Supplies	7,524	5,955	1,824	4,131
Capital Outlay	196	0	0	0
Total Special	50,114	83,688	66,750	16,938
Total Instruction	50,114	85,194	66,750	18,444
Support Services:				
Instructional Staff:				
Salaries	21,317	26,587	24,279	2,308
Fringe Benefits	2,720	4,226	4,226	0
Purchased Services	32,915	21,832	16,168	5,664
Materials and Supplies	7,770	220	220	0
Capital Outlay	203	0	0	0
Total Support Services	\$64,925	\$52,865	\$44,893	\$7,972

(continued)

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2005
(continued)*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Purchased Services	\$431	\$0	\$0	\$0
Capital Outlay	0	500	0	500
Total Operation of Non-Instructional Services	431	500	0	500
<i>Total Expenditures</i>	115,470	138,559	111,643	26,916
Excess of Revenues Over (Under) Expenditures	7,089	(15,465)	(11,429)	4,036
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	(289)	(272)	(272)	0
Transfers In	5,822	5,822	5,822	0
Transfers Out	0	(5,822)	(5,822)	0
<i>Total Other Financing Sources (Uses)</i>	5,533	(272)	(272)	0
Net Change in Fund Balance	12,622	(15,737)	(11,701)	4,036
Fund Balance at Beginning of Year	9,010	9,010	9,010	0
Prior Year Encumbrances Appropriated	6,727	6,727	6,727	0
Fund Balance at End of Year	\$28,359	\$0	\$4,036	\$4,036

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$1,400,438	\$1,263,644	\$1,186,213	(\$77,431)
Intergovernmental	8,684	84,109	161,540	77,431
Investment Earnings	4,816	46,643	46,643	0
<i>Total Revenues</i>	<u>1,413,938</u>	<u>1,394,396</u>	<u>1,394,396</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	28,905	29,083	28,734	349
Debt Service:				
Principal Retirement	404,536	404,357	374,283	30,074
Interest and Fiscal Charges	737,358	737,358	737,358	0
Total Debt Service	<u>1,141,894</u>	<u>1,141,715</u>	<u>1,111,641</u>	<u>30,074</u>
<i>Total Expenditures</i>	<u>1,170,799</u>	<u>1,170,798</u>	<u>1,140,375</u>	<u>30,423</u>
Excess of Revenues Over Expenditures	243,139	223,598	254,021	30,423
<u>Other Financing Sources:</u>				
Transfers In	14,284	14,284	14,284	0
Net Change in Fund Balance	257,423	237,882	268,305	30,423
Fund Balance at Beginning of Year	<u>921,682</u>	<u>921,682</u>	<u>921,682</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,179,105</u></u>	<u><u>\$1,159,564</u></u>	<u><u>\$1,189,987</u></u>	<u><u>\$30,423</u></u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Rentals	\$140,000	\$145,000	\$145,000	\$0
Miscellaneous	5,000	5,000	5,000	0
<i>Total Revenues</i>	<u>145,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<u>Expenditures:</u>				
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay	355,413	121,623	28,096	93,527
Other Acquisition and Construction Services:				
Purchased Services	<u>0</u>	<u>6,000</u>	<u>2,000</u>	<u>4,000</u>
<i>Total Expenditures</i>	<u>355,413</u>	<u>127,623</u>	<u>30,096</u>	<u>97,527</u>
Excess of Revenues Over (Under) Expenditures	(210,413)	22,377	119,904	97,527
<u>Other Financing Uses:</u>				
Transfers Out	<u>0</u>	<u>(301,428)</u>	<u>(301,426)</u>	<u>2</u>
Net Change in Fund Balance	(210,413)	(279,051)	(181,522)	97,529
Fund Balance at Beginning of Year	<u>279,051</u>	<u>279,051</u>	<u>279,051</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$68,638</u></u>	<u><u>\$0</u></u>	<u><u>\$97,529</u></u>	<u><u>\$97,529</u></u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	1,482	2,913	2,913	0
Fringe Benefits	138	138	138	0
<i>Total Expenditures</i>	<u>1,620</u>	<u>3,051</u>	<u>3,051</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,620)	(3,051)	(3,051)	0
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	1,428	1,428	1,428	0
Net Change in Fund Balance	(192)	(1,623)	(1,623)	0
Fund Balance at Beginning of Year	1,486	1,486	1,486	0
Prior Year Encumbrances Appropriated	137	137	137	0
Fund Balance at End of Year	<u><u>\$1,431</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

STATISTICAL SECTION

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PORTSMOUTH CITY SCHOOL DISTRICT

STATISTICAL SECTION

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

PORTSMOUTH CITY SCHOOL DISTRICT

General Government Expenditures by Function

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Current:				
Instruction:				
Regular	\$7,486,322	\$8,898,991	\$7,830,717	\$8,188,229
Special	3,467,054	4,010,240	3,705,898	4,407,544
Vocational	612,204	591,248	592,689	599,697
Adult/Continuing	37,810	34,520	34,953	9,373
Support Services:				
Pupils	906,913	962,974	1,016,706	1,018,108
Instructional Staff	866,564	939,430	988,939	1,202,427
Board of Education	216,995	50,077	17,910	23,605
Administration	1,448,231	1,506,813	1,378,777	1,429,757
Fiscal	306,135	369,277	385,867	443,856
Business	90,862	107,831	96,869	105,837
Operation and Maintenance of Plant	1,692,744	1,730,510	1,821,551	1,904,219
Pupil Transportation	288,126	349,928	350,333	462,206
Central	110,674	75,363	76,980	77,371
Operation of Non-Instructional Services	1,096,727	1,222,273	1,140,687	1,100,295
Extracurricular Activities	363,805	349,848	394,367	349,163
Capital Outlay	8,800	21,112	37,043	656,734
Debt Service	73,950	50,694	112,688	466,026
Intergovernmental	267,956	55,167	449,800	450,300
Total Expenditures	<u>\$19,341,872</u>	<u>\$21,326,296</u>	<u>\$20,432,774</u>	<u>\$22,894,747</u>

Source: Portsmouth City School District records.

Includes the General, Special Revenue, Debt Service, and
Capital Projects Funds.

TABLE I

2000	2001	2002	2003	2004	2005
\$8,373,454	\$8,964,698	\$9,789,456	\$9,307,594	\$10,370,484	\$10,452,972
4,358,619	4,855,621	5,338,568	5,442,891	5,638,357	5,466,596
581,967	309,130	400,072	363,008	357,922	364,702
0	0	0	0	0	0
1,083,640	1,156,875	1,249,195	1,420,847	1,171,092	1,133,842
1,343,213	1,483,167	2,488,248	2,020,626	2,087,119	1,952,423
21,922	20,021	19,134	17,640	14,914	16,589
1,706,539	1,544,596	1,213,258	1,364,087	1,372,407	1,372,555
448,584	493,869	675,353	607,672	571,090	636,210
45,146	69,677	69,701	72,086	156,568	75,031
1,653,162	1,922,523	1,529,814	1,557,969	1,674,860	1,595,541
340,371	407,401	446,885	444,353	558,420	396,939
66,516	67,066	24,932	20,117	55,389	22,133
1,167,485	1,226,995	1,246,882	1,216,765	1,271,807	1,239,057
414,548	394,193	261,428	269,825	248,662	257,171
102,108	399,435	917,141	6,266,203	12,799,738	28,587,294
407,103	114,079	777,984	1,211,834	1,287,603	1,205,440
62,370	70,000	35,000	39,500	38,500	35,000
<u>\$22,176,747</u>	<u>\$23,499,346</u>	<u>\$26,483,051</u>	<u>\$31,643,017</u>	<u>\$39,674,932</u>	<u>\$54,809,495</u>

PORTSMOUTH CITY SCHOOL DISTRICT
General Government Revenues by Source
Last Ten Fiscal Years

Fiscal Year	1996	1997	1998	1999
Property Taxes	\$4,334,825	\$3,935,262	\$4,128,605	\$4,154,222
Intergovernmental	14,495,018	15,453,959	16,268,367	16,920,946
Investment Earnings	158,690	151,716	169,199	205,031
Increase (Decrease) in Fair Value of Investments	0	0	0	0
Tuition and Fees	64,724	49,110	31,966	4,370
Extracurricular Activities	145,855	150,650	160,805	175,251
Rentals	39,774	56,448	17,826	11,358
Charges for Services	336,471	377,193	494,153	289,602
Contributions and Donations	0	29,175	51,494	33,237
Miscellaneous	254,621	77,135	270,584	139,055
Total Revenues	\$19,829,978	\$20,280,648	\$21,592,999	\$21,933,072

Source: Portsmouth City School District records.

Includes the General, Special Revenue, Debt Service, and
Capital Projects Funds.

TABLE 2

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$4,236,890	\$4,218,468	\$5,365,498	\$5,374,990	\$5,540,481	\$5,843,336
16,748,801	18,053,967	19,723,492	23,914,235	37,997,577	42,090,396
195,052	170,912	292,402	584,426	333,039	481,669
0	0	82,856	(117,429)	(189,997)	31,957
102,917	44,146	312,936	185,829	878,400	708,727
140,454	136,602	91,939	94,187	97,985	86,933
2,814	5,472	39,801	5,462	148,712	145,301
299,970	338,477	218,602	214,639	276,341	202,898
26,434	50,488	52,885	38,400	17,457	47,420
<u>149,179</u>	<u>287,358</u>	<u>1,745,779</u>	<u>121,507</u>	<u>108,472</u>	<u>206,457</u>
<u>\$21,902,511</u>	<u>\$23,305,890</u>	<u>\$27,926,190</u>	<u>\$30,416,246</u>	<u>\$45,208,467</u>	<u>\$49,845,094</u>

TABLE 3

PORTSMOUTH CITY SCHOOL DISTRICT
Governmental Activities Expenses by Function
Last Four Fiscal Years

Fiscal Year (1)	2002	2003	2004	2005
Instruction:				
Regular	\$10,262,658	\$9,260,456	\$10,475,429	\$10,608,667
Special	5,369,206	5,461,916	5,685,775	5,436,258
Vocational	421,922	426,379	436,071	431,277
Support Services:				
Pupils	1,255,863	1,395,374	1,249,081	1,121,140
Instructional Staff	2,540,087	2,067,428	2,170,104	1,987,011
Board of Education	19,268	17,640	14,780	16,589
Administration	1,241,456	1,452,144	1,491,750	1,367,234
Fiscal	660,279	634,352	618,945	642,889
Business	128,797	96,448	117,910	109,044
Operation and Maintenance of Plant	1,425,756	1,622,828	2,241,541	1,795,612
Pupil Transportation	441,998	456,547	449,424	375,360
Central	28,857	23,119	58,711	22,133
Operation of Non-Instructional Services:				
Food Service Operations	1,031,547	1,024,118	993,307	1,003,493
Other	245,315	265,024	250,077	203,699
Extracurricular Activities	251,505	270,667	241,093	252,910
Debt Service:				
Interest and Fiscal Charges	512,777	861,638	892,098	860,111
Intergovernmental	35,000	39,500	38,500	35,000
Totals	<u>\$25,872,291</u>	<u>\$25,375,578</u>	<u>\$27,424,596</u>	<u>\$26,268,427</u>

Source: Portsmouth City School District records.

(1) Fiscal Year 2002 is the first year reported in accordance with GASB Statement No. 34.

TABLE 4

PORTSMOUTH CITY SCHOOL DISTRICT
Governmental Activities Revenues by Source
Last Four Fiscal Years

Fiscal Year (1)	2002	2003	2004	2005
Program Revenues				
Charges for Services and Sales	\$671,179	\$495,193	\$1,408,047	\$1,152,614
Operating Grants, Contributions, and Interest	5,365,348	6,715,845	4,923,390	4,749,113
Capital Grants and Contributions	189,745	84,596	53,438	0
General Revenues:				
Property Taxes	5,489,946	5,265,292	5,525,455	5,961,811
Grants and Entitlements not Restricted to Specific Programs	66,839,992	11,441,919	14,682,918	15,183,620
Contributions and Donations	15,159	3,783	17,724	10,270
Investment Earnings	446,786	423,898	116,557	516,895
Miscellaneous	1,728,468	155,134	74,774	206,988
Gain on Early Retirement of Capital Lease	<u>0</u>	<u>0</u>	<u>2,492</u>	<u>0</u>
Totals	<u>\$80,746,623</u>	<u>\$24,585,660</u>	<u>\$26,804,795</u>	<u>\$27,781,311</u>

Source: Portsmouth City School District records.

(1) Fiscal Year 2002 is the first year reported in accordance with GASB Statement No. 34.

PORTSMOUTH CITY SCHOOL DISTRICT
Property Tax Levies and Collections - Real and Public Utility Property
Last Ten Collection (Calendar) Years

Collection Year	Current Tax Levied (1)	Current Taxes Collected (2)	Percent Collected
1996	\$4,676,999	\$3,474,352	74.29%
1997	4,814,798	3,566,948	74.08%
1998	4,899,332	3,544,707	72.35%
1999	4,680,066	3,343,290	71.44%
2000	5,084,471	3,776,181	74.27%
2001	4,469,364	3,657,368	81.83%
2002	5,978,480	5,130,633	85.82%
2003	6,152,078	4,275,122	69.49%
2004	6,390,997	4,471,383	69.96%
2005	6,155,199	5,475,920	88.96%

Source: Scioto County Auditor

- (1) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (2) State reimbursements of rollback and homestead exemptions are not included.
- (3) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

TABLE 5

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Tax Levied</u>
\$246,619	\$3,720,971	79.56%	\$515,154	11.01%
148,623	3,715,571	77.17%	578,103	12.01%
183,734	3,728,441	76.10%	585,343	11.95%
152,646	3,495,936	74.70%	377,524	8.07%
179,816	3,955,997	77.81%	287,126	5.65%
191,726	3,849,094	86.12%	548,323	12.27%
219,892	5,350,525	89.50%	756,705	12.66%
251,084	4,526,206	73.57%	529,657	8.61%
224,048	4,695,431	73.47%	744,845	11.65%
294,474	5,770,394	93.75%	832,330	13.52%

PORTSMOUTH CITY SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years (1)

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$141,850,170	\$405,286,200	\$22,090,230	\$88,360,920
1997	141,026,710	402,933,457	21,516,880	86,067,520
1998	141,235,420	403,529,771	22,090,230	88,360,920
1999	158,735,190	453,529,114	22,661,750	90,647,000
2000	157,272,420	449,349,771	23,413,060	93,652,240
2001	157,450,420	449,858,343	23,567,270	94,269,080
2002	180,207,160	514,877,600	26,114,910	104,459,640
2003	179,959,540	514,170,114	22,834,840	91,339,360
2004	181,636,310	518,960,886	22,408,920	89,635,680
2005	199,975,710	571,359,171	22,476,040	89,904,160

Source: Scioto County Auditor

- (1) Scioto County Auditor property tax records are maintained on a calendar year basis.
- (2) Ratio represents assessed value/total estimated actual value.

TABLE 6

Public Utilities Personal		Total		Ratio (2)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$22,362,290	\$63,892,257	\$186,302,690	\$557,539,377	33.42%
21,558,640	61,596,114	184,102,230	550,597,091	33.44%
22,979,800	65,656,571	186,305,450	557,547,263	33.42%
22,045,820	62,988,057	203,442,760	607,164,171	33.51%
20,295,220	57,986,343	200,980,700	600,988,354	33.44%
20,616,890	58,905,400	201,634,580	603,032,823	33.44%
15,320,670	43,773,343	221,642,740	663,110,583	33.42%
15,329,070	43,797,343	218,123,450	649,306,817	33.59%
15,627,110	44,648,886	219,672,340	653,245,452	33.63%
15,599,920	44,571,200	238,051,670	705,834,532	33.73%

PORTSMOUTH CITY SCHOOL DISTRICT
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar)Years

Collection Year	1996	1997	1998
Portsmouth City School District	\$34.53	\$34.53	\$34.53
Scioto County	7.98	7.98	7.98
City of Portsmouth	12.35	12.35	12.35
Scioto County Joint Vocational School	5.37	5.37	5.37

Source: Scioto County Auditor

TABLE 7

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$34.53	\$34.53	\$34.53	\$41.03	\$41.03	\$41.03	\$41.03
7.98	7.98	7.98	7.98	7.98	7.98	7.98
12.35	12.25	12.25	12.25	9.55	12.50	10.05
5.37	5.37	5.37	5.37	5.37	5.37	5.37

TABLE 8

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Legal Debt Margin

June 30, 2005

Assessed Valuation of District		<u><u>\$238,051,670</u></u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$21,424,650
Amount available in Debt Service Fund		1,270,369
Gross indebtedness	<u>16,120,707</u>	
Net indebtedness		<u>(16,120,707)</u>
Legal debt margin within 9% limitation		<u><u>\$6,574,312</u></u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$238,052
Gross indebtedness	<u>35,707</u>	
Net indebtedness		<u>(35,707)</u>
Legal debt margin within 0.1% limitation		<u><u>\$202,345</u></u>

Source: Portsmouth City School District records.

TABLE 9

PORTSMOUTH CITY SCHOOL DISTRICT
*Ratio of General Obligation Bonded Debt to
Assessed Value and General Obligation Bonded Debt Per Capita
Last Four Fiscal Years*

<u>Year (1)</u>	<u>General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
2002	\$17,070,000	\$221,642,740	20,909	7.70%	\$816.39
2003	16,795,000	218,123,450	20,909	7.70%	803.24
2004	16,445,000	219,672,340	20,909	7.49%	786.50
2005	16,085,000	238,051,670	20,909	6.76%	769.29

Sources: Scioto County Auditor
Portsmouth City School District records
Census data for 2000 census

- (1) The School District issued general obligation debt in fiscal year 2002.

TABLE 10

PORTSMOUTH CITY SCHOOL DISTRICT
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Government Expenditures
Last Three Fiscal Years

<u>Fiscal Year (1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
2003	\$275,000	\$805,419	\$1,080,419	\$31,643,017	3.41%
2004	350,000	746,322	1,096,322	39,674,932	2.76%
2005	360,000	737,358	1,097,358	54,809,495	2.00%

Source: Portsmouth City School District records.

(1) Fiscal Year 2003 was the first year debt service expenditures were required.

TABLE 11

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

June 30, 2005

Governmental Unit	Gross General Obligation Bonded Debt	Percent Applicable to District	Amount Applicable to District
Direct:			
Portsmouth City School District	<u>\$16,085,000</u>	100.00%	<u>\$16,085,000</u>
Overlapping:			
Scioto County	17,190,486	26.75%	4,598,455
City of Portsmouth	<u>1,960,000</u>	100.00%	<u>1,960,000</u>
Total overlapping:	<u>19,150,486</u>		<u>6,558,455</u>
Total direct and overlapping debt:	<u><u>\$35,235,486</u></u>		<u><u>\$22,643,455</u></u>

Source: Ohio Municipal Advisory Council.

TABLE 12

PORTSMOUTH CITY SCHOOL DISTRICT
Construction, Bank Deposits and Property Values
Last Ten Calendar Years

Year	Construction (1)		County Bank Deposits (2) (in thousands)	Property Values (3)
	Residential and Commercial Number of Permits	Property Values		
1996	366	\$12,324,500	\$197,797	\$405,286,200
1997	345	24,623,057	0	402,933,457
1998	302	8,477,714	0	403,529,771
1999	199	4,320,294	0	453,529,114
2000	209	2,734,850	0	449,349,771
2001	272	5,254,757	0	449,858,343
2002	219	4,731,467	0	514,877,600
2003	225	3,729,549	0	514,170,114
2004	202	20,649,664	0	518,960,886
2005	219	20,058,869	0	571,359,171

- Sources:
- (1) City of Portsmouth Building Department
2004 information is based on January through July only.
 - (2) Federal Reserve Bank of Cleveland
For 1997 through 2004 this information was not applicable.
Effective May 1997, Bank One Portsmouth became a branch
office of Bank One National Association of Columbus.
 - (3) Scioto County Auditor, calendar year basis - estimated actual
value of real property only.

TABLE 13

PORTSMOUTH CITY SCHOOL DISTRICT

*Demographic Statistics
Last Ten Calendar Years*

<u>Year</u>	<u>Scioto County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Scioto County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A (3)</u>
1996	80,905	22,625	3,406	9.90%	4.90%	5.40%
1997	80,756	22,676	3,307	9.90%	4.60%	4.90%
1998	80,756	22,676	3,180	10.70%	4.40%	4.70%
1999	80,756	22,676	3,059	9.16%	4.35%	4.42%
2000	80,756	22,676	2,918	8.30%	3.90%	4.10%
2001	79,195	20,909	2,628	6.30%	4.00%	4.90%
2002	78,435	20,909	2,257	8.50%	5.60%	5.90%
2003	79,195	20,909	2,188	8.10%	5.50%	5.80%
2004	77,453	20,909	2,172	8.10%	6.00%	5.50%
2005	77,046	20,909	2,079	8.40%	5.70%	5.00%

Sources: (1) U.S. Census Bureau.

(2) Portsmouth City School District.

(3) Ohio Department of Jobs and Family Services.

TABLE 14

PORTSMOUTH CITY SCHOOL DISTRICT

Top Ten Principal Taxpayers

<u>Name of Taxpayer</u>	<u>Total Assessed Valuation</u>	<u>% of Total School District Assessed Valuation</u>
Ohio Power	\$8,203,640	3.45%
SOMC Title Holding Company	4,430,780	1.86%
Verizon North	2,598,980	1.09%
Hatcher, Neal & Vicky	2,399,480	1.01%
N & S Railway Company	2,093,920	0.88%
Hillview Retirement Center	1,956,360	0.82%
Columbia Gas of Ohio	1,409,720	0.59%
Liberty Nursing Properties of Portsmouth LTD	1,310,210	0.55%
Fifth Third Bank	1,076,120	0.45%
Scioto Memorial Hospital	931,440	0.39%
Total Principal Taxpayers	<u>26,410,650</u>	<u>11.09%</u>
Total School District	<u>\$238,051,670</u>	<u>100.00%</u>

Source: Scioto County Auditor.

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PORTSMOUTH CITY SCHOOL DISTRICT

*Enrollment
Last Ten Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1996	12	309	268	269	252	258	267
1997	15	289	274	238	251	249	243
1998	15	262	259	240	218	239	243
1999	12	276	244	235	225	215	241
2000	27	191	292	223	224	218	200
2001	20	204	195	240	209	211	208
2002	22	173	194	169	233	186	204
2003	11	213	200	165	158	233	172
2004	27	209	223	167	166	172	240
2005	37	209	218	183	158	144	158

Source: Portsmouth City School District records.

TABLE 15

<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
240	267	271	362	241	196	194	3,406
261	259	263	325	249	212	183	3,311
235	243	251	306	234	231	204	3,180
234	240	231	289	211	201	205	3,059
239	226	225	295	171	190	197	2,918
198	236	206	194	208	174	125	2,628
192	156	168	144	130	172	114	2,257
207	156	144	134	135	132	128	2,188
177	142	163	129	142	116	99	2,172
240	145	119	121	126	114	107	2,079

TABLE 16

PORTSMOUTH CITY SCHOOL DISTRICT

Miscellaneous Statistical Data

June 30, 2005

Original Charter:	April 21, 1857
Form of Government:	Public School District
Area of District:	20 square miles
Number of Miles Traveled by Transportation	
Fleet for the Fiscal 2005 School Year:	21,980
Number of Meals Served by Food Service	
Department for the Fiscal 2005 School Year:	258,132

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Harding Elementary	K - 6	318
Roosevelt Elementary	PK - 3	329
Wilson Elementary	K - 3	402
McKinley Elementary School	4 - 6	298
Portsmouth Middle/High School	7 - 12	732
Total		<u><u>2,079</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	16	9.64%
Bachelor +15	55	33.13%
Masters	95	57.23%
Total	<u><u>166</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	21	13.25%
6 - 10	29	17.47%
11 - 15	18	12.65%
16 - 20	41	23.50%
21 - 25	25	13.25%
26 and over	32	19.88%
Total	<u><u>166</u></u>	<u><u>100.00%</u></u>

Source: Portsmouth City School records

TABLE 17

PORTSMOUTH CITY SCHOOL DISTRICT
Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Portsmouth City All Funds</u>	<u>State Average</u>	<u>Difference + (-)</u>
1996	\$6,089	\$5,545	\$544
1997	6,741	5,932	809
1998	6,326	6,285	41
1999	6,615	6,642	(27)
2000	6,791	7,094	(303)
2001	7,037	6,891	146
2002	9,258	8,057	1,201
2003	9,267	8,073	1,194
2004	9,406	8,768	638
2005	9,553	9,048	505

Source: Portsmouth City School District records.

TABLE 18

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO
Levy History

<u>Date of Election</u>	<u>Type of Issue</u>	<u>Millage</u>	<u>For</u>	<u>Against</u>	<u>Percent Favorable Votes</u>
06-05-79	General Operating	6.40	3,549	2,605	57.7%
11-08-88	General Operating	6.40	5,709	3,845	59.8%
11-06-01	New Facilities	6.50	4,476	1,780	71.6%

Source: Portsmouth City School District Records.

TABLE 19

PORTSMOUTH CITY SCHOOL DISTRICT

Statistical Data

June 30, 2005

Median Income	\$23,004	Proficiency Tests:	
Average Teacher Salary	\$43,735	Percentage of Students	
Average Number of Students to a Teacher	19	Required to Take the Test	
Percentage of 4th graders promoted to 5th	100.0%	Who Demonstrated Proficiency	
Percentage of 6th graders promoted to 7th	100%		
High School Graduation Rate	61.3%	Grade 3:	
Student Attendance Rate	93.6%	Reading	65%
Staff Attendance Rate	94.6%	Mathematics	53%
Revenue Received by District		Grade 4:	
Revenue Per Pupil (all funds)	\$11,707	Math	47%
Expenditure Per Pupil (all funds)	\$9,553	Reading	68%
		Writing	63%
Student Demographics		Citizenship	45%
Racial Ethnic Data Percentage		Science	43%
White	86.7%		
Black	8.1%	Grade 5:	
Hispanic	0.6%	Reading	59%
Asian	0.4%		
American Indian, Alaskan	0.1%	Grade 6:	
Multi-Racial	4.1%	Math	59%
		Reading	60%
Disability Condition		Writing	79%
Number of Students with Disabilities	330	Citizenship	61%
		Science	46%
		Grade 7:	
		Mathematics	26%
		Grade 8:	
		Reading	60%
		Mathematics	41%
		Grade 10:	
		Math	60%
		Reading	83%
		Writing	66%
		Social Studies	65%
		Science	54%

Source: Ohio Department of Education

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**Auditor of State
Betty Montgomery**

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**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO 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
MARCH 30, 2006**