

**PORTSMOUTH CITY
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2006



Mary Taylor, CPA
Auditor of State

Board of Education
Portsmouth City School District
923 Findlay 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, 2005 through June 30, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 20, 2007

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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, 2006

<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>				
Food Donation	N/A	10.550	\$ 81,051	81,051
Nutrition Cluster:				
School Breakfast Program	05	10.553	167,878	167,878
National School Lunch Program	LL	10.555	<u>489,332</u>	<u>489,332</u>
Nutrition Cluster Total			<u>657,210</u>	<u>657,210</u>
Total U.S. Department of Agriculture			<u>738,261</u>	<u>738,261</u>
<u>U.S. Department of Education:</u>				
<i>Direct from Department of Education:</i>				
Impact Aid	N/A	84.041	23,921	23,921
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	C1	84.010	1,178,016	1,091,382
Special Education Cluster:				
Special Education - Grants to States	6B	84.027	664,125	709,708
Special Education - Preschool Grants	PG	84.173	<u>10,656</u>	<u>11,749</u>
Special Education Cluster Total			<u>674,781</u>	<u>721,457</u>
Safe and Drug-Free Schools and Communities - State Grants	DR	84.186	26,452	25,243
Education for Homeless Children and Youth	HC	84.196	36,869	36,751
Even Start - State Educational Agencies	EV	84.213	153,238	171,091
Innovative Education Program Strategies	C2	84.298	8,082	9,427
Education Technology State Grants	TJ	84.318	16,636	16,636
Comprehensive School Reform Demonstration	RF	84.332	61,101	52,773
Reading First Grant	RS	84.357	1,065,429	1,065,429
Rural Education	RU	84.358	55,708	55,708
Improving Teacher Quality State Grants	TR	84.367	265,035	278,645
Hurricane Relief Act	HR	84.938	<u>3,000</u>	<u>3,000</u>
Total U.S. Department of Education			<u>3,568,268</u>	<u>3,551,463</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities:</i>				
State Children's Insurance Program	N/A	93.767	3,991	3,991
Medical Assistance Program	N/A	93.778	<u>25,882</u>	<u>25,882</u>
Total U.S. Department of Health and Human Services			<u>29,873</u>	<u>29,873</u>
Total Federal Awards			\$ <u>4,336,402</u>	<u>4,319,597</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, 2006, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 5, 2007. 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, Harkett & Co.

Cincinnati, Ohio
January 5, 2007



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, 2006. 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, 2006.

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, 2006, and have issued our report thereon dated January 5, 2007. 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
January 5, 2007

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

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?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified not considered to be material weaknesses?	none
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?	none
Identification of major programs:	
<i>CFDA 84.010 – Title I Grants to Local Educational Agencies</i> <i>CFDA 84.357 - Reading First Grant</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, 2006

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

923 Findlay Street, Portsmouth, Ohio 45662



Portsmouth East Elementary School
Dedicated January 12, 2006

**Comprehensive Annual
Financial Report**
For the Fiscal Year Ended June 30, 2006

PORTSMOUTH CITY SCHOOL DISTRICT

PORTSMOUTH, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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, 2006*

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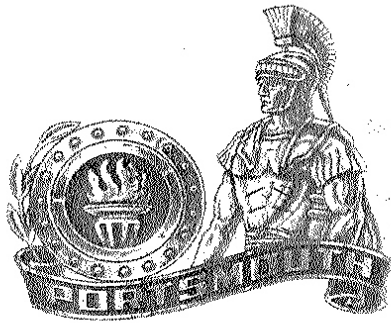
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Office of the Treasurer

January 5, 2007

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, 2006. 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 with the Auditor of State and publish the availability of its financial statements 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, 2006.

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, 2006. The independent auditors' report is located at the front of the Financial Section of this report.

Management's discussion and analysis immediately follows the independent auditors' report 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 letter of transmittal, 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 nonmajor 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 locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The current Board members, their terms and years on the Board as of June 30, 2006, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Ray Thompson	Jan. 2005 - Dec. 2007	4 - 1/2
Mrs. Barbara Borden-Gibson	Jan. 2006 - Dec. 2009	1/2
Dr. Lacey Curtis	Jan. 2004 - Dec. 2007	6 - 1/2
Dr. George P. Pettit	Jan. 2006 - Dec. 2009	5 - 3/4
Mr. Clarence M. Parker	Jan. 2004 - Dec. 2007	6 - 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 approved extending the Superintendent's 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 School District funds and assets, and also serves as Secretary to the Board. Mrs. Paula J. 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 ensure 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 nonmajor special revenue fund for financial reporting purposes.

The School District is associated with six organizations, four of which are defined as jointly governed organizations, and two of which are defined as insurance purchasing pools. 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, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

The School Board is required to adopt a final budget no later than the close of the preceding fiscal year. 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.

Business and Industry

Portsmouth was a city bent on industry until the 1970's when a number of companies closed 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 it closed in February 1980. The City has been going in a downward trend since the 1990's.

In November 2002, the United States Enrichment Corporation, located within the Portsmouth workforce area, was recognized as an ANS Nuclear Historic Landmark by the American Nuclear Society. It served a military function from 1952 until the mid-1960s, at which time the mission changed to enriching operations. In 2001, the United States Enrichment Corporation operations changed from enriching operations to those that support operational and administrative functions and performing 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 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, including shoelaces, castings, concrete products, and health services, to the Portsmouth area are as follows:

Southern Ohio Medical Center
Scioto County Schools
Southern Ohio Correctional Facility
Scioto County Government
Shawnee State University
M & J Industries, Inc.
Wal-Mart
City of Portsmouth
Community Action Organization
Portsmouth City Schools

The Southern Ohio Medical Center (SOMC) has recently opened a new wing at the Scioto Memorial Campus that houses an expanded emergency room and trauma center in addition to a new intensive care unit and maternity facility. Also, several new buildings have been erected to house physician offices and other service facilities. At the Mercy Hospital Campus a new Dialysis Center and a new Cancer Center have been added.

Unemployment Rates

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County averaged 7.40 percent for the 2006 fiscal year-end, which is substantially above the State average of 5.20 percent and the national average of 4.80 percent. While the unemployment number is high in comparison to the State and national average, it is 1.0 percent lower than the 8.40 percent rate recorded at fiscal year-end 2005. However, local initiatives are serving to promote a renewed spirit of pride in the community.

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 1,982 students during the 2006 fiscal year. Facilities include one middle/high school and four elementary schools. Preschool is offered at Roosevelt Elementary. At fiscal year-end 2006, construction is still ongoing for a new middle/high school and an additional elementary school building. Upon completion of the construction, Roosevelt Elementary, Wilson Elementary, McKinley Elementary, and Portsmouth Middle/High Schools will be demolished. The enrollment per school is as follows:

<u>School</u>	<u>Date Established</u>	<u>Grades</u>	<u>Enrollment</u>
East Portsmouth Elementary	2006	K – 6	231
Roosevelt Elementary	1926	PS – 3	320
Wilson Elementary	1925	K – 3	320
McKinley Elementary	1916	4 – 6	350
Portsmouth Middle/High	1912	7 – 12	761

EMPLOYEE RELATIONS

The School District currently employs 270 full-time and part-time employees. Since fiscal year 2000, the School District's enrollment has decreased from 2,918 to the current enrollment of 1,982, due to a declining population, open enrollment and the creation of the Sciotoville Community School.

The teachers, educational specialists, 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 years 2005, 2006, and 2007. The School District's beginning teacher's salary for fiscal year 2006 is \$28,435.

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 received from the levy during fiscal year 2002. The School District's obligation of \$17,070,000 is 24.5 percent compared to \$52,600,000 (75.5 percent) 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 15 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.

The plan design for the new school buildings was changed from five separate buildings to one elementary building in Sciotoville and two downtown Portsmouth complexes. One complex will house the middle/high school students (7-12) and the other complex would house elementary students (K-6).

The new East Portsmouth Elementary School was occupied in January 2006 with a dedication and ribbon cutting ceremony on January 12, 2006. The two Portsmouth downtown complexes opened in August 2006.

FOR THE YEAR

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

“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 2006 fiscal 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
- Ohio Reads
- Positive Behavior Support
- Reading First
- School Net Plus, Grade 8

The School District has also adopted and implemented numerous security measures such as the addition of cameras and monitors in the high school/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 that each and every student 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 entered new facilities with the beginning of fiscal year 2007. This construction project was funded eighty 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

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, Portsmouth East, and Wilson Elementary 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 and 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.

McKinney-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; 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 2006, the School District only experienced a 1.5 percent increase in the State foundation revenue (cash basis), even though the basic aid dollars per pupil increased 2.2 percent from fiscal year 2005. This is due to a declining population and open enrollment and community school transfers. The number of students the School District educates has dropped from 3,466 in 1995 to 1,982 in 2006. It is anticipated the enrollment will stabilize with the opening of new facilities in fiscal year 2007.

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 School 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 percent 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).

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, ensure 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 Co. conducted the School District's audit for fiscal year 2006. The Independent Auditors' Report on the School District's basic financial statements, combining statements and individual fund schedules are 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, 2005. This was the seventh 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, 2005.

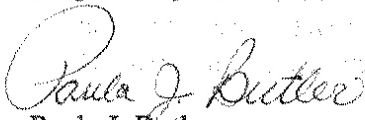
A Certificate of Excellence is awarded to those school districts that have voluntarily submitted a Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met 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, 2005

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.



A handwritten signature in black ink, appearing to read "Ronald J. Klein".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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**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, 2005

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

Interim Executive Director

Portsmouth City School District

List of Principal Officials

June 30, 2006

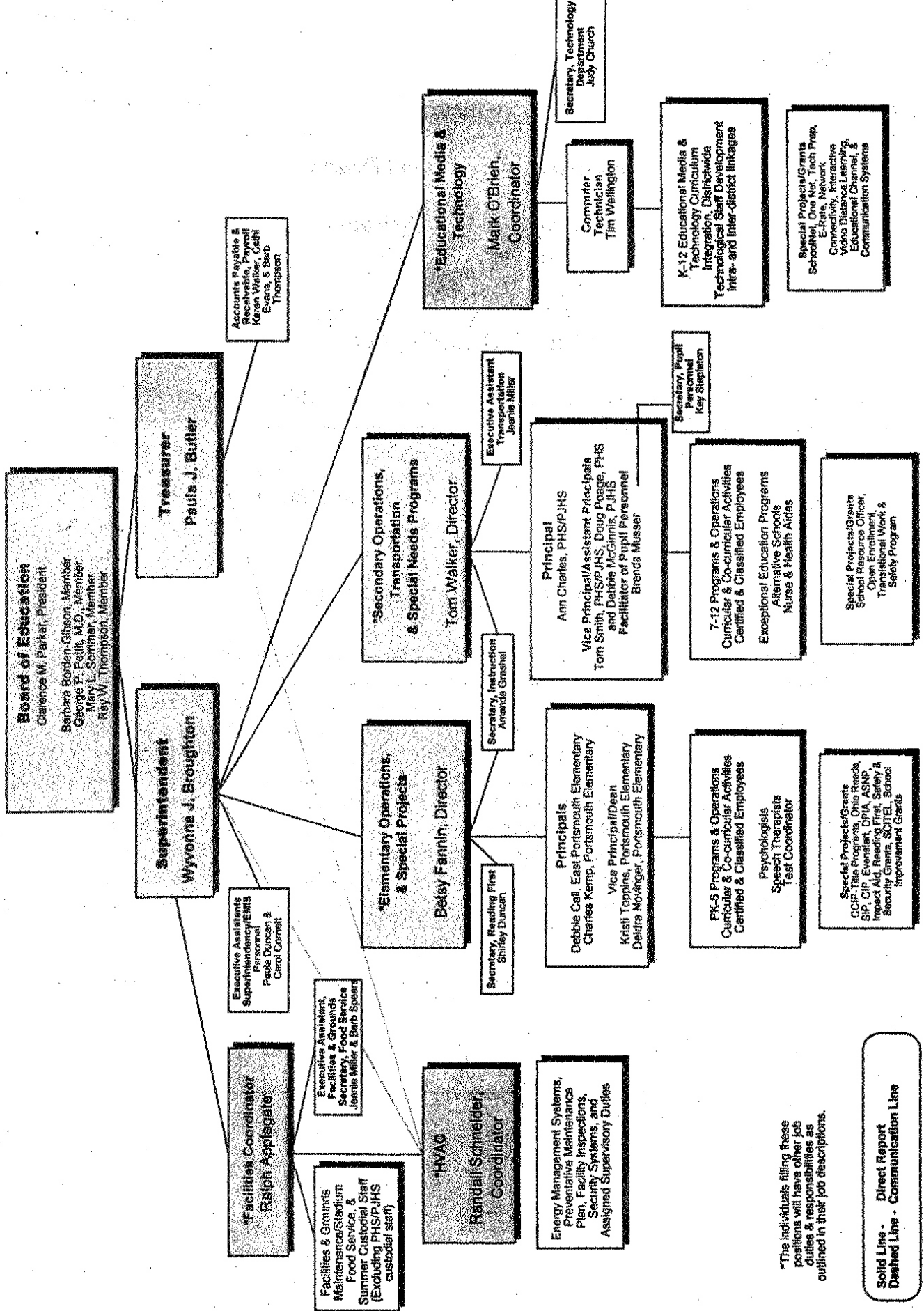
ELECTED OFFICIALS

President, Board of Education Mr. Clarence M. Parker
Vice President, Board of Education..... Dr. Lacey Curtis
Board Member Dr. George P. Pettit
Board Member Mr. Ray W. Thompson
Board Member Mrs. Barbara Borden-Gibson

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 Education/School Psychologist Brenda Musser
Gifted Coordinator / Curriculum Rebecca Davis
Safe Drug Free Coordinator..... Helen Wells

2006-2007 Portsmouth City School District Organization Chart



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

Solid Line - Direct Report
Dashed Line - Communication Line

FINANCIAL SECTION



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, 2006, 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, 2006, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Poverty Assistance Special Revenue Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 January 5, 2007, 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 13 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 schedules 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 and schedules 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
January 5, 2007

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
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, 2006. 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.

Financial Highlights

- In total, net assets of governmental activities decreased \$2,233,170 which represents a four percent decrease from the prior fiscal year. The biggest difference reflected on the School District's Statement of Net Assets in relation to the prior fiscal year is related to intergovernmental receivables. The primary reason for the decrease is due to the Ohio School Facilities Commission Grant for which the School District has received the majority of the monies for the construction of its new facilities. However, the School District did not capitalize all expenses related to the construction, resulting in a decrease in overall net assets.

- General revenues accounted for \$22,161,269 or 77 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$6,723,254 or 23 percent of total revenues of \$28,884,523.

- The School District had \$31,117,693 in expenses related to governmental activities; only \$6,723,254 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 \$22,161,269 were not adequate to provide for these programs.

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.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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 nonmajor funds presented in total in one column.

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 fiscal year 2006?" 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, 2006
Unaudited*

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. 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, which are the General Fund, Poverty Assistance Special Revenue Fund, Bond Retirement Debt Service Fund, and Ohio School Facilities Commission Capital Projects Fund.

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 fiscal 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.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for fiscal year 2006 and fiscal year 2005:

Table 1
Net Assets

	2006	2005	Change
<u>Assets:</u>			
Current and Other Assets	\$22,971,272	\$38,470,328	(\$15,499,056)
Capital Assets, Net	64,254,451	52,392,644	11,861,807
Total Assets	<u>87,225,723</u>	<u>90,862,972</u>	<u>(3,637,249)</u>
<u>Liabilities:</u>			
Long-Term Liabilities	(17,399,607)	(17,915,661)	516,054
Other Liabilities	(9,993,103)	(10,881,128)	888,025
Total Liabilities	<u>(27,392,710)</u>	<u>(28,796,789)</u>	<u>1,404,079</u>
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	54,199,141	47,821,407	6,377,734
Restricted	5,658,264	13,801,697	(8,143,433)
Unrestricted (Deficit)	(24,392)	443,079	(467,471)
Total Net Assets	<u>\$59,833,013</u>	<u>\$62,066,183</u>	<u>(\$2,233,170)</u>

A significant decrease of 40 percent occurred within Current and Other Assets when compared to the prior fiscal year. Equity in Pooled Cash and Cash Equivalents decreased \$7,788,924 due to construction related expenses. Intergovernmental Receivables decreased \$7,062,098 due to receiving classroom facilities grant monies for the construction of new facilities. However, a significant increase of 23 percent occurred within Capital Assets. This is primarily due to additional land acquisitions made by the School District and the ongoing construction of the new educational facilities.

Total Liabilities of the School District decreased by five percent from the prior fiscal year. Long-Term Liabilities decreased by three percent due to annual debt payments made by the School District. Other Liabilities decreased by eight percent due primarily to reductions in contracts and retainage payables. These reductions are the result of a large portion of the School District's construction project being completed as of the fiscal year-end.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The primary factor contributing to the increase in Invested in Capital Assets, Net of Related Debt was the continuation of the construction of new educational facilities within the School District. The significant decrease of 59 percent associated with Restricted Net Assets was attributed to the Intergovernmental Receivables asset category relating to the Ohio School Facilities Commission Grant. During fiscal year 2006, the School District received the majority of the remaining monies of the Ohio School Facilities Commission Grant. While these monies were utilized for the construction of new educational facilities, the School District also expensed the monies for the furnishing of its new facilities and related expenses which were not capitalized by the School District. Unrestricted Net Assets of the School District demonstrated a significant decrease relating to increased expenses for Instruction.

Table 2 shows the changes in net assets for fiscal years 2006 and 2005.

Table 2
Change in Net Assets

	2006	2005	Increase/ (Decrease)
<u>Revenues:</u>			
Program Revenues:			
Charges for Services and Sales	\$873,306	\$1,152,614	(\$279,308)
Operating Grants, Contributions, and Interest	5,849,948	4,749,113	1,100,835
Total Program Revenues	<u>6,723,254</u>	<u>5,901,727</u>	<u>821,527</u>
General Revenues:			
Property Taxes	6,134,418	5,961,811	172,607
Grants and Entitlements not Restricted to			
Specific Programs	15,174,137	15,183,620	(9,483)
Contributions and Donations	96,988	10,270	86,718
Investment Earnings	659,852	516,895	142,957
Miscellaneous	95,874	206,988	(111,114)
Total General Revenues	<u>22,161,269</u>	<u>21,879,584</u>	<u>281,685</u>
<i>Total Revenues</i>	<u>\$28,884,523</u>	<u>\$27,781,311</u>	<u>\$1,103,212</u>

(continued)

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Table 2
Change in Net Assets
(continued)

	2006	2005	Increase/ (Decrease)
<u>Program Expenses:</u>			
Instruction:			
Regular	\$11,978,862	\$10,608,667	\$1,370,195
Special	6,622,247	5,436,258	1,185,989
Vocational	380,329	431,277	(50,948)
Student Intervention Services	445,405	0	445,405
Support Services:			
Pupils	1,760,834	1,121,140	639,694
Instructional Staff	2,352,092	1,987,011	365,081
Board of Education	17,703	16,589	1,114
Administration	1,566,110	1,367,234	198,876
Fiscal	655,226	642,889	12,337
Business	117,299	109,044	8,255
Operation and Maintenance of Plant	2,053,486	1,795,612	257,874
Pupil Transportation	555,213	375,360	179,853
Central	30,025	22,133	7,892
Operation of Non-Instructional Services	1,423,334	1,207,192	216,142
Extracurricular Activities	290,208	252,910	37,298
Interest and Fiscal Charges	825,820	860,111	(34,291)
Intergovernmental	43,500	35,000	8,500
<i>Total Expenses</i>	<u>31,117,693</u>	<u>26,268,427</u>	<u>4,849,266</u>
Increase (Decrease) in Net Assets	(2,233,170)	1,512,884	(3,746,054)
<i>Net Assets at Beginning of Year</i>	<u>62,066,183</u>	<u>60,553,299</u>	<u>1,512,884</u>
<i>Net Assets at End of Year</i>	<u><u>\$59,833,013</u></u>	<u><u>\$62,066,183</u></u>	<u><u>(\$2,233,170)</u></u>

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Program revenues, which are primarily represented by charges for tuition, fees, sales, and extracurricular activities, as well as restricted intergovernmental revenue were 23 percent of total revenues for fiscal year 2006. Charges for Services and Sales decreased 24 percent primarily due to significant decreases in rental charges and tuition and fees received by the School District. In fiscal year 2005, the School District received rent payments for the use of an elementary building occupied by the Southern Ohio Medical Center. In fiscal year 2006, the elementary building was demolished by the School District. However, the Southern Ohio Medical Center constructed a cancer center on the land owned by the School District. The Southern Ohio Medical Center makes an annual payment of \$1 to the School District for the use of the land. The reduction in tuition and fees revenues is the result of a loss of student enrollment of the School District in fiscal year 2006 compared to fiscal year 2005. Program revenues in the form of Operating Grants, Contributions, and Interest increased 23 percent primarily due to the introduction of the Reading First Grant program.

As previously mentioned, general revenues were 77 percent of total revenues for fiscal year 2006 and varied insignificantly from the prior fiscal year. Grants and Entitlements not Restricted to Specific Programs made up 53 percent of the total revenue for governmental activities of the Portsmouth City School District for fiscal year 2006. Property Tax revenue made up 21 percent of the total revenue for governmental activities for a total of 74 percent of all revenue coming from Property Taxes and Grants and Entitlements not Restricted to Specific Programs.

As should be expected, Instruction costs represent the largest of the School District's expenses, 62 percent for fiscal year 2006. Significant increases occurred within Regular Instruction and Special Instruction. These increases were due to the School District incurring expenses relating to the furnishing of its new facilities which were not capitalized and reported as capital assets of the School District.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
Instruction	\$19,426,843	\$15,686,968	\$16,476,202	\$13,040,137
Support Services	9,107,988	7,374,546	7,437,012	6,184,403
Operation of Non- Instructional Services	1,423,334	325,394	1,207,192	108,017
Extracurricular Activities	290,208	181,711	252,910	174,032
Interest and Fiscal Charges	825,820	825,820	860,111	860,111
Intergovernmental	43,500	0	35,000	0
Total Expenses	\$31,117,693	\$24,394,439	\$26,268,427	\$20,366,700

The dependence upon tax revenues and unrestricted State entitlements for governmental activities was a little greater in fiscal year 2006 as general revenues provided more towards program costs. Only a few of the School District's programs receive a significant amount of program revenues to offset their costs. One of these programs is Special Instruction which provides for 45 percent of program costs through program revenues, all of which is in the form of operating grants restricted for special instruction. Another program which receives a large amount of revenues to offset costs is Support Services – Pupils which provides for 51 percent of program costs through program revenues. Approximately 77 percent of non-instructional services were provided for through program revenues. This is primarily due to cafeteria sales and State and federal subsidies and donated commodities for food service.

The School District's Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$32,840,602 and expenditures of \$43,490,216. The net change in fund balance for the fiscal year was most significant in the Ohio School Facilities Commission Capital Projects Fund with a decrease of \$10,056,957. The Ohio School Facilities Commission fund balance decreased due to the spending of classroom facilities monies for the ongoing construction project.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The General Fund balance decreased \$810,580 as a result of several items. The School District purchased new computers for educational purposes; the School District also passed a three percent wage increase for salaries for fiscal year 2006; and the School District approved and awarded a \$2,000 stipend to all teachers with a Master's degree beginning in fiscal year 2006.

The Poverty Assistance Special Revenue Fund balance increased \$67,983. The Poverty Assistance Special Revenue Fund was a new fund for the School District in fiscal year 2006. Therefore, this is the result of expenditures for the fiscal year being lower than fiscal year-to-date revenues.

The Bond Retirement Debt Service Fund balance increased \$323,295. This was the result of revenues, consisting of property taxes, homestead and rollback reimbursements, and investment earnings, for the fiscal year being greater than the annual debt payments the School District incurred.

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 2006 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

A review of the budgetary comparison statement for the General Fund reflects very little change for revenues from the original budget to the final budget. When comparing the final budget to actual revenues received, the amounts are equal. Prior to fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end.

The increase in expenditures from the original to the final budget was less than one percent. The difference in actual expenditures made from the final budget was nearly three percent and a somewhat significant reduction for the School District. The largest savings were realized in the Operation and Maintenance of Plant, Fiscal, Regular Instruction, and Administration functions. Overall, the School District had anticipated spending larger sums of monies in these areas than what actual requirements came to be.

The School District's ending unobligated cash balance was \$787,005 above the final budgeted amount. This was due to the School District continually monitoring expenditures throughout the fiscal year.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2006, the School District had \$64,254,451 invested in capital assets (net of accumulated depreciation), an increase of \$11,861,807, or 23 percent. Additions to capital assets included the continuing acquisition of land, construction in progress related to the construction of new educational facilities, and the furnishing of those facilities which were completed prior to fiscal year-end. Disposals for the fiscal year included the demolition of instructional buildings, various educational equipment, school buses, and textbooks. For further information regarding the School District's capital assets, refer to Note 9 in the Notes to the Basic Financial Statements.

Debt

At June 30, 2006 the School District had a \$21,423 EPA Asbestos loan outstanding, of which \$14,284 is due within one year and \$16,081,365 in bonds outstanding, \$227,544 of which is due within one year. The School District also had an outstanding premium on the debt issue of \$185,890 and capital lease obligations outstanding of \$3,794, of which \$1,751 is due within one year.

For further information regarding the School District's long-term obligations, refer to Note 15 in the Notes to the Basic Financial Statements.

Current Issues

On October 19, 2006, the Board of Education passed a resolution that authorized the Treasurer and Superintendent to explore and ascertain the feasibility of developing the former Portsmouth High School site and its surrounding area into an athletic complex and a location for such other education-related functions (i.e. central office and renovation of the old high school gym). The area will extend from Gallia Street north to Ninth Street and from Waller Street west to Findlay Street. Exempt properties will include Gallia Street businesses from Moulton Place west to Findlay, and the 2nd Presbyterian Church property. The gym is to accommodate PHS/PJHS basketball practices, other school related functions, and will be available for community use. The length of the project is estimated to take 2 to 2 ½ years.

The project will be financed through contributions from the Clyde and Maycel Clark Foundation, Inc., and the Scioto Area Community Foundation, Inc., which are private, tax exempt, foundations. No tax millage will be requested or required. The project will cost approximately ten million dollars.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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.

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BASIC FINANCIAL STATEMENTS

Portsmouth City School District
Statement of Net Assets
June 30, 2006

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$12,064,721
Materials and Supplies Inventory	33,598
Accrued Interest Receivable	88,016
Accounts Receivable	15,952
Prepaid Items	27,540
Cash and Cash Equivalents With Fiscal Agent	2,490
Cash and Cash Equivalents With Escrow Agent	620,925
Property Taxes Receivable	6,148,175
Intergovernmental Receivable	3,783,986
Deferred Charges	185,869
Capital Assets:	
Land and Construction in Progress	53,013,027
Depreciable Capital Assets, Net	11,241,424
<i>Total Assets</i>	87,225,723
<u>Liabilities:</u>	
Accounts Payable	99,346
Contracts Payable	1,764,198
Accrued Wages and Benefits Payable	1,658,834
Intergovernmental Payable	531,930
Accrued Interest Payable	60,044
Matured Compensated Absences Payable	7,317
Retainage Payable	620,925
Deferred Revenue	5,250,509
Long-Term Liabilities:	
Due Within One Year	413,376
Due in More Than One Year	16,986,231
<i>Total Liabilities</i>	27,392,710
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	54,199,141
Restricted for:	
Debt Service	1,479,816
Capital Projects	3,292,796
Other Purposes	782,864
Set-Asides	102,788
Unrestricted (Deficit)	(24,392)
<i>Total Net Assets</i>	\$59,833,013

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Governmental Activities
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$11,978,862	\$546,511	\$108,865	(\$11,323,486)
Special	6,622,247	0	2,961,157	(3,661,090)
Vocational	380,329	0	123,342	(256,987)
Student Intervention Services	445,405	0	0	(445,405)
Support Services:				
Pupils	1,760,834	384	903,302	(857,148)
Instructional Staff	2,352,092	0	740,038	(1,612,054)
Board of Education	17,703	0	0	(17,703)
Administration	1,566,110	1,529	0	(1,564,581)
Fiscal	655,226	0	22,066	(633,160)
Business	117,299	4,703	0	(112,596)
Operation and Maintenance of Plant	2,053,486	34,135	0	(2,019,351)
Pupil Transportation	555,213	1,000	19,486	(534,727)
Central	30,025	0	6,799	(23,226)
Operation of Non-Instructional Services:				
Food Service Operations	1,195,821	191,444	672,126	(332,251)
Other	227,513	0	234,370	6,857
Extracurricular Activities	290,208	93,600	14,897	(181,711)
Interest and Fiscal Charges	825,820	0	0	(825,820)
Intergovernmental	43,500	0	43,500	0
Total Governmental Activities	\$31,117,693	\$873,306	\$5,849,948	(24,394,439)

General Revenues:

Property Taxes Levied for:	
General Purposes	4,776,914
Debt Service	1,267,834
Capital Outlay	89,670
Grants and Entitlements not Restricted to	
Specific Programs:	
Operating	14,812,989
Capital	361,148
Contributions and Donations	96,988
Investment Earnings	659,852
Miscellaneous	95,874

Total General Revenues	22,161,269
Change in Net Assets	(2,233,170)
<i>Net Assets at Beginning of Year</i>	<u>62,066,183</u>
<i>Net Assets at End of Year</i>	<u><u>\$59,833,013</u></u>

See accompanying notes to the basic financial statements

Portsmouth City School District
Balance Sheet
Governmental Funds
June 30, 2006

	General	Poverty Assistance	Bond Retirement	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>						
Equity in Pooled Cash and Cash Equivalents	\$2,033,634	\$370,571	\$1,518,995	\$7,096,020	\$883,789	\$11,903,009
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0	2,490	2,490
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	161,712	0	0	0	0	161,712
Cash and Cash Equivalents with Escrow Agent	0	0	0	620,925	0	620,925
Receivables:						
Property Taxes	4,738,208	0	1,312,050	0	97,917	6,148,175
Accounts	15,381	0	0	0	571	15,952
Intergovernmental	1,858	0	0	3,270,158	511,970	3,783,986
Accrued Interest	15,409	0	7,596	64,272	739	88,016
Interfund	11,821	0	0	0	0	11,821
Prepaid Items	21,978	0	0	3,026	2,536	27,540
Materials and Supplies Inventory	12,985	0	0	0	20,613	33,598
Total Assets	\$7,012,986	\$370,571	\$2,838,641	\$11,054,401	\$1,520,625	\$22,797,224
<u>Liabilities:</u>						
Accounts Payable	\$31,301	\$0	\$0	\$37,561	\$30,484	\$99,346
Contracts Payable	0	0	0	1,764,198	0	1,764,198
Accrued Wages and Benefits Payable	1,063,260	260,089	0	0	335,485	1,658,834
Intergovernmental Payable	390,215	42,499	0	497	98,719	531,930
Interfund Payable	0	0	0	0	11,821	11,821
Retainage Payable from Restricted Assets	0	0	0	620,925	0	620,925
Matured Compensated Absences Payable	0	0	0	0	7,317	7,317
Deferred Revenue	4,515,528	0	1,244,977	3,145,621	190,999	9,097,125
Total Liabilities	6,000,304	302,588	1,244,977	5,568,802	674,825	13,791,496
<u>Fund Balances:</u>						
Reserved for Encumbrances	180,437	0	0	2,463,837	64,987	2,709,261
Reserved for Property Taxes	228,137	0	67,073	0	4,582	299,792
Reserved for Textbooks and Instructional Materials	102,788	0	0	0	0	102,788
Reserved for Bus Purchases	58,924	0	0	0	0	58,924
Unreserved, Designated for:						
Future Severance Payments	144,916	0	0	0	0	144,916
Unreserved, Undesignated, Reported in:						
General Fund	297,480	0	0	0	0	297,480
Special Revenue Funds	0	67,983	0	0	755,551	823,534
Debt Service Fund	0	0	1,526,591	0	0	1,526,591
Capital Projects Funds	0	0	0	3,021,762	20,680	3,042,442
Total Fund Balances	1,012,682	67,983	1,593,664	5,485,599	845,800	9,005,728
Total Liabilities and Fund Balances	\$7,012,986	\$370,571	\$2,838,641	\$11,054,401	\$1,520,625	\$22,797,224

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, 2006*

Total Governmental Fund Balances \$9,005,728

***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	5,940,313	
Construction in progress	47,072,714	
Other capital assets	17,649,286	
Accumulated depreciation	(6,407,862)	
Total capital assets	64,254,451	64,254,451

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	597,874	
Intergovernmental	3,237,367	
Interest	10,329	
Accounts	1,046	
	3,846,616	3,846,616

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. 185,869

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	(16,267,255)	
EPA Asbestos loan payable	(21,423)	
Accrued interest on bonds	(60,044)	
Capital leases	(3,794)	
Compensated absences	(1,107,135)	
Total liabilities	(17,459,651)	(17,459,651)

Net Assets of Governmental Activities \$59,833,013

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, 2006

	General	Poverty Assistance	Bond Retirement	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>						
Property Taxes	\$4,762,901	\$0	\$1,261,584	\$0	\$89,298	\$6,113,783
Intergovernmental	13,883,363	2,121,145	154,997	4,002,199	4,712,015	24,873,719
Investment Earnings	120,387	0	78,612	367,180	12,958	579,137
Increase (Decrease) in Fair Value of Investments	(11,233)	0	0	95,271	0	84,038
Tuition and Fees	576,455	0	0	0	4,775	581,230
Extracurricular Activities	22,469	0	0	0	78,389	100,858
Rentals	3,406	0	0	0	1	3,407
Charges for Services	96	0	0	0	186,669	186,765
Contributions and Donations	87,108	0	0	0	133,662	220,770
Miscellaneous	21,598	0	0	0	75,297	96,895
Total Revenues	19,466,550	2,121,145	1,495,193	4,464,650	5,293,064	32,840,602
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	11,305,297	0	0	0	144,478	11,449,775
Special	2,111,016	1,551,318	0	0	2,023,185	5,685,519
Vocational	282,081	0	0	0	547	282,628
Student Intervention Services	109,477	289,959	0	0	45,969	445,405
Support Services:						
Pupils	663,864	37,321	0	0	850,171	1,551,356
Instructional Staff	1,078,626	174,564	0	0	694,991	1,948,181
Board of Education	17,703	0	0	0	0	17,703
Administration	1,372,669	0	0	0	437	1,373,106
Fiscal	548,715	0	30,252	0	39,358	618,325
Business	119,389	0	0	0	0	119,389
Operation and Maintenance of Plant	1,801,125	0	0	0	63,786	1,864,911
Pupil Transportation	419,246	0	0	0	4,250	423,496
Central	23,684	0	0	0	6,341	30,025
Operation of Non-Instructional Services:						
Food Service Operations	18,907	0	0	0	931,808	950,715
Other	0	0	0	0	217,388	217,388
Extracurricular Activities	202,919	0	0	0	83,251	286,170
Capital Outlay	51,434	0	0	14,659,030	221,740	14,932,204
Debt Service:						
Principal Retirement	80,997	0	429,284	0	10,323	520,604
Interest and Fiscal Charges	2,574	0	726,646	0	596	729,816
Intergovernmental	0	0	0	0	43,500	43,500
Total Expenditures	20,209,723	2,053,162	1,186,182	14,659,030	5,382,119	43,490,216
Excess of Revenues Over (Under) Expenditures	(743,173)	67,983	309,011	(10,194,380)	(89,055)	(10,649,614)
<u>Other Financing Sources (Uses):</u>						
Proceeds from Sale of Capital Assets	3,500	0	0	0	0	3,500
Transfers In	30,840	0	14,284	168,263	6,880	220,267
Transfers Out	(101,747)	0	0	(30,840)	(87,680)	(220,267)
Total Other Financing Sources (Uses)	(67,407)	0	14,284	137,423	(80,800)	3,500
Net Change in Fund Balances	(810,580)	67,983	323,295	(10,056,957)	(169,855)	(10,646,114)
Fund Balances at Beginning of Year	1,823,262	0	1,270,369	15,542,556	1,015,655	19,651,842
Fund Balances at End of Year	<u>\$1,012,682</u>	<u>\$67,983</u>	<u>\$1,593,664</u>	<u>\$5,485,599</u>	<u>\$845,800</u>	<u>\$9,005,728</u>

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, 2006*

Net Change in Fund Balances - Total Governmental Funds (\$10,646,114)

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	711,131	
Construction in progress additions	11,820,022	
Depreciation expense	<u>(579,406)</u>	
Excess of capital outlay over depreciation expense		11,951,747

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.

Proceeds from sale of capital assets	(3,500)	
Loss on disposal of capital assets	<u>(86,440)</u>	
		(89,940)

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	20,635	
Intergovernmental	(3,973,507)	
Interest	(3,232)	
Charges for Services	1,046	
Miscellaneous	<u>(1,021)</u>	
		(3,956,079)

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	<u>9,859</u>	
		1

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	14,284	
Bond payments	415,000	
Capital lease payments	<u>91,320</u>	
Total long-term debt repayment		520,604

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	82,616	
Decrease in accrued interest	1,020	
Accretion on bonds	<u>(97,025)</u>	
Total (increase)/decrease		<u>(13,389)</u>

Change in Net Assets of Governmental Activities (\$2,233,170)

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, 2006*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$4,960,500	\$4,774,107	\$4,774,107	\$0
Intergovernmental	13,727,642	13,918,789	13,918,789	0
Investment Earnings	114,124	115,713	115,713	0
Tuition and Fees	568,539	576,455	576,455	0
Extracurricular Activities	22,160	22,469	22,469	0
Rentals	3,359	3,406	3,406	0
Contributions and Donations	85,912	87,108	87,108	0
Miscellaneous	63,261	64,142	64,142	0
<i>Total Revenues</i>	19,545,497	19,562,189	19,562,189	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,058,037	11,311,218	11,217,840	93,378
Special	2,341,398	2,146,350	2,118,274	28,076
Vocational	382,251	310,848	308,223	2,625
Adult/Continuing	15,000	0	0	0
Student Intervention Services	5,649,541	111,385	109,477	1,908
Support Services:				
Pupils	889,178	746,945	731,701	15,244
Instructional Staff	1,126,244	1,113,570	1,082,451	31,119
Board of Education	17,992	19,323	19,052	271
Administration	1,451,964	1,438,791	1,367,054	71,737
Fiscal	675,997	652,905	557,293	95,612
Business	127,838	127,386	117,863	9,523
Operation and Maintenance of Plant	2,020,325	1,965,575	1,771,905	193,670
Pupil Transportation	599,946	586,219	547,214	39,005
Central	21,978	16,233	7,772	8,461
Operation of Non-Instructional Services:				
Food Service Operations	36,222	33,268	30,503	2,765
Other	0	369	0	369
Extracurricular Activities	261,213	211,636	200,940	10,696
Capital Outlay	0	56,477	56,477	0
<i>Total Expenditures</i>	20,675,124	20,848,498	20,244,039	604,459
Excess of Revenues Over (Under) Expenditures	(1,129,627)	(1,286,309)	(681,850)	604,459
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	3,500	3,500	3,500	0
Transfers In	31,487	17,270	30,840	13,570
Transfers Out	(14,372)	(270,723)	(101,747)	168,976
Advances In	106,762	106,762	106,762	0
Advances Out	0	(11,821)	(11,821)	0
<i>Total Other Financing Sources (Uses)</i>	127,377	(155,012)	27,534	182,546
Net Change in Fund Balance	(1,002,250)	(1,441,321)	(654,316)	787,005
Fund Balance at Beginning of Year	2,660,352	2,660,352	2,660,352	0
Prior Year Encumbrances Appropriated	18,120	18,120	18,120	0
Fund Balance at End of Year	\$1,676,222	\$1,237,151	\$2,024,156	\$787,005

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)*
Poverty Assistance Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$2,121,163	\$2,121,145	\$2,121,145	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	1,829,877	1,571,562	1,281,942	289,620
Student Intervention Services	7,328	319,044	289,959	29,085
Total Instruction	<u>1,837,205</u>	<u>1,890,606</u>	<u>1,571,901</u>	<u>318,705</u>
Support Services:				
Pupils	48,669	34,904	31,943	2,961
Instructional Staff	161,571	180,757	146,730	34,027
Administration	73,718	14,878	0	14,878
Total Support Services	<u>283,958</u>	<u>230,539</u>	<u>178,673</u>	<u>51,866</u>
Total Expenditures	<u>2,121,163</u>	<u>2,121,145</u>	<u>1,750,574</u>	<u>370,571</u>
Net Change in Fund Balance	0	0	370,571	370,571
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$370,571</u></u>	<u><u>\$370,571</u></u>

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2006

	<u>Student Managed Activity</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$8,852</u></u>
<u>Liabilities:</u>	
Undistributed Monies	<u><u>\$8,852</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, 2006

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 92 non-certificated employees, 167 certificated full-time personnel and 11 administrative employees who provide services to 1,982 students and other community members. The School District currently operates five instructional buildings and one administration building.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure 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, 2006

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

The School District participates in four jointly governed organizations and two insurance purchasing pools. 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, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 17 and 18 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, 2006

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:

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.

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

Bond Retirement Fund – 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.

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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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, 2006

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, 2006, but which were levied to finance fiscal year 2007 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, except those monies held by the legal representative for the acquisition of land and those held as retainage still owed to contractors. 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 Fiscal Agent" and "Restricted Assets: Cash and Cash Equivalents with Escrow Agent," respectively, on the financial statements.

During fiscal year 2006, the School District's investments were limited to Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, and a negotiable certificate of deposit. 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 2006 amounted to \$120,387, which includes \$97,101 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 and unspent grant monies restricted for bus purchases. Restricted assets in the Ohio School Facilities Commission Capital Projects Fund represent monies held in an escrow account that is still owed to contractors for work completed relating to the school construction project.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of materials and supplies held for consumption 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 fiscal 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, 2006

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 Receivable” and “Interfund Payable”. 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.

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, 2006

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. The School District also has fund balance designations. Fund balance designations are established to indicate tentative planned expenditures of financial resources. The designations reflect the School District's intentions and are subject to change. Designations are reported as part of unreserved fund balance. Fund equity reserves have been established for encumbrances, property taxes, textbooks and instructional materials, and bus purchases. A designation of fund balance has been established for future severance payments.

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 the purchase of textbooks and instructional materials, 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 \$5,658,264 of restricted net assets, none of which are 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 the agency fund, 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. Prior to fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end.

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 fiscal 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, 2006, 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 fiscal 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 PRINCIPLES

For fiscal year 2006, the School District has implemented *GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,”* *GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section,”* and *GASB Statement No. 47, “Accounting for Termination Benefits”*.

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the School District’s financial statements for fiscal year 2006.

GASB Statement No. 44 establishes and modifies requirements related to the supplementary information presented in a statistical section.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 47 establishes accounting and financial reporting standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on the School District's financial statements for fiscal year 2006.

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2006, the Food Service and Title V Special Revenue Funds had deficit fund balances of \$51,686 and \$6,305, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

The Summer School Subsidy Special Revenue Fund had final appropriations in excess of estimated resources and available fund balance of \$925.

The School District will monitor budgetary controls more closely in the future to alleviate such compliance issues.

NOTE 5 - 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 and Poverty Assistance Special Revenue 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).

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

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

	Net Change in Fund Balance	
	General Fund	Poverty Assistance
GAAP Basis	(\$810,580)	\$67,983
Adjustments:		
Revenue Accruals	84,406	0
Expenditure Accruals	149,698	302,588
Advances	94,941	0
Encumbrances	(184,014)	0
Decrease in Fair Value of Investments - 2005	(1,591)	0
Decrease in Fair Value of Investments - 2006	12,824	0
Budget Basis	(\$654,316)	\$370,571

NOTE 6 - 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, 2006

NOTE 6- 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 held by the School District can 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); and
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, 2006

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments: As of June 30, 2006, the School District had the following investments. All investments are in an internal investment pool except those monies held by the legal representative for the acquisition of land and those held as retainage still owed to contractors.

	Fair Value	Investment Maturities in Years			Callable
		Less than 1	1 - 2	3 - 4	
Federal National Mortgage Association Bonds	\$1,766,562	\$1,766,562	\$0	\$0	7/30/2006
Federal National Mortgage Association Bonds	1,549,239	1,549,239	0	0	
Federal Home Loan Bank Bonds	1,494,435	1,297,247	0	197,188	
Federal Home Loan Bank Bonds	494,845	0	494,845	0	7/21/2006
Federal Home Loan Bank Bonds	493,440	493,440	0	0	9/12/2006
Federal Home Loan Bank Bonds	297,189	297,189	0	0	7/23/2006
Federal Home Loan Mortgage Corporation Bonds	728,925	0	728,925	0	7/16/2006
Federal Home Loan Mortgage Corporation Bonds	697,469	697,469	0	0	
Negotiable Certificate of Deposit	96,308	0	96,308	0	
Totals	<u>\$7,618,412</u>	<u>\$6,101,146</u>	<u>\$1,320,078</u>	<u>\$197,188</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 Standard and Poor's and a rating of Aaa by Moody's. The School District's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or backed by the enterprises of the United States Government.

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 43.52 percent, 36.49 percent, and 18.72 percent, respectively, of the School District's total investments.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 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 2006 (other than public utility property tax) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. 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, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 7 - PROPERTY TAXES (continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006, 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, 2006, was \$299,792 and is recognized as revenue: \$228,137 in the General Fund, \$67,073 in the Bond Retirement Fund and \$4,582 in the Classroom Facilities Maintenance Fund. The amount available as an advance at June 30, 2005, was \$315,711 and was 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.

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.

The assessed values upon which fiscal year 2006 taxes were collected are:

	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Estate	\$197,863,950	84.04%	\$199,975,710	85.73%
Public Utility Personal	15,406,410	6.54%	15,599,920	6.69%
General Business Personal	22,180,082	9.42%	17,692,340	7.58%
Total Assessed Value	<u>\$235,450,442</u>	<u>100.00%</u>	<u>\$233,267,970</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$41.03		 \$41.03	

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 8 - RECEIVABLES

Receivables at June 30, 2006, 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 and property taxes. Ohio School Facilities Commission grant monies will be collected over the life of the construction of the new facilities. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Ohio School Facilities Commission	\$3,270,158
Title I	132,525
Reading First	122,431
Special Education, Part B-IDEA	96,415
Title II-A, Improving Teacher Quality	72,001
Even Start	40,525
Title VI-B, Rural and Low-Income	21,380
Title II-D, Technology	9,716
Early Childhood Special Education	5,821
McKinney-Vento Homeless Assistance Program	4,577
Title IV-A, Safe and Drug-Free Schools	2,112
Excess Cost Reimbursements	1,858
High Schools That Work	1,705
Title V, Innovative Programs	1,682
Title I, School Improvement	1,080
Total Intergovernmental Receivables	\$3,783,986

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, 2006

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Balance at</u> 6/30/05	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> 6/30/06
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$5,791,313	\$149,000	\$0	\$5,940,313
Construction in Progress	42,622,088	11,820,022	(7,369,396)	47,072,714
Total Capital Assets Not Being Depreciated	<u>48,413,401</u>	<u>11,969,022</u>	<u>(7,369,396)</u>	<u>53,013,027</u>
Capital Assets Being Depreciated:				
Land Improvements	50,319	275,956	(6,190)	320,085
Buildings and Improvements	4,048,672	7,068,380	(384,351)	10,732,701
Furniture, Fixtures, and Equipment	3,402,378	210,204	(193,639)	3,418,943
Vehicles	821,947	15,000	(45,720)	791,227
Textbooks	2,303,912	361,987	(279,569)	2,386,330
Total Capital Assets Being Depreciated	<u>10,627,228</u>	<u>7,931,527</u>	<u>(909,469)</u>	<u>17,649,286</u>
Less Accumulated Depreciation:				
Land Improvements	(45,286)	(3,301)	5,571	(43,016)
Building and Improvements	(2,924,593)	(117,938)	336,424	(2,706,107)
Furniture, Fixtures, and Equipment	(1,916,247)	(193,664)	173,658	(1,936,253)
Vehicles	(481,341)	(56,989)	41,148	(497,182)
Textbooks	(1,280,518)	(207,514)	262,728	(1,225,304)
Total Accumulated Depreciation	<u>(6,647,985)</u>	<u>(579,406) *</u>	<u>819,529</u>	<u>(6,407,862)</u>
Total Capital Assets Being Depreciated, Net	<u>3,979,243</u>	<u>7,352,121</u>	<u>(89,940)</u>	<u>11,241,424</u>
Governmental Activities Capital Assets, Net	<u>\$52,392,644</u>	<u>\$19,321,143</u>	<u>(\$7,459,336)</u>	<u>\$64,254,451</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 9 - CAPITAL ASSETS (continued)

Additions to Construction in Progress included the construction of new facilities within the School District.

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$169,847
Special	70,905
Vocational	68,671
Support Services:	
Pupils	30,096
Instructional Staff	97,069
Administration	10,105
Fiscal	5,247
Business	34,785
Operation and Maintenance of Plant	14,217
Pupil Transportation	46,170
Operation of Non-Instructional Services:	
Food Service Operations	21,282
Other	5,139
Extracurricular Activities	5,873
Total Depreciation Expense	<u><u>\$579,406</u></u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

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. The School District, along with other School Districts in Ohio, participates in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual School District enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the Hylant Group, Inc. (See Note 18). During fiscal year 2006, the School District contracted with the Ohio School Plan for property, inland marine, and automobile liability insurance coverage.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 10 - RISK MANAGEMENT (continued)

Coverage provided by the Ohio School Plan is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) - replacement cost (\$10,000 deductible)	\$48,667,037
Auto Liability:	
Liability - Any Auto	2,000,000
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 (\$1,000 deductible)	Actual Cash Value
Collision - All Other (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	25,000
Comprehensive (\$250 deductible)	Actual Cash Value
Collision (\$500 deductible)	Actual Cash Value
General Liability:	
Each Occurrence Limit	1,000,000
Damage to Premises Rented - Limit	500,000
Medical Expense Limit (any one person)	10,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
General Aggregate Limit	3,000,000
Products - Completed Operations Aggregate Limit	1,000,000
Excess Liability:	
Liability Limit - Each Accident	1,000,000
Liability Policy Aggregate	1,000,000
Liability - Each Accident Limit	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was a significant reduction in building and contents insurance coverage from the prior fiscal year due to a reduction in the number of buildings insured. In the prior fiscal year, the School District insured Grant Elementary. During the current fiscal year, this building was demolished by the School District.

NOTE 10 - RISK MANAGEMENT (continued)

B. Workers' Compensation

For fiscal year 2006, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). 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 11 - 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, by calling (800) 878-5853 or by visiting the SERS website at www.ohsers.org.

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 2006, 10.58 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, 2006, 2005, and 2004 were \$275,821, \$236,691, and \$215,559, respectively; 53.17 percent has been contributed for fiscal year 2006 and 100 percent for the fiscal years 2005 and 2004.

NOTE 11 - 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 East Broad Street, Columbus, Ohio 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio website 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 divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The 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 of 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, 2006, 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 2005, 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, 2006

NOTE 11- DEFINED BENEFIT PENSION PLANS (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004 were \$1,187,799, \$1,097,722, and \$1,122,862, respectively; 83.49 percent has been contributed for fiscal year 2006 and 100 percent for the fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$3,675 made by the plan members and \$3,736 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, 2006, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - 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 partial 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 retirees who participated in the DB or Combined Plans and their 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. All 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, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$91,369 for fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 12 - 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, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. 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 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$137,250.

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 projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005, (the latest information available), were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

NOTE 13 - 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, 2006

NOTE 13 - 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 14 - LEASES - LESSEE DISCLOSURE

In prior fiscal years, the School District entered into capitalized leases for a vehicle, exercise equipment, and 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.

The band instruments acquired by lease were initially capitalized in the amount of \$8,966 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. Capital leases for a vehicle and exercise equipment were retired during fiscal year 2006. Principal payments in fiscal year 2006 totaled \$91,320 and were paid from the General Fund and the Food Service Special Revenue Fund.

The assets acquired through capital leases as of June 30, 2006, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Band Instruments	<u>\$8,966</u>	<u>(\$1,719)</u>	<u>\$7,247</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 14 - 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, 2006.

Fiscal Year Ending June 30,	Total Payments
2007	\$2,385
2008	2,385
Total	4,770
Less: Amount Representing Interest	(976)
Present Value of Net Minimum Lease Payments	\$3,794

In prior fiscal years, 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 2006 totaled \$105,653 in the General Fund.

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

Fiscal Year Ending June 30,	Total Payments
2007	\$30,423

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during the fiscal year 2006 were as follows:

	Principal Outstanding 6/30/05	Additions	Deductions	Principal Outstanding 6/30/06	Amounts Due in One Year
<u>Governmental Activities:</u>					
1988 EPA Asbestos					
Loan 0.00%	\$35,707	\$0	\$14,284	\$21,423	\$14,284
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	15,660,000	0	415,000	15,245,000	0
Capital Appreciation					
Bonds 3.9 to 4.6%	425,000	0	0	425,000	227,544
Accretion on Capital					
Appreciation Bonds	314,340	97,025	0	411,365	0
Premium on Debt Issue	195,749	0	9,859	185,890	0
Capital Leases	95,114	0	91,320	3,794	1,751
Compensated Absences	1,189,751	128,219	210,835	1,107,135	169,797
Total Governmental Activities					
Long-Term Obligations	<u>\$17,915,661</u>	<u>\$225,244</u>	<u>\$741,298</u>	<u>\$17,399,607</u>	<u>\$413,376</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 percent.

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 2006 was \$97,025.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

As of June 30, 2006, \$11,577,580 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, Poverty Assistance, Miscellaneous State Grants, IDEA-B, Title I, Title V, Drug Free Schools, Early Childhood Special Education, Title II-A, and Miscellaneous Federal Grants Special Revenue Funds.

The School District's overall legal debt margin was \$4,908,170 with an unvoted debt margin of \$210,939 at June 30, 2006.

Principal and interest requirements to retire Classroom Facilities General Obligation Bonds outstanding at June 30, 2006, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
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	510,000	674,890	0	0	1,184,890
2012-2016	3,185,000	3,004,249	0	0	6,189,249
2017-2021	4,985,000	2,074,328	0	0	7,059,328
2022-2025	5,630,000	585,803	0	0	6,215,803
Total	<u>\$15,245,000</u>	<u>\$9,186,820</u>	<u>\$425,000</u>	<u>\$445,014</u>	<u>\$25,301,834</u>

Principal requirements to retire the EPA Asbestos Loan outstanding at June 30, 2006, are as follows:

EPA Asbestos Loan - 1988	
Fiscal year Ending June 30,	Principal
2007	\$14,284
2008	7,139
Total	<u>\$21,423</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2006, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		<u>General</u>
Payable	Other Governmental Funds	<u><u>\$11,821</u></u>

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 fiscal year ended June 30, 2006, were as follows:

		Transfers From			
			Ohio School Facilities Commission	Other Governmental Funds	
		<u>General</u>	<u>Commission</u>	<u>Funds</u>	<u>Totals</u>
Transfers To	General Fund	\$0	\$30,840	\$0	\$30,840
	Bond Retirement	14,284	0	0	14,284
	Ohio School Facilities Commission	80,583	0	87,680	168,263
	Other Governmental Funds	6,880	0	0	6,880
	Totals	<u><u>\$101,747</u></u>	<u><u>\$30,840</u></u>	<u><u>\$87,680</u></u>	<u><u>\$220,267</u></u>

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. A transfer was made from the Ohio School Facilities Commission Capital Projects Fund to the General Fund to refund a local initiative transfer that had erroneously occurred. 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 17 - 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 Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, 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 \$6,237 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 five member Board of Education, 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 Coalition 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 Coalition 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 Coalition. The School District paid \$300 to the Coalition for services provided during the year.

NOTE 17 - 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, 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 Gary Dutey, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

NOTE 18 - INSURANCE PURCHASING POOLS

A. 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.

B. Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as Dave Harcum, an independent consultant of Hylant Group, Inc., and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 19 - 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 fiscal 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.

	Textbooks and Instructional Materials	Capital Acquisition	Totals
Set-aside Reserve Balance as of June 30, 2005	\$607,105	\$0	\$607,105
Current Year Set-aside Requirement	308,710	308,710	617,420
Current Year Offsets	0	(144,527)	(144,527)
Qualifying Disbursements	<u>(813,027)</u>	<u>(164,183)</u>	<u>(977,210)</u>
Set-aside Reserve Balance as of June 30, 2006	<u>102,788</u>	<u>0</u>	<u>102,788</u>
Required Set-aside Balances Carried Forward to FY 2007	<u>\$102,788</u>	<u>\$0</u>	<u>\$102,788</u>

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisition set-aside were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisition during the fiscal year, these extra amounts are not presented.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

NOTE 20 – 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, 2006 are:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/06
Accurate Electric	\$5,948,161	\$5,844,943	\$103,218
Action Builders	850,575	846,216	4,359
BBL Construction	3,540,102	2,928,675	611,427
Brewer and Co.	315,105	309,305	5,800
Boone Coleman Construction	1,861,826	1,858,020	3,806
Columbus Heating and Ventilation	759,237	757,052	2,185
C.R.M. Land Surveying	22,024	19,766	2,258
Continental Educational Environments	413,490	323,116	90,374
Diamond Excavating, LLC	300,000	163,000	137,000
Eastern Environmental Services	185,020	39,926	145,094
J & H Reinforcing and Structural Erectors	19,802,737	19,154,234	648,503
Kenney Huston Company	7,070,991	7,059,489	11,502
Mechanical Construction	5,894,354	5,834,007	60,347
Peck, Shaffer, and Williams	28,000	26,936	1,064
Shawnee Forestry Products	339,000	22,000	317,000
Spectrum Controls	571,569	566,688	4,881
S. S. Kemp & Co.	583,092	581,842	1,250
Stevens Construction	606,987	605,587	1,400
A J Stockmeister	2,560,827	2,539,332	21,495
Tanner & Stone Architects	3,303,096	3,108,509	194,587
T.P. Mechanical Contractors	260,008	256,898	3,110
Total	\$55,216,201	\$52,845,541	\$2,370,660

NOTE 21 - 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, 2006.

B. Litigation

The School District is currently not party to any pending litigation.

NOTE 22 - 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, 2006, 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)

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.

Site Acquisition

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.

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.

Portsmouth City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$851,033	\$32,756	\$883,789
Cash and Cash Equivalents With Fiscal Agent	0	2,490	2,490
Receivables:			
Property Taxes	97,917	0	97,917
Accounts	571	0	571
Intergovernmental	511,970	0	511,970
Accrued Interest	718	21	739
Prepaid Items	2,536	0	2,536
Materials and Supplies Inventory	20,613	0	20,613
Total Assets	\$1,485,358	\$35,267	\$1,520,625
<u>Liabilities:</u>			
Accounts Payable	\$30,484	\$0	\$30,484
Accrued Wages and Benefits Payable	335,485	0	335,485
Intergovernmental Payable	98,719	0	98,719
Interfund Payable	11,821	0	11,821
Matured Compensated Absences Payable	7,317	0	7,317
Deferred Revenue	190,999	0	190,999
Total Liabilities	674,825	0	674,825
<u>Fund Balances:</u>			
Reserved for Encumbrances	50,400	14,587	64,987
Reserved for Property Taxes	4,582	0	4,582
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	755,551	0	755,551
Capital Projects Funds	0	20,680	20,680
Total Fund Balances	810,533	35,267	845,800
Total Liabilities and Fund Balances	\$1,485,358	\$35,267	\$1,520,625

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$89,298	\$0	\$89,298
Intergovernmental	4,696,783	15,232	4,712,015
Investment Earnings	12,014	944	12,958
Tuition and Fees	4,775	0	4,775
Extracurricular Activities	78,389	0	78,389
Rentals	0	1	1
Charges for Services	186,669	0	186,669
Contributions and Donations	133,662	0	133,662
Miscellaneous	75,297	0	75,297
<i>Total Revenues</i>	<u>5,276,887</u>	<u>16,177</u>	<u>5,293,064</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	129,246	15,232	144,478
Special	2,023,185	0	2,023,185
Vocational	547	0	547
Student Intervention Services	45,969	0	45,969
Support Services:			
Pupils	850,171	0	850,171
Instructional Staff	694,991	0	694,991
Administration	437	0	437
Fiscal	39,358	0	39,358
Operation and Maintenance of Plant	60,796	2,990	63,786
Pupil Transportation	4,250	0	4,250
Central	6,341	0	6,341
Operation of Non-Instructional Services:			
Food Service Operations	931,808	0	931,808
Other	217,388	0	217,388
Extracurricular Activities	83,251	0	83,251
Capital Outlay	62,676	159,064	221,740
Debt Service:			
Principal Retirement	10,323	0	10,323
Interest and Fiscal Charges	596	0	596
Intergovernmental	43,500	0	43,500
<i>Total Expenditures</i>	<u>5,204,833</u>	<u>177,286</u>	<u>5,382,119</u>
Excess of Revenues Over (Under) Expenditures	<u>72,054</u>	<u>(161,109)</u>	<u>(89,055)</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	6,880	0	6,880
Transfers Out	0	(87,680)	(87,680)
Total Other Financing Sources (Uses)	<u>6,880</u>	<u>(87,680)</u>	<u>(80,800)</u>
Net Change in Fund Balances	78,934	(248,789)	(169,855)
Fund Balances at Beginning of Year	<u>731,599</u>	<u>284,056</u>	<u>1,015,655</u>
Fund Balances at End of Year	<u>\$810,533</u>	<u>\$35,267</u>	<u>\$845,800</u>

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$18,881	\$108,289	\$379,299	\$9,732
Receivables:				
Property Taxes	0	0	97,917	0
Accounts	0	0	0	571
Intergovernmental	0	0	0	0
Accrued Interest	0	369	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	14,292	0	0	0
Total Assets	\$33,173	\$108,658	\$477,216	\$10,303
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$2,066	\$0
Accrued Wages and Benefits Payable	45,704	0	0	0
Intergovernmental Payable	39,155	0	0	0
Interfund Payable	0	0	0	3,667
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	0	93,335	0
Total Liabilities	84,859	0	95,401	3,667
<u>Fund Balances:</u>				
Reserved for Encumbrances	12,491	6,632	0	50
Reserved for Property Taxes	0	0	4,582	0
Unreserved, Undesignated (Deficit)	(64,177)	102,026	377,233	6,586
Total Fund Balances	(51,686)	108,658	381,815	6,636
Total Liabilities and Fund Balances	\$33,173	\$108,658	\$477,216	\$10,303

Auxiliary Services Non Public	Education Management Information System	SchoolNet Praise	OhioReads	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B
\$68,555	\$2,015	\$8,041	\$2,196	\$0	\$25,642	\$11,344
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	1,705	0	96,415
349	0	0	0	0	0	0
0	0	0	0	0	0	389
0	0	0	0	0	0	6,321
<u>\$68,904</u>	<u>\$2,015</u>	<u>\$8,041</u>	<u>\$2,196</u>	<u>\$1,705</u>	<u>\$25,642</u>	<u>\$114,469</u>
\$12,121	\$0	\$0	\$0	\$0	\$0	\$100
5,075	0	0	0	0	3,438	30,773
1,060	0	0	285	0	571	10,057
0	0	0	0	1,705	0	1,702
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>18,256</u>	<u>0</u>	<u>0</u>	<u>285</u>	<u>1,705</u>	<u>4,009</u>	<u>42,632</u>
8,397	0	8,041	0	0	0	640
0	0	0	0	0	0	0
<u>42,251</u>	<u>2,015</u>	<u>0</u>	<u>1,911</u>	<u>0</u>	<u>21,633</u>	<u>71,197</u>
<u>50,648</u>	<u>2,015</u>	<u>8,041</u>	<u>1,911</u>	<u>0</u>	<u>21,633</u>	<u>71,837</u>
<u>\$68,904</u>	<u>\$2,015</u>	<u>\$8,041</u>	<u>\$2,196</u>	<u>\$1,705</u>	<u>\$25,642</u>	<u>\$114,469</u>

(continued)

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(continued)

	Title I	Title V	Drug Free Schools	Early Childhood Special Education
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$138,739	\$538	\$3,275	\$1,047
Receivables:				
Property Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	178,707	1,682	2,112	5,821
Accrued Interest	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$317,446	\$2,220	\$5,387	\$6,868
<u>Liabilities:</u>				
Accounts Payable	\$318	\$0	\$0	\$0
Accrued Wages and Benefits Payable	128,397	935	1,794	1,389
Intergovernmental Payable	24,157	160	288	511
Interfund Payable	2,640	113	0	0
Matured Compensated Absences Payable	0	7,317	0	0
Deferred Revenue	41,517	0	0	4,077
Total Liabilities	197,029	8,525	2,082	5,977
<u>Fund Balances:</u>				
Reserved for Encumbrances	2,795	538	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	117,622	(6,843)	3,305	891
Total Fund Balances	120,417	(6,305)	3,305	891
Total Liabilities and Fund Balances	\$317,446	\$2,220	\$5,387	\$6,868

<u>E-Rate Funding</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$28,750	\$14,065	\$30,625	\$851,033
0	0	0	97,917
0	0	0	571
0	72,001	153,527	511,970
0	0	0	718
2,147	0	0	2,536
0	0	0	20,613
<u>\$30,897</u>	<u>\$86,066</u>	<u>\$184,152</u>	<u>\$1,485,358</u>
\$801	\$0	\$15,078	\$30,484
0	32,470	85,510	335,485
0	5,670	16,805	98,719
0	0	1,994	11,821
0	0	0	7,317
0	34,281	17,789	190,999
<u>801</u>	<u>72,421</u>	<u>137,176</u>	<u>674,825</u>
4,589	0	6,227	50,400
0	0	0	4,582
<u>25,507</u>	<u>13,645</u>	<u>40,749</u>	<u>755,551</u>
<u>30,096</u>	<u>13,645</u>	<u>46,976</u>	<u>810,533</u>
<u>\$30,897</u>	<u>\$86,066</u>	<u>\$184,152</u>	<u>\$1,485,358</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, 2006

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$89,298	\$0
Intergovernmental	672,035	0	10,380	0
Investment Earnings	91	7,380	0	0
Tuition and Fees	4,775	0	0	0
Extracurricular Activities	0	0	0	78,389
Charges for Services	186,669	0	0	0
Contributions and Donations	0	129,612	0	4,050
Miscellaneous	2,053	38,198	0	1,821
<i>Total Revenues</i>	<u>865,623</u>	<u>175,190</u>	<u>99,678</u>	<u>84,260</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	108,925	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	5,000	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	110	0	2,152	0
Operation and Maintenance of Plant	2,202	0	58,594	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	931,808	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	82,626
Capital Outlay	0	62,676	0	0
Debt Service:				
Principal Retirement	10,323	0	0	0
Interest and Fiscal Charges	596	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>945,039</u>	<u>176,601</u>	<u>60,746</u>	<u>82,626</u>
Excess of Revenues Over (Under) Expenditures	(79,416)	(1,411)	38,932	1,634
<u>Other Financing Sources:</u>				
Transfers In	0	6,880	0	0
<i>Net Change in Fund Balances</i>	(79,416)	5,469	38,932	1,634
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>27,730</u>	<u>103,189</u>	<u>342,883</u>	<u>5,002</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>(\$51,686)</u>	<u>\$108,658</u>	<u>\$381,815</u>	<u>\$6,636</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
188,586	4	6,799	0	18,000	3,925	47,997	0
4,543	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
2,488	0	0	0	0	0	0	0
<u>195,617</u>	<u>4</u>	<u>6,799</u>	<u>0</u>	<u>18,000</u>	<u>3,925</u>	<u>47,997</u>	<u>0</u>
0	4	0	0	0	0	2,262	3,890
0	0	0	12,099	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	32,866	0
0	0	0	0	0	0	0	0
0	1,790	0	1,653	9,959	4,366	11,200	0
0	0	0	437	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	6,341	0	0	0	0	0
0	0	0	0	0	0	0	0
193,106	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>193,106</u>	<u>1,794</u>	<u>6,341</u>	<u>14,189</u>	<u>9,959</u>	<u>4,366</u>	<u>46,328</u>	<u>3,890</u>
2,511	(1,790)	458	(14,189)	8,041	(441)	1,669	(3,890)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,511	(1,790)	458	(14,189)	8,041	(441)	1,669	(3,890)
<u>48,137</u>	<u>1,790</u>	<u>1,557</u>	<u>14,189</u>	<u>0</u>	<u>441</u>	<u>242</u>	<u>3,890</u>
<u>\$50,648</u>	<u>\$0</u>	<u>\$2,015</u>	<u>\$0</u>	<u>\$8,041</u>	<u>\$0</u>	<u>\$1,911</u>	<u>\$0</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, 2006
(continued)

	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B	Title I
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	14,851	82,799	724,194	1,339,461
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>14,851</u>	<u>82,799</u>	<u>724,194</u>	<u>1,339,461</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,375	5,790	0	0
Special	0	0	95,544	1,112,608
Vocational	547	0	0	0
Student Intervention Services	0	0	0	13,103
Support Services:				
Pupils	0	29,980	339,383	0
Instructional Staff	6,631	159	245,614	138,110
Administration	0	0	0	0
Fiscal	0	0	0	17,983
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	4,250	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	0	24,282
Extracurricular Activities	0	625	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Intergovernmental	0	43,500	0	0
<i>Total Expenditures</i>	<u>12,553</u>	<u>84,304</u>	<u>680,541</u>	<u>1,306,086</u>
Excess of Revenues Over (Under) Expenditures	2,298	(1,505)	43,653	33,375
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	2,298	(1,505)	43,653	33,375
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>(2,298)</u>	<u>23,138</u>	<u>28,184</u>	<u>87,042</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$21,633</u>	<u>\$71,837</u>	<u>\$120,417</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	\$89,298
8,489	25,780	12,400	0	275,680	1,265,403	4,696,783
0	0	0	0	0	0	12,014
0	0	0	0	0	0	4,775
0	0	0	0	0	0	78,389
0	0	0	0	0	0	186,669
0	0	0	0	0	0	133,662
0	0	0	30,737	0	0	75,297
<u>8,489</u>	<u>25,780</u>	<u>12,400</u>	<u>30,737</u>	<u>275,680</u>	<u>1,265,403</u>	<u>5,276,887</u>
0	0	0	0	0	3,000	129,246
15,536	0	0	0	274,315	513,083	2,023,185
0	0	0	0	0	0	547
0	0	0	0	0	0	45,969
0	1,785	0	0	0	474,023	850,171
0	22,663	12,618	17,644	7,291	215,293	694,991
0	0	0	0	0	0	437
0	0	0	0	0	19,113	39,358
0	0	0	0	0	0	60,796
0	0	0	0	0	0	4,250
0	0	0	0	0	0	6,341
0	0	0	0	0	0	931,808
0	0	0	0	0	0	217,388
0	0	0	0	0	0	83,251
0	0	0	0	0	0	62,676
0	0	0	0	0	0	10,323
0	0	0	0	0	0	596
0	0	0	0	0	0	43,500
<u>15,536</u>	<u>24,448</u>	<u>12,618</u>	<u>17,644</u>	<u>281,606</u>	<u>1,224,512</u>	<u>5,204,833</u>
(7,047)	1,332	(218)	13,093	(5,926)	40,891	72,054
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,880</u>
(7,047)	1,332	(218)	13,093	(5,926)	40,891	78,934
<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>(\$6,305)</u>	<u>\$3,305</u>	<u>\$891</u>	<u>\$30,096</u>	<u>\$13,645</u>	<u>\$46,976</u>	<u>\$810,533</u>

Portsmouth City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006

	Permanent Improvement	Site Acquisition	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$4,910	\$27,846	\$32,756
Cash and Cash Equivalents With Fiscal Agent	0	2,490	2,490
Receivables:			
Accrued Interest	0	21	21
<i>Total Assets</i>	\$4,910	\$30,357	\$35,267
<u>Liabilities:</u>			
	\$0	\$0	\$0
<u>Fund Balances:</u>			
Reserved for Encumbrances	0	14,587	14,587
Unreserved, Undesignated	4,910	15,770	20,680
<i>Total Fund Balances</i>	4,910	30,357	35,267
<i>Total Liabilities and Fund Balances</i>	\$4,910	\$30,357	\$35,267

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, 2006

	Permanent Improvement	Site Acquisition	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Intergovernmental	\$0	\$0	\$15,232	\$15,232
Investment Earnings	0	944	0	944
Rentals	1	0	0	1
<i>Total Revenues</i>	<u>1</u>	<u>944</u>	<u>15,232</u>	<u>16,177</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	15,232	15,232
Support Services:				
Operation and Maintenance of Plant	2,990	0	0	2,990
Capital Outlay	<u>1,000</u>	<u>158,064</u>	<u>0</u>	<u>159,064</u>
<i>Total Expenditures</i>	<u>3,990</u>	<u>158,064</u>	<u>15,232</u>	<u>177,286</u>
Excess of Revenues Under Expenditures	(3,989)	(157,120)	0	(161,109)
<u>Other Financing Uses:</u>				
Transfers Out	<u>(87,680)</u>	<u>0</u>	<u>0</u>	<u>(87,680)</u>
<i>Net Change in Fund Balances</i>	(91,669)	(157,120)	0	(248,789)
<i>Fund Balances Beginning of Year</i>	<u>96,579</u>	<u>187,477</u>	<u>0</u>	<u>284,056</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,910</u></u>	<u><u>\$30,357</u></u>	<u><u>\$0</u></u>	<u><u>\$35,267</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, 2006

	Balance at 6/30/2005	Additions	Deletions	Balance at 6/30/2006
STUDENT MANAGED ACTIVITY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,033	\$17,417	\$15,598	\$8,852
<u>Liabilities:</u>				
Undistributed Monies	\$7,033	\$17,417	\$15,598	\$8,852

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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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$4,960,500	\$4,774,107	\$4,774,107	\$0
Intergovernmental	13,727,642	13,918,789	13,918,789	0
Investment Earnings	114,124	115,713	115,713	0
Tuition and Fees	568,539	576,455	576,455	0
Extracurricular Activities	22,160	22,469	22,469	0
Rentals	3,359	3,406	3,406	0
Contributions and Donations	85,912	87,108	87,108	0
Miscellaneous	63,261	64,142	64,142	0
<i>Total Revenues</i>	19,545,497	19,562,189	19,562,189	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	3,005,448	2,983,612	2,977,793	5,819
Fringe Benefits	1,469,282	1,420,673	1,382,403	38,270
Purchased Services	12,510	6,329,664	6,286,025	43,639
Materials and Supplies	236,923	217,855	212,205	5,650
Capital Outlay	333,474	359,318	359,318	0
Other	400	96	96	0
<i>Total Regular</i>	5,058,037	11,311,218	11,217,840	93,378
Special:				
Salaries	1,450,391	1,369,668	1,368,366	1,302
Fringe Benefits	696,217	628,668	607,226	21,442
Purchased Services	155,040	2,667	1,167	1,500
Materials and Supplies	32,950	40,305	37,803	2,502
Capital Outlay	6,800	105,042	103,712	1,330
<i>Total Special</i>	2,341,398	2,146,350	2,118,274	28,076
Vocational:				
Salaries	281,674	200,754	200,754	0
Fringe Benefits	93,887	64,555	62,323	2,232
Purchased Services	100	325	250	75
Materials and Supplies	2,300	5,030	5,005	25
Capital Outlay	4,290	40,184	39,891	293
<i>Total Vocational</i>	382,251	310,848	308,223	2,625
Adult/Continuing Instruction:				
Purchased Services	15,000	0	0	0
Student Intervention Services:				
Salaries	0	81,519	81,119	400
Fringe Benefits	0	29,633	28,125	1,508
Purchased Services	5,649,541	0	0	0
Materials and Supplies	0	233	233	0
<i>Total Student Intervention Services</i>	5,649,541	111,385	109,477	1,908
<i>Total Instruction</i>	\$13,446,227	\$13,879,801	\$13,753,814	\$125,987 (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, 2006
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries	\$521,595	\$475,921	\$475,921	\$0
Fringe Benefits	244,001	189,870	179,465	10,405
Purchased Services	92,977	75,346	72,527	2,819
Materials and Supplies	29,155	3,684	3,584	100
Capital Outlay	100	2,124	204	1,920
Other	1,350	0	0	0
Total Pupils	889,178	746,945	731,701	15,244
Instructional Staff:				
Salaries	606,840	593,602	593,380	222
Fringe Benefits	416,292	408,029	382,492	25,537
Purchased Services	23,650	39,638	37,174	2,464
Materials and Supplies	49,645	38,675	36,428	2,247
Capital Outlay	28,942	32,521	31,872	649
Other	875	1,105	1,105	0
Total Instructional Staff	1,126,244	1,113,570	1,082,451	31,119
Board of Education:				
Salaries	6,720	6,960	6,960	0
Fringe Benefits	972	741	702	39
Purchased Services	2,000	1,662	1,565	97
Materials and Supplies	300	190	190	0
Other	8,000	9,770	9,635	135
Total Board of Education	17,992	19,323	19,052	271
Administration:				
Salaries	688,151	684,796	684,796	0
Fringe Benefits	383,883	377,698	362,045	15,653
Purchased Services	168,470	170,034	127,330	42,704
Materials and Supplies	56,572	51,553	38,349	13,204
Capital Outlay	154,188	7,471	7,386	85
Other	700	147,239	147,148	91
Total Administration	1,451,964	1,438,791	1,367,054	71,737
Fiscal:				
Salaries	171,479	131,204	131,204	0
Fringe Benefits	114,179	110,612	96,980	13,632
Purchased Services	209,940	208,176	157,204	50,972
Materials and Supplies	12,400	14,007	8,366	5,641
Capital Outlay	167,349	15,849	7,916	7,933
Other	650	173,057	155,623	17,434
Total Fiscal	\$675,997	\$652,905	\$557,293	\$95,612

(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, 2006
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Business:				
Salaries	\$91,769	\$92,103	\$92,103	\$0
Fringe Benefits	15,069	14,947	9,735	5,212
Purchased Services	13,562	11,830	7,789	4,041
Materials and Supplies	5,438	6,686	6,486	200
Capital Outlay	2,000	1,648	1,648	0
Other	0	172	102	70
Total Business	127,838	127,386	117,863	9,523
Operation and Maintenance of Plant:				
Salaries	689,941	715,269	715,269	0
Fringe Benefits	451,203	418,494	396,384	22,110
Purchased Services	750,010	692,357	587,146	105,211
Materials and Supplies	122,171	129,700	66,029	63,671
Capital Outlay	7,000	9,755	7,077	2,678
Total Operation and Maintenance of Plant	2,020,325	1,965,575	1,771,905	193,670
Pupil Transportation:				
Salaries	182,086	166,496	166,496	0
Fringe Benefits	130,430	123,824	121,807	2,017
Purchased Services	223,030	76,204	58,599	17,605
Materials and Supplies	64,400	80,904	61,521	19,383
Capital Outlay	0	138,791	138,791	0
Total Pupil Transportation	599,946	586,219	547,214	39,005
Central:				
Salaries	6,000	8,530	2,530	6,000
Fringe Benefits	8,978	3,018	557	2,461
Purchased Services	7,000	4,685	4,685	0
Total Central	21,978	16,233	7,772	8,461
Total Support Services	6,931,462	6,666,947	6,202,305	464,642
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	15,506	14,386	14,386	0
Fringe Benefits	11,966	13,194	12,011	1,183
Purchased Services	8,750	5,688	4,106	1,582
Total Food Service Operations	36,222	33,268	30,503	2,765
Community Services:				
Fringe Benefits	0	369	0	369
Total Operation of Non-Instructional Services	\$36,222	\$33,637	\$30,503	\$3,134

(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, 2006
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	\$23,959	\$12,466	\$12,466	\$0
Fringe Benefits	3,214	3,234	1,716	1,518
Purchased Services	3,600	14,650	13,201	1,449
Materials and Supplies	7,700	1,314	1,314	0
Capital Outlay	2,385	2,385	2,385	0
Total Academic Oriented Activities	40,858	34,049	31,082	2,967
Sports Oriented Activities:				
Salaries	157,515	120,161	120,161	0
Fringe Benefits	23,228	23,954	16,730	7,224
Purchased Services	8,200	4,481	4,320	161
Materials and Supplies	2,000	0	0	0
Total Sports Oriented Activities	190,943	148,596	141,211	7,385
School and Public Service:				
Salaries	11,186	6,127	6,127	0
Fringe Benefits	1,118	1,136	792	344
Purchased Services	11,980	7,295	7,295	0
Materials and Supplies	5,128	14,433	14,433	0
Total School and Public Service	29,412	28,991	28,647	344
Total Extracurricular Activities	261,213	211,636	200,940	10,696
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	0	450	450	0
Capital Outlay	0	56,027	56,027	0
Total Capital Outlay	0	56,477	56,477	0
Total Expenditures	20,675,124	20,848,498	20,244,039	604,459
Excess of Revenues Over (Under) Expenditures	(1,129,627)	(1,286,309)	(681,850)	604,459
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	3,500	3,500	3,500	0
Transfers In	31,487	17,270	30,840	13,570
Transfers Out	(14,372)	(270,723)	(101,747)	168,976
Advances In	106,762	106,762	106,762	0
Advances Out	0	(11,821)	(11,821)	0
Total Other Financing Sources (Uses)	127,377	(155,012)	27,534	182,546
Net Change in Fund Balance	(1,002,250)	(1,441,321)	(654,316)	787,005
Fund Balance at Beginning of Year	2,660,352	2,660,352	2,660,352	0
Prior Year Encumbrances Appropriated	18,120	18,120	18,120	0
Fund Balance at End of Year	\$1,676,222	\$1,237,151	\$2,024,156	\$787,005

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Poverty Assistance Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,121,163	\$2,121,145	\$2,121,145	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	1,035,575	995,625	849,817	145,808
Fringe Benefits	793,322	574,657	431,845	142,812
Purchased Services	980	1,280	280	1,000
Total Special	1,829,877	1,571,562	1,281,942	289,620
Student Intervention Services:				
Salaries and Wages	0	151,559	136,249	15,310
Fringe Benefits	0	79,692	65,917	13,775
Purchased Services	7,328	87,793	87,793	0
Total Student Intervention Services	7,328	319,044	289,959	29,085
Total Instruction	1,837,205	1,890,606	1,571,901	318,705
Support Services:				
Pupils:				
Salaries	34,502	20,049	20,040	9
Fringe Benefits	13,267	14,055	11,817	2,238
Purchased Services	900	800	86	714
Total Pupils	48,669	34,904	31,943	2,961
Instructional Staff:				
Salaries	92,457	106,317	86,895	19,422
Fringe Benefits	69,029	74,355	59,756	14,599
Purchased Services	85	85	79	6
Total Instructional Staff	161,571	180,757	146,730	34,027
Administration:				
Salaries	58,113	13,499	0	13,499
Fringe Benefits	15,605	1,379	0	1,379
Total Administration	73,718	14,878	0	14,878
Total Support Services	283,958	230,539	178,673	51,866
Total Expenditures	2,121,163	2,121,145	1,750,574	370,571
Net Change in Fund Balance	0	0	370,571	370,571
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$370,571</u>	<u>\$370,571</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Debt Service Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$1,340,000	\$1,266,016	\$1,266,016	\$0
Intergovernmental	27,715	154,997	154,997	0
Investment Earnings	14,285	79,893	79,893	0
<i>Total Revenues</i>	1,382,000	1,500,906	1,500,906	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	29,000	30,276	30,252	24
Debt Service:				
Principal Retirement	1,141,646	429,284	429,284	0
Interest and Fiscal Charges	14,284	726,646	726,646	0
Total Debt Service	1,155,930	1,155,930	1,155,930	0
<i>Total Expenditures</i>	1,184,930	1,186,206	1,186,182	24
Excess of Revenues Over Expenditures	197,070	314,700	314,724	24
<u>Other Financing Sources:</u>				
Transfers In	14,284	14,284	14,284	0
Net Change in Fund Balance	211,354	328,984	329,008	24
Fund Balance at Beginning of Year	1,189,987	1,189,987	1,189,987	0
Fund Balance at End of Year	\$1,401,341	\$1,518,971	\$1,518,995	\$24

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$14,857,847	\$7,091,663	\$7,091,663	\$0
Investment Earnings	813,696	388,376	388,376	0
Miscellaneous	0	50,000	0	(50,000)
<i>Total Revenues</i>	<u>15,671,543</u>	<u>7,530,039</u>	<u>7,480,039</u>	<u>(50,000)</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	0	72,298	72,298	0
Educational Specifications Development Services:				
Purchased Services	509,668	302,625	302,381	244
Building Acquisition and Construction Services:				
Purchased Services	747,761	1,154,706	1,154,176	530
Materials and Supplies	50,000	13,925	13,925	0
Capital Outlay	22,638,803	16,586,180	16,536,180	50,000
Total Building Acquisition and Construction Services	<u>23,436,564</u>	<u>17,754,811</u>	<u>17,704,281</u>	<u>50,530</u>
Other Facilities Acquisition and Construction:				
Purchased Services	3,385	1,333,367	1,333,203	164
Materials and Supplies	0	18,364	18,364	0
Total Other Facilities Acquisition and Construction	<u>3,385</u>	<u>1,351,731</u>	<u>1,351,567</u>	<u>164</u>
<i>Total Expenditures</i>	<u>23,949,617</u>	<u>19,481,465</u>	<u>19,430,527</u>	<u>50,938</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,278,074)</u>	<u>(11,951,426)</u>	<u>(11,950,488)</u>	<u>938</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	168,263	168,263	168,263	0
Transfers Out	0	(30,840)	(30,840)	0
<i>Total Other Financing Sources (Uses)</i>	<u>168,263</u>	<u>137,423</u>	<u>137,423</u>	<u>0</u>
Net Change in Fund Balance	(8,109,811)	(11,814,003)	(11,813,065)	938
Fund Balance at Beginning of Year	14,580,134	14,580,134	14,580,134	0
Prior Year Encumbrances Appropriated	64,423	64,423	64,423	0
Fund Balance at End of Year	<u>\$6,534,746</u>	<u>\$2,830,554</u>	<u>\$2,831,492</u>	<u>\$938</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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$949,571	\$691,005	\$691,005	\$0
Investment Earnings	217	158	158	0
Tuition and Fees	6,562	4,775	4,775	0
Charges for Services	257,309	187,244	187,244	0
Miscellaneous	2,821	2,053	2,053	0
<i>Total Revenues</i>	<u>1,216,480</u>	<u>885,235</u>	<u>885,235</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Board of Education:				
Other	2,000	0	0	0
Fiscal:				
Purchased Services	150	110	110	0
Operation and Maintenance of Plant:				
Purchased Services	21,325	2,115	2,115	0
Materials and Supplies	800	87	87	0
Total Operation and Maintenance of Plant	<u>22,125</u>	<u>2,202</u>	<u>2,202</u>	<u>0</u>
Total Support Services	<u>24,275</u>	<u>2,312</u>	<u>2,312</u>	<u>0</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	402,283	352,176	352,176	0
Fringe Benefits	279,731	238,470	238,470	0
Purchased Services	8,931	5,197	5,197	0
Materials and Supplies	495,153	350,785	350,785	0
Capital Outlay	5,514	19,937	19,937	0
Total Operation of Non-Instructional Services	<u>1,191,612</u>	<u>966,565</u>	<u>966,565</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,215,887</u>	<u>968,877</u>	<u>968,877</u>	<u>0</u>
Net Change in Fund Balance	593	(83,642)	(83,642)	0
Fund Balance at Beginning of Year	<u>90,032</u>	<u>90,032</u>	<u>90,032</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$90,625</u></u>	<u><u>\$6,390</u></u>	<u><u>\$6,390</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)
Education Foundation Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Investment Earnings	\$55,183	\$8,100	\$8,100	\$0
Contributions and Donations	883,004	129,612	129,612	0
Miscellaneous	232,980	34,198	38,198	4,000
<i>Total Revenues</i>	<u>1,171,167</u>	<u>171,910</u>	<u>175,910</u>	<u>4,000</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	500	0	500
Capital Outlay	850,551	108,476	107,925	551
Other	0	1,000	1,000	0
Total Instruction	<u>850,551</u>	<u>109,976</u>	<u>108,925</u>	<u>1,051</u>
Support Services:				
Pupils:				
Other	5,000	5,000	5,000	0
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	1,500	5,385	5,385	0
Materials and Supplies	0	1,123	1,123	0
Capital Outlay	48,500	62,800	62,800	0
Total Capital Outlay	<u>50,000</u>	<u>69,308</u>	<u>69,308</u>	<u>0</u>
<i>Total Expenditures</i>	<u>905,551</u>	<u>184,284</u>	<u>183,233</u>	<u>1,051</u>
Excess of Revenues Over (Under) Expenditures	265,616	(12,374)	(7,323)	5,051
<u>Other Financing Sources:</u>				
Transfers In	1,053	1,053	6,880	5,827
Net Change in Fund Balance	266,669	(11,321)	(443)	10,878
Fund Balance at Beginning of Year	102,100	102,100	102,100	0
Fund Balance at End of Year	<u>\$368,769</u>	<u>\$90,779</u>	<u>\$101,657</u>	<u>\$10,878</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, 2006*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$94,000	\$89,579	\$89,579	\$0
Intergovernmental	0	10,380	10,380	0
<i>Total Revenues</i>	94,000	99,959	99,959	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	2,200	2,200	2,152	48
Operation of Maintenance and Plant:				
Purchased Services	0	21,176	0	21,176
Materials and Supplies	0	35,709	33,988	1,721
Capital Outlay	200,000	347,933	22,540	325,393
Total Operation of Maintenance and Plant	200,000	404,818	56,528	348,290
<i>Total Expenditures</i>	202,200	407,018	58,680	348,338
Net Change in Fund Balance	(108,200)	(307,059)	41,279	348,338
Fund Balance at Beginning of Year	338,020	338,020	338,020	0
Fund Balance at End of Year	\$229,820	\$30,961	\$379,299	\$348,338

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, 2006

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$112,055	\$78,377	\$78,377	\$0
Contributions and Donations	5,790	4,050	4,050	0
Miscellaneous	2,528	1,768	1,768	0
<i>Total Revenues</i>	<u>120,373</u>	<u>84,195</u>	<u>84,195</u>	<u>0</u>
<u>Expenditures:</u>				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries	4,000	1,641	1,641	0
Fringe Benefits	0	165	165	0
Purchased Services	34,600	31,974	31,974	0
Materials and Supplies	30,800	32,504	32,504	0
Capital Outlay	9,000	14,599	9,560	5,039
Total Sports Oriented Activities	<u>78,400</u>	<u>80,883</u>	<u>75,844</u>	<u>5,039</u>
Academic and Subject Oriented Activities:				
Purchased Services	4,000	0	0	0
Materials and Supplies	7,850	4,483	2,021	2,462
Other	350	0	0	0
Total Academic and Subject Oriented Activities	<u>12,200</u>	<u>4,483</u>	<u>2,021</u>	<u>2,462</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	20,150	6,888	5,256	1,632
Materials and Supplies	5,150	631	82	549
Total School and Public Service Co-Curricular Activities	<u>25,300</u>	<u>7,519</u>	<u>5,338</u>	<u>2,181</u>
<i>Total Expenditures</i>	<u>115,900</u>	<u>92,885</u>	<u>83,203</u>	<u>9,682</u>
Excess of Revenues Over (Under) Expenditures	<u>4,473</u>	<u>(8,690)</u>	<u>992</u>	<u>9,682</u>
<u>Other Financing Sources (Uses):</u>				
Advances In	0	3,667	3,667	0
Advances Out	(775)	(775)	(775)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(775)</u>	<u>2,892</u>	<u>2,892</u>	<u>0</u>
Net Change in Fund Balance	3,698	(5,798)	3,884	9,682
Fund Balance at Beginning of Year	<u>5,798</u>	<u>5,798</u>	<u>5,798</u>	<u>0</u>
Fund Balance at End of Year	<u>\$9,496</u>	<u>\$0</u>	<u>\$9,682</u>	<u>\$9,682</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, 2006*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$196,819	\$191,016	\$191,016	\$0
Investment Earnings	4,812	4,670	4,670	0
Miscellaneous	2,564	2,488	2,488	0
<i>Total Revenues</i>	204,195	198,174	198,174	0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	60,648	61,913	55,413	6,500
Fringe Benefits	20,345	23,779	18,499	5,280
Purchased Services	74,057	70,720	68,115	2,605
Materials and Supplies	59,894	51,711	33,398	18,313
Capital Outlay	36,868	52,985	37,694	15,291
<i>Total Expenditures</i>	251,812	261,108	213,119	47,989
Net Change in Fund Balance	(47,617)	(62,934)	(14,945)	47,989
Fund Balance at Beginning of Year	8,273	8,273	8,273	0
Prior Year Encumbrances Appropriated	54,717	54,717	54,717	0
Fund Balance at End of Year	\$15,373	\$56	\$48,045	\$47,989

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, 2006*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$925	\$929	\$4	(\$925)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	0	4	4	0
Support Services:				
Instructional Staff:				
Purchased Services	656	652	652	0
Materials and Supplies	1,847	1,851	1,851	0
Total Support Services	2,503	2,503	2,503	0
<i>Total Expenditures</i>	2,503	2,507	2,507	0
Excess of Revenues Under Expenditures	(1,578)	(1,578)	(2,503)	(925)
<u>Other Financing Uses:</u>				
Advances Out	(925)	(925)	(925)	0
Net Change in Fund Balance	(2,503)	(2,503)	(3,428)	(925)
Fund Balance at Beginning of Year	925	925	925	0
Prior Year Encumbrances Appropriated	2,503	2,503	2,503	0
Fund Balance at End of Year	\$925	\$925	\$0	(\$925)

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$6,799	\$6,799	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Salaries	0	6,506	4,500	2,006
Fringe Benefits	0	420	420	0
Purchased Services	1,557	1,430	1,421	9
<i>Total Expenditures</i>	<u>1,557</u>	<u>8,356</u>	<u>6,341</u>	<u>2,015</u>
Net Change in Fund Balance	(1,557)	(1,557)	458	2,015
Fund Balance at Beginning of Year	<u>1,557</u>	<u>1,557</u>	<u>1,557</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,015</u></u>	<u><u>\$2,015</u></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, 2006

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	174,662	174,662	174,662	0
Fringe Benefits	84,323	82,703	82,703	0
Total Instruction	<u>258,985</u>	<u>257,365</u>	<u>257,365</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries	4,638	4,638	4,638	0
Fringe Benefits	1,856	1,856	1,856	0
Total Pupils	<u>6,494</u>	<u>6,494</u>	<u>6,494</u>	<u>0</u>
Instructional Staff:				
Salaries	16,279	16,279	16,279	0
Fringe Benefits	12,796	14,416	14,416	0
Total Instructional Staff	<u>29,075</u>	<u>30,695</u>	<u>30,695</u>	<u>0</u>
Administration:				
Salaries	8,686	8,686	8,686	0
Fringe Benefits	2,262	2,262	2,262	0
Total Administration	<u>10,948</u>	<u>10,948</u>	<u>10,948</u>	<u>0</u>
Total Support Services	<u>46,517</u>	<u>48,137</u>	<u>48,137</u>	<u>0</u>
Total Expenditures	<u>305,502</u>	<u>305,502</u>	<u>305,502</u>	<u>0</u>
Net Change in Fund Balance	(305,502)	(305,502)	(305,502)	0
Fund Balance at Beginning of Year	<u>305,502</u>	<u>305,502</u>	<u>305,502</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</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 Praise Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$18,000	\$18,000	\$18,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	15,000	18,000	18,000	0
Materials and Supplies	1,000	0	0	0
Capital Outlay	2,000	0	0	0
<i>Total Expenditures</i>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</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, 2006*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$3,925	\$3,925	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	0	3,374	3,374	0
Fringe Benefits	0	551	551	0
Purchased Services	441	441	441	0
<i>Total Expenditures</i>	441	4,366	4,366	0
Net Change in Fund Balance	(441)	(441)	(441)	0
Fund Balance at Beginning of Year	441	441	441	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)*
OhioReads Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$48,122	\$56,122	\$56,122	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,829	5,829	5,829	0
Student Intervention Services:				
Salaries	10,000	14,586	13,737	849
Fringe Benefits	1,600	1,989	1,541	448
Purchased Services	2,000	289	289	0
Materials and Supplies	8,200	18,127	17,299	828
Total Student Intervention Services	21,800	34,991	32,866	2,125
Total Instruction	25,629	40,820	38,695	2,125
Support Services:				
Instructional Staff:				
Salaries	10,000	5,000	5,000	0
Fringe Benefits	1,600	728	728	0
Purchased Services	5,000	3,608	3,539	69
Materials and Supplies	1,600	1,673	1,673	0
Total Support Services	18,200	11,009	10,940	69
<i>Total Expenditures</i>	43,829	51,829	49,635	2,194
Excess of Revenues Over Expenditures	4,293	4,293	6,487	2,194
<u>Other Financing Uses:</u>				
Advances Out	(8,122)	(8,122)	(8,122)	0
Net Change in Fund Balance	(3,829)	(3,829)	(1,635)	2,194
Fund Balance at Beginning of Year	288	288	288	0
Prior Year Encumbrances Appropriated	3,543	3,543	3,543	0
Fund Balance at End of Year	\$2	\$2	\$2,196	\$2,194

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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,536	\$1,804	\$2,729	\$925
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	12,992	12,992	12,992	0
Fringe Benefits	4,668	4,861	4,861	0
<i>Total Expenditures</i>	17,660	17,853	17,853	0
Net Change in Fund Balance	(15,124)	(16,049)	(15,124)	925
Fund Balance at Beginning of Year	15,124	15,124	15,124	0
Fund Balance (Deficit) at End of Year	\$0	(\$925)	\$0	\$925

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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$16,666	\$16,667	\$14,962	(\$1,705)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	6,783	7,158	7,158	0
Vocational:				
Capital Outlay	547	547	547	0
Total Instruction	7,330	7,705	7,705	0
Support Services:				
Instructional Staff:				
Salaries	4,430	3,835	3,835	0
Fringe Benefits	710	745	745	0
Purchased Services	881	917	917	0
Materials and Supplies	1,500	1,650	1,650	0
Total Support Services	7,521	7,147	7,147	0
<i>Total Expenditures</i>	14,851	14,852	14,852	0
Excess of Revenues Over (Under) Expenditures	1,815	1,815	110	(1,705)
<u>Other Financing Sources (Uses):</u>				
Advances In	0	1,705	1,705	0
Advances Out	(4,119)	(5,824)	(4,119)	1,705
<i>Total Other Financing Sources (Uses)</i>	(4,119)	(4,119)	(2,414)	1,705
Net Change in Fund Balance	(2,304)	(2,304)	(2,304)	0
Prior Year Encumbrances Appropriated	2,304	2,304	2,304	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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$29,299	\$39,299	\$39,299	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	0	1,100	720	380
Fringe Benefits	0	175	116	59
Purchased Services	0	616	492	124
Materials and Supplies	2,124	2,124	822	1,302
Capital Outlay	1,849	1,848	0	1,848
Other	3,577	3,577	1,326	2,251
Total Instruction	7,550	9,440	3,476	5,964
Support Services:				
Pupils:				
Salaries	17,856	17,856	15,244	2,612
Fringe Benefits	11,442	11,442	9,338	2,104
Purchased Services	0	859	275	584
Materials and Supplies	0	2,500	1,125	1,375
Total Pupils	29,298	32,657	25,982	6,675
Instructional Staff:				
Salaries	1,125	1,125	0	1,125
Fringe Benefits	219	219	0	219
Purchased Services	6,926	6,311	159	6,152
Total Instructional Staff	8,270	7,655	159	7,496
Administration:				
Capital Outlay	5,000	5,000	0	5,000
Pupil Transportation:				
Purchased Services	0	4,250	4,250	0
Total Support Services	42,568	49,562	30,391	19,171
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	500	0	500
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	0	625	625	0
Total Expenditures	50,118	60,127	34,492	25,635
Net Change in Fund Balance	(20,819)	(20,828)	4,807	25,635
Fund Balance at Beginning of Year	19,435	19,435	19,435	0
Prior Year Encumbrances Appropriated	1,400	1,400	1,400	0
Fund Balance at End of Year	\$16	\$7	\$25,642	\$25,635

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, 2006

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$736,779	\$760,698	\$664,283	(\$96,415)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	55,737	51,597	45,578	6,019
Fringe Benefits	28,532	28,939	25,404	3,535
Purchased Services	1,050	9,032	9,032	0
Materials and Supplies	7,735	6,896	6,896	0
Capital Outlay	0	8,120	8,120	0
Total Instruction	93,054	104,584	95,030	9,554
Support Services:				
Pupils:				
Salaries	173,163	176,712	164,841	11,871
Fringe Benefits	68,758	63,570	59,194	4,376
Purchased Services	94,565	146,329	119,837	26,492
Materials and Supplies	5,515	5,200	3,279	1,921
Total Pupils	342,001	391,811	347,151	44,660
Instructional Staff:				
Salaries	218,369	188,827	159,957	28,870
Fringe Benefits	114,526	79,035	63,031	16,004
Purchased Services	39,435	44,140	39,546	4,594
Materials and Supplies	7,232	6,206	4,470	1,736
Capital Outlay	1,000	1,000	1,000	0
Other	300	314	314	0
Total Instructional Staff	380,862	319,522	268,318	51,204
Total Support Services	722,863	711,333	615,469	95,864
Total Expenditures	815,917	815,917	710,499	105,418
Excess of Revenues Over (Under) Expenditures	(79,138)	(55,219)	(46,216)	9,003
<u>Other Financing Sources (Uses):</u>				
Transfers In	23,919	0	0	0
Advances In	0	1,702	1,702	0
Advances Out	(35,129)	(36,831)	(35,130)	1,701
Total Other Financing Sources (Uses)	(11,210)	(35,129)	(33,428)	1,701
Net Change in Fund Balance	(90,348)	(90,348)	(79,644)	10,704
Fund Balance at Beginning of Year	73,765	73,765	73,765	0
Prior Year Encumbrances Appropriated	16,583	16,583	16,583	0
Fund Balance at End of Year	\$0	\$0	\$10,704	\$10,704

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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,466,094	\$1,607,933	\$1,429,224	(\$178,709)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	852,840	838,687	736,947	101,740
Fringe Benefits	420,352	399,070	338,462	60,608
Purchased Services	10,718	36,185	24,707	11,478
Materials and Supplies	1,649	30,016	7,896	22,120
Total Special	1,285,559	1,303,958	1,108,012	195,946
Student Intervention Services:				
Salaries and Wages	1,000	35,025	3,850	31,175
Fringe Benefits	161	5,633	902	4,731
Purchased Services	11,715	3,000	3,000	0
Materials and Supplies	7,500	6,563	5,351	1,212
Total Student Intervention Services	20,376	50,221	13,103	37,118
Total Instruction	1,305,935	1,354,179	1,121,115	233,064
Support Services:				
Instructional Staff:				
Salaries	114,429	111,998	85,586	26,412
Fringe Benefits	37,287	34,081	29,504	4,577
Purchased Services	59,671	93,921	72,679	21,242
Materials and Supplies	7,982	4,044	2,036	2,008
Capital Outlay	1,454	342	342	0
Total Instructional Staff	220,823	244,386	190,147	54,239
Fiscal:				
Materials and Supplies	1,500	0	0	0
Other	0	18,565	17,983	582
Total Fiscal	1,500	18,565	17,983	582
Total Support Services	\$222,323	\$262,951	\$208,130	\$54,821

(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, 2006
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	\$24,663	\$27,280	\$12,755	\$14,525
Fringe Benefits	4,858	4,438	2,209	2,229
Purchased Services	8,661	6,611	3,382	3,229
Materials and Supplies	10,717	9,144	4,999	4,145
Other	0	2,200	2,200	0
Total Operation of Non-Instructional Services	48,899	49,673	25,545	24,128
<i>Total Expenditures</i>	1,577,157	1,666,803	1,354,790	312,013
Excess of Revenues Over (Under) Expenditures	(111,063)	(58,870)	74,434	133,304
<u>Other Financing Sources (Uses):</u>				
Transfers In	56,085	0	0	0
Advances In	0	2,640	2,640	0
Advances Out	(52,280)	(54,920)	(52,280)	2,640
<i>Total Other Financing Sources (Uses)</i>	3,805	(52,280)	(49,640)	2,640
Net Change in Fund Balance	(107,258)	(111,150)	24,794	135,944
Fund Balance at Beginning of Year	80,968	80,968	80,968	0
Prior Year Encumbrances Appropriated	30,182	30,182	30,182	0
Fund Balance at End of Year	\$3,892	\$0	\$135,944	\$135,944

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, 2006

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$9,483	\$9,763	\$8,081	(\$1,682)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	6,425	6,498	5,855	643
Fringe Benefits	3,136	3,136	2,928	208
Materials and Supplies	227	280	0	280
Total Instruction	9,788	9,914	8,783	1,131
Operation of Non-Instructional Services:				
Community Recreation Services:				
Capital Outlay	1,625	1,620	1,182	438
<i>Total Expenditures</i>	11,413	11,534	9,965	1,569
Excess of Revenues Under Expenditures	(1,930)	(1,771)	(1,884)	(113)
<u>Other Financing Sources (Uses):</u>				
Transfers In	230	0	0	0
Advances In	0	113	113	0
Advances Out	0	(113)	0	113
<i>Total Other Financing Sources (Uses)</i>	230	0	113	113
Net Change in Fund Balance	(1,700)	(1,771)	(1,771)	0
Fund Balance at Beginning of Year	982	982	982	0
Prior Year Encumbrances Appropriated	789	789	789	0
Fund Balance at End of Year	\$71	\$0	\$0	\$0

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, 2006

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$27,674	\$28,563	\$26,451	(\$2,112)
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries	750	375	350	25
Fringe Benefits	109	55	51	4
Purchased Services	5,619	1,747	550	1,197
Materials and Supplies	2,445	2,375	1,294	1,081
Total Pupils	<u>8,923</u>	<u>4,552</u>	<u>2,245</u>	<u>2,307</u>
Instructional Staff:				
Salaries	10,650	10,649	10,385	264
Fringe Benefits	5,730	5,956	5,193	763
Purchased Services	3,442	7,587	6,431	1,156
Materials and Supplies	1,884	1,884	987	897
Total Instructional Staff	<u>21,706</u>	<u>26,076</u>	<u>22,996</u>	<u>3,080</u>
<i>Total Expenditures</i>	<u>30,629</u>	<u>30,628</u>	<u>25,241</u>	<u>5,387</u>
Excess of Revenues Over (Under) Expenditures	(2,955)	(2,065)	1,210	3,275
<u>Other Financing Sources:</u>				
Transfers In	890	0	0	0
Net Change in Fund Balance	(2,065)	(2,065)	1,210	3,275
Fund Balance at Beginning of Year	1,136	1,136	1,136	0
Prior Year Encumbrances Appropriated	<u>929</u>	<u>929</u>	<u>929</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$3,275</u>	<u>\$3,275</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$18,555	\$14,783	\$10,656	(\$4,127)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	500	0	0	0
Fringe Benefits	77	0	0	0
Materials and Supplies	1,974	2,715	0	2,715
Total Instruction	2,551	2,715	0	2,715
Support Services:				
Instructional Staff:				
Salaries	8,594	7,701	6,774	927
Fringe Benefits	7,210	5,507	4,975	532
Purchased Services	3,299	1,000	0	1,000
Total Support Services	19,103	14,208	11,749	2,459
<i>Total Expenditures</i>	21,654	16,923	11,749	5,174
Excess of Revenues Over (Under) Expenditures	(3,099)	(2,140)	(1,093)	1,047
<u>Other Financing Sources:</u>				
Transfers In	959	0	0	0
Net Change in Fund Balance	(2,140)	(2,140)	(1,093)	1,047
Fund Balance at Beginning of Year	2,140	2,140	2,140	0
Fund Balance at End of Year	\$0	\$0	\$1,047	\$1,047

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Miscellaneous	\$40,156	\$30,769	\$30,769	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	35,000	36,393	12,232	24,161
Materials and Supplies	5,000	9,589	9,589	0
Capital Outlay	18,469	18,469	18,469	0
<i>Total Expenditures</i>	<u>58,469</u>	<u>64,451</u>	<u>40,290</u>	<u>24,161</u>
Excess of Revenues Over (Under) Expenditures	<u>(18,313)</u>	<u>(33,682)</u>	<u>(9,521)</u>	<u>24,161</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	9,844	9,844	0	(9,844)
Advances Out	<u>(10,000)</u>	<u>(5,411)</u>	<u>(5,411)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(156)</u>	<u>4,433</u>	<u>(5,411)</u>	<u>(9,844)</u>
Net Change in Fund Balance	(18,469)	(29,249)	(14,932)	14,317
Fund Balance at Beginning of Year	20,623	20,623	20,623	0
Prior Year Encumbrances Appropriated	<u>18,470</u>	<u>18,470</u>	<u>18,470</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$20,624</u></u>	<u><u>\$9,844</u></u>	<u><u>\$24,161</u></u>	<u><u>\$14,317</u></u>

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, 2006

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$329,244	\$337,035	\$265,034	(\$72,001)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	242,600	237,936	194,835	43,101
Fringe Benefits	89,240	93,839	76,527	17,312
Purchased Services	78	0	0	0
Total Instruction	<u>331,918</u>	<u>331,775</u>	<u>271,362</u>	<u>60,413</u>
Support Services:				
Instructional Staff:				
Salaries	13,472	10,000	570	9,430
Fringe Benefits	2,171	1,646	189	1,457
Purchased Services	7,830	15,621	6,423	9,198
Materials and Supplies	9,070	5,168	100	5,068
Total Support Services	<u>32,543</u>	<u>32,435</u>	<u>7,282</u>	<u>25,153</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	750	250	0	250
Materials and Supplies	250	250	0	250
Total Operation of Non-Instructional Services	<u>1,000</u>	<u>500</u>	<u>0</u>	<u>500</u>
<i>Total Expenditures</i>	<u>365,461</u>	<u>364,710</u>	<u>278,644</u>	<u>86,066</u>
Excess of Revenues Over (Under) Expenditures	(36,217)	(27,675)	(13,610)	14,065
<u>Other Financing Sources:</u>				
Transfers In	8,542	0	0	0
Net Change in Fund Balance	(27,675)	(27,675)	(13,610)	14,065
Fund Balance at Beginning of Year	<u>27,675</u>	<u>27,675</u>	<u>27,675</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$14,065</u></u>	<u><u>\$14,065</u></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, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,317,387	\$1,297,300	\$1,140,773	(\$156,527)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,506	1,506	0	1,506
Materials and Supplies	0	6,000	3,000	3,000
Total Regular	1,506	7,506	3,000	4,506
Special:				
Salaries	313,986	164,073	140,922	23,151
Fringe Benefits	109,468	82,455	58,144	24,311
Materials and Supplies	236,456	302,852	297,917	4,935
Total Special	659,910	549,380	496,983	52,397
Total Instruction	661,416	556,886	499,983	56,903
Support Services:				
Pupils:				
Salaries	324,611	325,458	280,495	44,963
Fringe Benefits	99,641	153,032	128,647	24,385
Total Pupils	424,252	478,490	409,142	69,348
Instructional Staff:				
Salaries	107,879	102,262	89,759	12,503
Fringe Benefits	42,862	37,966	33,818	4,148
Purchased Services	39,793	35,940	20,702	15,238
Materials and Supplies	10,596	15,151	13,646	1,505
Capital Outlay	36,664	55,317	51,359	3,958
Total Instructional Staff	\$237,794	\$246,636	\$209,284	\$37,352

(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, 2006
(continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fiscal:				
Other	\$0	\$19,113	\$19,113	\$0
 Total Support Services	 662,046	 744,239	 637,539	 106,700
 Operation of Non-Instructional Services:				
Community Services:				
Capital Outlay	1,000	500	250	250
 <i>Total Expenditures</i>	 1,324,462	 1,301,625	 1,137,772	 163,853
 Excess of Revenues Over (Under) Expenditures	 (7,075)	 (4,325)	 3,001	 7,326
 <u>Other Financing Sources (Uses):</u>				
Transfers In	2,750	0	0	0
Advances In	0	1,994	1,994	0
Advances Out	0	(1,994)	0	1,994
 <i>Total Other Financing Sources (Uses)</i>	 2,750	 0	 1,994	 1,994
 Net Change in Fund Balance	 (4,325)	 (4,325)	 4,995	 9,320
 Fund Balance at Beginning of Year	 4,036	 4,036	 4,036	 0
 Prior Year Encumbrances Appropriated	 289	 289	 289	 0
 Fund Balance at End of Year	 \$0	 \$0	 \$9,320	 \$9,320

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Rentals	\$150,000	\$1	\$1	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	0	2,990	2,990	0
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay	186,689	2,860	950	1,910
Other Acquisition and Construction Services:				
Purchased Services	4,000	4,000	1,000	3,000
Total Capital Outlay	190,689	6,860	1,950	4,910
<i>Total Expenditures</i>	190,689	9,850	4,940	4,910
Excess of Revenues Over (Under) Expenditures	(40,689)	(9,849)	(4,939)	4,910
<u>Other Financing Uses:</u>				
Transfers Out	(56,840)	(87,680)	(87,680)	0
Net Change in Fund Balance	(97,529)	(97,529)	(92,619)	4,910
Fund Balance at Beginning of Year	97,529	97,529	97,529	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$4,910</u>	<u>\$4,910</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Investment Earnings	\$500	\$1,059	\$1,059	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	36,300	55,601	55,601	0
Capital Outlay	165,887	136,866	136,206	660
Total Site Acquisition Services	202,187	192,467	191,807	660
Educational Specifications Development Services:				
Purchased Services	3,000	3,000	1,180	1,820
<i>Total Expenditures</i>	205,187	195,467	192,987	2,480
Net Change in Fund Balance	(204,687)	(194,408)	(191,928)	2,480
Fund Balance at Beginning of Year	205,187	205,187	205,187	0
Fund Balance at End of Year	\$500	\$10,779	\$13,259	\$2,480

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$15,232	\$15,232	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay	<u>0</u>	<u>15,232</u>	<u>15,232</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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STATISTICAL SECTION

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STATISTICAL TABLES

This part of Portsmouth City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the School District's overall financial health.

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	118-129
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	130-141
These schedules contain information to help the reader assess the School District's most significant local revenue sources.	
Debt Capacity	142-147
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Demographic and Economic Information	148-151
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating information	152-169
These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 during fiscal year 2002; schedules presenting government-wide information include information for fiscal year 2002 and after.

Portsmouth City School District
Net Assets by Component
Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

Fiscal Year	2002	2003
Invested in Capital Assets, Net of Related Debt	\$5,554,609	\$7,242,383
Restricted	55,492,747	53,348,214
Unrestricted (Deficit)	915,662	582,503
<i>Total Net Assets</i>	<u><u>\$61,963,018</u></u>	<u><u>\$61,173,100</u></u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$19,628,944	\$47,821,407	\$54,199,141
41,319,641	13,801,697	5,658,264
<u>(395,286)</u>	<u>443,079</u>	<u>(24,392)</u>
<u><u>\$60,553,299</u></u>	<u><u>\$62,066,183</u></u>	<u><u>\$59,833,013</u></u>

Portsmouth City School District
Changes in Net Assets
Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

Fiscal Year	2002	2003
Expenses:		
Current:		
Instruction:		
Regular	\$10,262,658	\$9,260,456
Special	5,369,206	5,461,916
Vocational	421,922	426,379
Student Intervention Services	0	0
Support Services:		
Pupils	1,255,863	1,395,374
Instructional Staff	2,540,087	2,067,428
Board of Education	19,268	17,640
Administration	1,241,456	1,452,144
Fiscal	660,279	634,352
Business	128,797	96,448
Operation and Maintenance of Plant	1,425,756	1,622,828
Pupil Transportation	441,998	456,547
Central	28,857	23,119
Operation of Non-Instructional Services:		
Food Service Operations	1,031,547	1,024,118
Other	245,315	265,024
Extracurricular Activities	251,505	270,667
Interest and Fiscal Charges	316,956	861,638
Intergovernmental	35,000	39,500
<i>Total Expenses</i>	<u>25,676,470</u>	<u>25,375,578</u>
Program Revenues:		
Charges for Services:		
Instruction:		
Regular	44,737	0
Special	315,901	135,408
Support Services:		
Pupils	0	0
Instructional Staff	0	32,365
Administration	0	0
Business	0	0
Operation and Maintenance of Plant	0	526
Pupil Transportation	1,676	18,068
Operation of Non-Instructional Services:		
Food Service Operations	216,926	214,639
Extracurricular Activities	91,939	94,187
Operating Grants, Contributions, and Interest	5,365,348	6,715,845
Capital Grants, Contributions and Interest	189,745	84,596
<i>Total Program Revenues</i>	<u>6,226,272</u>	<u>7,295,634</u>
<i>Net Expense</i>	<u>(\$19,450,198)</u>	<u>(\$18,079,944)</u>

2004	2005	2006
\$10,475,429	\$10,608,667	\$11,978,862
5,685,775	5,436,258	6,622,247
436,071	431,277	380,329
0	0	445,405
1,249,081	1,121,140	1,760,834
2,170,104	1,987,011	2,352,092
14,780	16,589	17,703
1,491,750	1,367,234	1,566,110
618,945	642,889	655,226
117,910	109,044	117,299
2,241,541	1,795,612	2,053,486
449,424	375,360	555,213
58,711	22,133	30,025
993,307	1,003,493	1,195,821
250,077	203,699	227,513
241,093	252,910	290,208
892,098	860,111	825,820
38,500	35,000	43,500
<u>27,424,596</u>	<u>26,268,427</u>	<u>31,117,693</u>
682,970	601,777	546,511
251,524	37,294	0
0	35,426	384
40,228	41,114	0
0	0	1,529
5,698	6,913	4,703
148,712	145,301	34,135
1,501	0	1,000
211,138	206,136	191,444
66,276	78,653	93,600
4,923,390	4,749,113	5,849,948
53,438	0	0
<u>6,384,875</u>	<u>5,901,727</u>	<u>6,723,254</u>
<u>(\$21,039,721)</u>	<u>(\$20,366,700)</u>	<u>(\$24,394,439)</u>
		<i>(continued)</i>

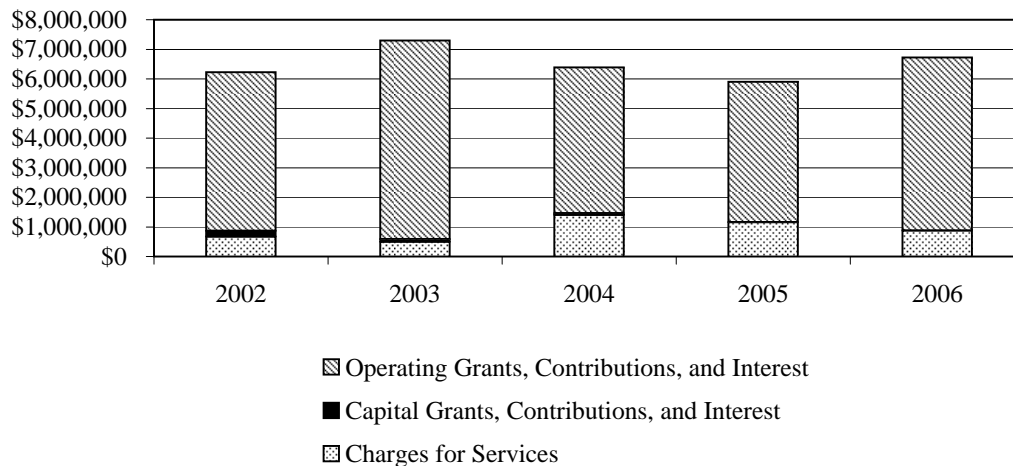
Portsmouth City School District
Changes in Net Assets
Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)
(continued)

Fiscal Year	2002	2003
General Revenues:		
Property Taxes Levied for:		
General Purposes	\$5,489,946	\$4,107,524
Debt Service	0	1,076,457
Capital Outlay	0	81,311
Grants and Entitlements not Restricted to Specific Programs	66,839,992 *	11,441,919
Contributions and Donations	15,159	3,783
Investments Earnings	446,786	423,898
Miscellaneous	1,728,465	155,134
Gain on Early Retirement of Capital Lease	<u>0</u>	<u>0</u>
<i>Total General Revenues</i>	<u>74,520,348</u>	<u>17,290,026</u>
<i>Change in Net Assets</i>	<u>\$55,070,150</u>	<u>(\$789,918)</u>

* 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.

2004	2005	2006
\$4,395,841	\$4,644,731	\$4,776,914
1,049,924	1,228,724	1,267,834
79,690	88,356	89,670
14,682,918	15,183,620	15,174,137
17,724	10,270	96,988
116,557	516,895	659,852
74,774	206,988	95,874
2,492	0	0
20,419,920	21,879,584	22,161,269
(\$619,801)	\$1,512,884	(\$2,233,170)

Program Revenues by Type



Portsmouth City School District
Program Revenues by Function/Program
Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

Fiscal Year	2002	2003
Function / Program:		
Instruction:		
Regular	\$1,343,504	\$118,414
Special	2,068,462	4,229,140
Vocational	0	99,366
Support Services:		
Pupils	438,683	362,025
Instructional Staff	872,330	686,230
Administration	5,138	160,916
Fiscal	0	0
Business	0	0
Operation and Maintenance of Plant	22,235	526
Pupil Transportation	164,897	374,783
Central	8,437	8,284
Operation of Non-Instructional Services:		
Food Service Operations	937,425	865,811
Other	237,722	225,735
Extracurricular Activities	92,439	124,904
Intergovernmental	35,000	39,500
<i>Total Program Revenues</i>	<u>\$6,226,272</u>	<u>\$7,295,634</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>
\$2,042,953	\$776,829	\$655,376
2,108,342	2,525,523	2,961,157
132,085	133,713	123,342
229,734	334,395	903,686
293,214	748,177	740,038
0	0	1,529
1,000	0	22,066
5,698	6,913	4,703
249,966	145,301	34,135
12,039	11,266	20,486
8,097	6,557	6,799
968,424	896,858	863,570
204,488	202,317	234,370
90,335	78,878	108,497
38,500	35,000	43,500
<u>\$6,384,875</u>	<u>\$5,901,727</u>	<u>\$6,723,254</u>

Portsmouth City School District
Fund Balances - Governmental Funds
Last Nine Fiscal Years (1)
(modified accrual basis of accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund:			
Reserved	\$494,791	\$480,443	\$598,068
Unreserved, Designated for:			
Future Severance Payments	0	0	0
Unreserved (Deficit)	<u>(696,849)</u>	<u>(829,289)</u>	<u>(1,224,909)</u>
<i>Total General Fund (Deficit)</i>	<u>(202,058)</u>	<u>(348,846)</u>	<u>(626,841)</u>
All Other Governmental Funds:			
Reserved	56,293	186,442	202,226
Unreserved, Undesignated Reported in:			
Special Revenue Funds	460,624	650,217	850,052
Debt Service Funds	0	0	0
Capital Projects Funds	<u>729,411</u>	<u>325,301</u>	<u>149,516</u>
<i>Total All Other Governmental Funds</i>	<u>1,246,328</u>	<u>1,161,960</u>	<u>1,201,794</u>
<i>Total Governmental Funds</i>	<u><u>\$1,044,270</u></u>	<u><u>\$813,114</u></u>	<u><u>\$574,953</u></u>

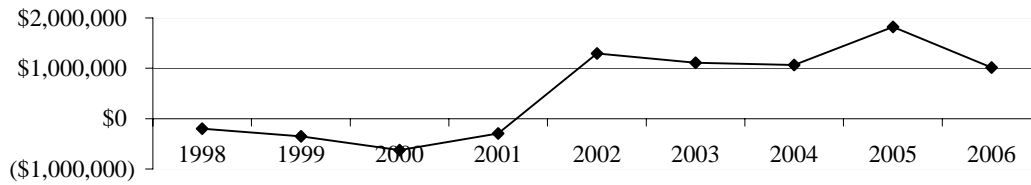
(1) Information for fiscal year 1997 was not available.

* The School District received \$1,500,000 from the sale of Anthem stock that was a result of the demutualization of Anthem.

** 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.

2001	2002	2003	2004	2005	2006
\$818,634	\$1,192,016	\$1,272,715	\$853,449	\$853,035	\$570,286
0	0	0	0	0	144,916
(1,110,982)	105,014	(165,221)	213,041	970,227	297,480
(292,348)	1,297,030 *	1,107,494	1,066,490	1,823,262	1,012,682
95,721	288,411	332,974	227,587	210,291	2,600,479
1,002,253	803,651	492,049	549,751	655,987	823,534
0	507,497	806,254	925,963	1,198,864	1,526,591
69,915	17,260,396 **	16,448,189	21,837,486	15,763,438	3,042,442
1,167,889	18,859,955	18,079,466	23,540,787	17,828,580	7,993,046
\$875,541	\$20,156,985	\$19,186,960	\$24,607,277	\$19,651,842	\$9,005,728

Fund Balance of the General Fund



Portsmouth City School District
Changes in Fund Balances - Governmental Funds
Last Nine Fiscal Years (1)
(modified accrual basis of accounting)

	1998	1999	2000
<u>Revenues:</u>			
Property and Other Local Taxes	\$4,128,605	\$4,154,222	\$4,236,890
Intergovernmental	16,328,843	17,068,383	16,837,647
Investment Earnings	169,199	205,173	195,141
Increase (Decrease) in Fair Value of Investments	0	0	0
Tuition and Fees	31,966	4,370	102,917
Extracurricular Activities	160,805	175,251	140,454
Rentals	17,826	11,358	2,814
Charges for Services	494,153	289,602	299,970
Contributions and Donations	51,494	33,237	26,434
Miscellaneous	266,014	139,055	149,179
Total Revenues	21,648,905	22,080,651	21,991,446
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,653,966	6,561,255	6,557,561
Special	3,705,898	4,407,544	4,358,619
Vocational	592,689	599,697	581,967
Adult Continuing	34,953	9,373	0
Student Intervention Services	0	0	0
Other	1,176,751	1,626,974	1,815,803
Support:			
Pupils	1,016,706	1,018,108	1,083,640
Instructional Staff	988,939	1,202,427	1,343,213
Board of Education	17,910	23,605	21,922
Administration	1,378,777	1,429,757	1,706,539
Fiscal	385,867	443,856	448,584
Business	96,869	105,837	45,146
Operation and Maintenance of Plant	1,821,551	1,904,219	1,653,162
Pupil Transportation	350,333	462,206	340,371
Central	76,980	77,371	66,516
Operation of Non-Instructional Services	1,215,637	1,190,403	1,309,979
Extracurricular Activities	394,367	349,163	414,548
Capital Outlay	0	623,242	47,575
Debt Service:			
Principal Retirement	108,552	447,788	392,367
Interest and Fiscal Charges	5,646	19,025	15,664
Issuance Costs	0	0	0
Intergovernmental	449,800	450,300	62,370
Total Expenditures	20,472,191	22,952,150	22,265,546
Excess of Revenues Over (Under) Expenditures	1,176,714	(871,499)	(274,100)
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Capital Assets	56,264	17,101	710
General Obligation Bonds Issued	0	0	0
Premium on Debt Issuance	0	0	0
Inception of Capital Lease	0	623,242	35,229
Transfers - In	90,193	152,813	34,284
Transfers - Out	(90,193)	(152,813)	(34,284)
Total Other Financing Sources (Uses)	56,264	640,343	35,939
Net Change in Fund Balances	\$1,232,978	(\$231,156)	(\$238,161)
Debt Service as a Percentage of Noncapital Expenditures	0.6%	2.1%	1.9%

(1) Information for fiscal year 1997 was not available.

2001	2002	2003	2004	2005	2006
\$4,218,468	\$5,365,498	\$5,374,990	\$5,540,481	\$5,843,336	\$6,113,783
18,117,379	19,723,492	23,914,235	37,997,577	42,090,396	24,873,719
171,599	292,402	584,426	333,039	481,669	579,137
0	82,856	(117,429)	(189,997)	31,957	84,038
44,146	312,936	185,829	878,400	708,727	581,230
136,602	91,939	94,187	97,985	86,933	100,858
5,472	39,801	5,462	148,712	145,301	3,407
339,052	218,602	214,639	276,341	202,898	186,765
50,488	52,885	38,400	17,457	47,420	220,770
287,358	1,745,779	121,507	108,472	206,457	96,895
<u>23,370,564</u>	<u>27,926,190</u>	<u>30,416,246</u>	<u>45,208,467</u>	<u>49,845,094</u>	<u>32,840,602</u>
7,162,473	9,789,456	9,307,594	10,370,515	10,452,972	11,449,775
4,855,621	5,338,568	5,442,891	5,638,357	5,466,596	5,685,519
309,130	400,072	363,008	357,922	364,702	282,628
0	0	0	0	0	0
0	0	0	0	0	445,405
1,802,225	0	0	0	0	0
1,156,875	1,249,195	1,420,847	1,172,511	1,133,842	1,551,356
1,478,115	2,488,248	2,020,626	2,118,813	1,952,423	1,948,181
20,021	19,134	17,640	14,914	16,589	17,703
1,540,360	1,213,258	1,364,087	1,389,199	1,372,555	1,373,106
490,428	675,353	607,672	580,902	636,210	618,325
69,677	69,701	72,086	159,315	75,031	119,389
1,914,292	1,529,814	1,557,969	1,713,799	1,595,541	1,864,911
407,401	446,885	444,353	569,236	396,939	423,496
66,584	24,932	20,117	55,389	22,133	30,025
1,226,452	1,246,882	1,216,765	1,272,591	1,239,057	1,168,103
394,193	261,428	269,825	248,846	257,171	286,170
393,610	917,141	6,266,203	12,799,738	28,587,294	14,932,204
88,514	109,564	384,696	521,813	461,304	520,604
26,317	412,370	827,138	765,790	744,136	729,816
0	256,050	0	0	0	0
70,000	35,000	39,500	38,500	35,000	43,500
<u>23,472,288</u>	<u>26,483,051</u>	<u>31,643,017</u>	<u>39,788,150</u>	<u>54,809,495</u>	<u>43,490,216</u>
<u>(101,724)</u>	<u>1,443,139</u>	<u>(1,226,771)</u>	<u>5,420,317</u>	<u>(4,964,401)</u>	<u>(10,649,614)</u>
32,818	286,697	0	0	0	3,500
0	17,070,000	0	0	0	0
0	450,106	0	0	0	0
369,494	31,502	256,746	0	8,966	0
17,413	324,863	36,731	73,100	315,710	220,267
<u>(17,413)</u>	<u>(324,863)</u>	<u>(36,731)</u>	<u>(73,100)</u>	<u>(315,710)</u>	<u>(220,267)</u>
<u>402,312</u>	<u>17,838,305</u>	<u>256,746</u>	<u>0</u>	<u>8,966</u>	<u>3,500</u>
<u>\$300,588</u>	<u>\$19,281,444</u>	<u>(\$970,025)</u>	<u>\$5,420,317</u>	<u>(\$4,955,435)</u>	<u>(\$10,646,114)</u>
0.5%	2.1%	4.8%	4.8%	4.6%	4.0%

Portsmouth City School District
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years (1)

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
1997	\$97,956,210	\$43,893,960	\$405,286,200	\$22,365,050	\$89,460,200
1998	97,920,050	43,147,810	403,051,029	21,558,640	86,234,560
1999	110,873,820	48,128,590	454,292,600	22,045,820	88,183,280
2000	110,456,640	46,815,780	449,349,771	20,300,350	81,201,400
2001	110,672,470	46,777,950	449,858,343	20,616,890	82,467,560
2002	127,228,410	52,978,750	514,877,600	15,320,670	61,282,680
2003	127,041,000	52,918,540	514,170,114	15,199,070	60,796,280
2004	126,824,450	54,816,720	518,974,771	15,627,110	62,508,440
2005	138,236,930	59,627,020	565,325,571	15,406,410	61,625,640
2006	138,193,810	61,781,900	571,359,171	15,599,920	62,399,680

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

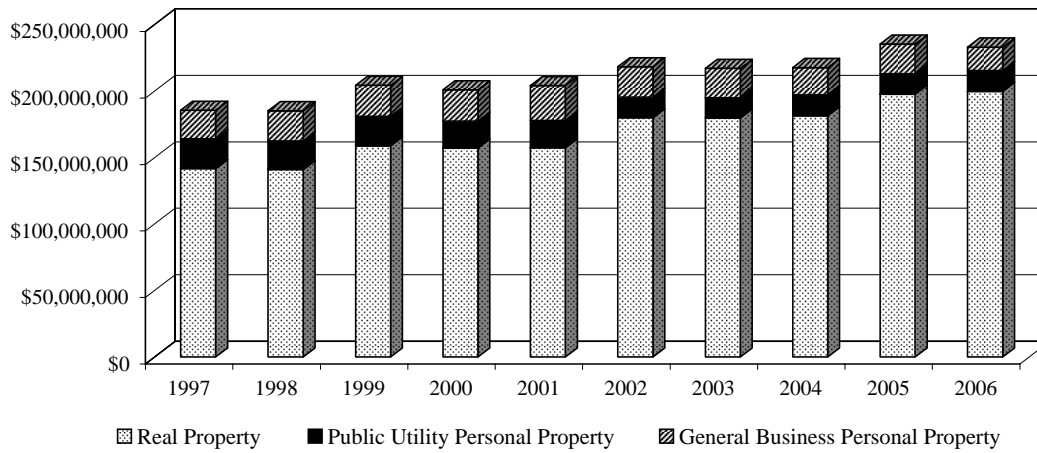
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation

(1) Ratio represents assessed value/total estimated actual value.

Tangible Personal Property General Business		Total			Weighted Average Tax Rate (per \$1,000 of assessed value)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (1)	
\$21,516,880	\$86,067,520	\$185,732,100	\$580,813,920	31.98%	\$21.52
22,661,750	90,647,000	185,288,250	579,932,589	31.95	21.57
23,413,060	93,652,240	204,461,290	636,128,120	32.14	19.90
23,567,270	94,269,080	201,140,040	624,820,251	32.19	19.91
26,114,910	104,459,640	204,182,220	636,785,543	32.06	20.07
22,834,840	91,339,360	218,362,670	667,499,640	32.71	25.36
21,992,344	87,969,376	217,150,954	662,935,770	32.76	25.34
20,558,371	82,233,484	217,826,651	663,716,695	32.82	25.28
22,180,082	88,720,328	235,450,442	715,671,539	32.90	25.08
17,692,340	94,359,147	233,267,970	728,117,997	32.04	24.85

Assessed Value of Taxable Property



Portsmouth City School District
Principal Property Taxpayers
Real Property Tax
Fiscal Years 2006 and 1998 (1)

Tax Payer	2006		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Southern Ohio Medical Center Title Holding	\$4,090,640	1	2.03%
Neal and Vicky Hatcher	2,417,170	2	1.21%
Hillview Retirement Center	1,956,360	3	0.98%
Liberty Nursing Home Properties	1,310,210	4	0.66%
Fifth Third Bank	1,076,120	5	0.54%
OSCO Industries, Inc.	1,008,460	6	0.50%
Portsmouth City School District Board of Education	956,750	7	0.48%
Scioto Memorial Hospital	931,440	8	0.47%
Forest Heights	831,400	9	0.42%
PGS Rentals	808,470	10	0.44%
Canters Inns	-		-
Total	15,387,020		7.73%
All Others	184,588,690		92.31%
Total Assessed Valuation	<u>\$199,975,710</u>		<u>100.00%</u>

Source: Scioto County Auditor

(1) Information prior to fiscal year 1998 was not available.

(2) For fiscal year 1998, only the top eight principal taxpayers for real property was available.

1998 (2)		
<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Real Property Assessed Valuation</u>
1,937,410	2	1.38%
1,886,440	3	1.34%
2,414,750	1	1.71%
-		-
909,370	4	0.64%
515,900	8	0.37%
-		-
836,400	5	0.59%
721,220	6	0.51%
-		-
<u>666,340</u>	7	<u>0.47%</u>
9,887,830		7.01%
<u>131,180,030</u>		<u>92.99%</u>
<u><u>141,067,860</u></u>		<u><u>100.00%</u></u>

*Portsmouth City School District
Principal Property Taxpayers
Public Utility Personal Property Tax
Fiscal Years 2006 and 1998 (1)*

Tax Payer	2006		Percentage of Public Utility Property Assessed Valuation
	Assessed Value	Rank	
Ohio Power	\$8,603,480	1	55.15%
Norfolk and Southern Railway	2,217,170	2	14.21%
Verizon North	2,069,690	3	13.27%
Columbia Gas	1,428,830	4	9.16%
General Telephone	801,390	5	5.14%
Minford Cellular	271,020	6	1.74%
Columbus Southern Power	111,520	7	0.71%
N & W Railway	-		-
Total	15,503,100		99.38%
All Others	96,820		0.62%
Total Assessed Valuation	<u>\$15,599,920</u>		<u>100.00%</u>

Source: Scioto County Auditor

(1) Information prior to fiscal year 1998 was not available.

1998		
<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Public Utility Property Assessed Valuation</u>
8,398,420	1	38.96%
-		-
-		-
4,518,500	3	20.96%
5,869,140	2	27.22%
-		-
-		-
<u>2,195,230</u>	4	<u>10.18%</u>
20,981,290		97.32%
<u>577,350</u>		<u>2.68%</u>
<u><u>21,558,640</u></u>		<u><u>100.00%</u></u>

*Portsmouth City School District
Principal Property Taxpayers
General Business Personal Property Tax
Fiscal Years 2006 and 1998 (1)*

Tax Payer	2006		Percentage of Tangible Personal Property Assessed Valuation
	Assessed Value	Rank	
OSCO Industries, Inc.	\$2,974,900	1	16.83%
Oberling Ford, Inc.	982,720	2	5.55%
B.P. America, Inc.	898,780	3	5.08%
Century Ohio Cable Television Corporation	883,320	4	4.99%
Mitchellace, Inc.	750,840	5	4.24%
KSA Limited Partnership	583,630	6	3.30%
Kroger Company	573,310	7	3.24%
Siemens Credit Corporation	470,430	8	2.66%
General Electric Credit	354,720	9	2.00%
Philips Medical Capital LLC	319,990	10	1.81%
Sherman International	-		-
Rogers Steel Company	-		-
Martings Bros. Co.	-		-
Thomson Newspaper	-		-
Total	8,792,640		49.70%
All Others	8,899,700		50.30%
Total Assessed Valuation	<u>\$17,692,340</u>		<u>100.00%</u>

Source: Scioto County Auditor

(1) Information prior to fiscal year 1998 was not available.

1998		
<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Tangible Personal Property Assessed Valuation</u>
2,303,100	1	10.17%
833,550	5	3.68%
440,370	6	1.94%
985,650	4	4.35%
1,149,550	3	5.07%
-		-
-		-
283,070	9	1.25%
-		-
-		-
1,414,110	2	6.24%
327,770	7	1.45%
327,070	8	1.44%
<u>231,970</u>	10	<u>1.02%</u>
8,296,210		36.61%
<u>14,365,540</u>		<u>63.39%</u>
<u><u>22,661,750</u></u>		<u><u>100.00%</u></u>

Portsmouth City School District
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

	1997	1998	1999	2000
UNVOTED MILLAGE:				
Operating	\$3.66	\$3.66	\$3.66	\$3.66
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	\$9.16	\$9.16	\$8.14	\$8.16
Commercial/Industrial and Public Utility Real	10.02	10.06	9.30	9.42
General Business and Public Utility Personal	18.07	18.07	18.07	18.07
1979 Current Expense				
Residential/Agricultural Real	3.66	3.66	3.25	3.26
Commercial/Industrial and Public Utility Real	3.66	3.67	3.40	3.44
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
1988 Current Expense				
Residential/Agricultural Real	5.59	5.59	4.94	4.95
Commercial/Industrial and Public Utility Real	5.44	5.46	5.05	5.12
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
2001 Bond Levy (\$11,550,000)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2001 Site Acquisition (\$5,520,000)				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
2001 Classroom Facilities				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	18.41	18.41	16.33	16.37
Commercial/Industrial and Public Utility Real	19.12	19.19	17.75	17.98
General Business and Public Utility Personal	30.87	30.87	30.87	30.87
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.17 - 2.82	0.17 - 2.82	0.27 - 2.92	0.34 - 2.92
Commercial/Industrial and Public Utility Real	0.22 - 2.95	0.22 - 2.95	0.13 - 2.92	0.38 - 2.92
General Business and Public Utility Personal	0.40 - 3.00	0.40 - 3.00	0.40 - 2.92	0.50 - 2.92
CORPORATIONS:				
Residential/Agricultural Real	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49
Commercial/Industrial and Public Utility Real	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49
General Business and Public Utility Personal	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49
SCIOTO COUNTY JOINT VOCATIONAL SCHOOL DISTRICT:				
Residential/Agricultural Real	0.62 - 0.96	0.62 - 0.96	0.60 - 0.81	0.60 - 0.81
Commercial/Industrial and Public Utility Real	0.77 - 1.00	0.77 - 1.00	0.70 - 0.92	0.71 - 0.92
General Business and Public Utility Personal	1.37 - 1.50	1.37 - 1.50	1.37 - 1.50	1.37 - 1.50
COUNTY AND OTHER UNITS:				
Residential/Agricultural Real	0.14 - 2.26	0.14 - 2.26	0.11 - 2.08	0.11 - 2.08
Commercial/Industrial and Public Utility Real	0.17 - 2.24	0.17 - 2.25	0.15 - 2.08	0.16 - 2.08
General Business and Public Utility Personal	0.20 - 2.08	0.20 - 2.60	0.20 - 2.08	0.20 - 2.08

Source: Ohio Department of Taxation

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for that year.

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

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

2001	2002	2003	2004	2005	2006
\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$3.66
\$8.16	\$8.48	\$8.49	\$8.50	\$8.66	\$8.67
9.44	8.64	8.66	8.67	8.69	8.70
18.07	18.07	18.07	18.07	18.07	18.07
3.26	3.28	3.29	3.29	3.30	3.30
3.45	3.16	3.16	3.17	3.16	3.16
6.40	6.40	6.40	6.40	6.40	6.40
4.95	4.57	4.58	4.58	4.38	4.39
5.13	4.69	4.71	4.71	4.49	4.50
6.40	6.40	6.40	6.40	6.40	6.40
0.00	4.00	4.00	4.00	4.00	4.00
0.00	4.00	4.00	4.00	4.00	4.00
0.00	4.00	4.00	4.00	4.00	4.00
0.00	2.00	2.00	2.00	2.00	2.00
0.00	2.00	2.00	2.00	2.00	2.00
0.00	2.00	2.00	2.00	2.00	2.00
0.00	0.43	0.44	0.44	0.40	0.40
0.00	0.46	0.46	0.46	0.43	0.43
0.00	0.50	0.50	0.50	0.50	0.50
16.37	22.76	22.80	22.81	22.74	22.76
18.02	22.95	22.99	23.01	22.77	22.79
30.87	37.37	37.37	37.37	37.37	37.37
0.34 - 2.92	0.30 - 2.92	0.30 - 2.92	0.30 - 2.92	0.27 - 2.92	0.27 - 2.92
0.38 - 2.92	0.35 - 2.92	0.37 - 2.92	0.36 - 2.92	0.35 - 2.92	0.35 - 2.92
0.50 - 2.92	0.50 - 2.92	0.50 - 2.92	0.50 - 2.92	0.50 - 2.92	0.50 - 3.00
0.30 - 4.49	0.30 - 4.49	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.30 - 4.49	0.30 - 4.49	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.30 - 4.49	0.30 - 4.49	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.60 - 0.81	0.61 - 0.73	0.61 - 0.73	0.61 - 0.73	0.61 - 0.72	0.61 - 0.73
0.71 - 0.92	0.66 - 0.86	0.66 - 0.86	0.46 - 0.86	0.43 - 0.81	0.43 - 0.74
1.37 - 1.50	1.37 - 1.50	1.37 - 1.50	0.50 - 1.50	1.37 - 1.50	1.00 - 1.50
0.11 - 2.08	0.10 - 2.08	0.10 - 2.08	0.10 - 2.08	0.09 - 2.08	0.09 - 3.30
0.16 - 2.08	0.15 - 2.08	0.15 - 2.08	0.15 - 2.08	0.14 - 2.08	0.14 - 3.30
0.20 - 2.08	0.20 - 2.08	0.20 - 2.08	0.20 - 2.08	0.20 - 2.08	0.20 - 3.30

Portsmouth City School District
*Property Tax Levies and Collections - Real, Public Utility Personal
and General Business Personal Property
Last Ten Collection (Calendar) Years*

Collection Year (4)	Total Tax Levied (1)	Current Tax Collection (2)	Percent of Current Levy Collected	Delinquent Tax Collection (3)
1996	\$4,676,999	\$3,474,352	74.29%	\$246,619
1997	4,814,798	3,566,948	74.08%	148,623
1998	4,899,332	3,544,707	72.35%	183,734
1999	4,680,066	3,343,290	71.44%	152,646
2000	5,084,471	3,776,181	74.27%	179,816
2001	4,469,364	3,657,368	81.83%	191,726
2002	5,978,480	5,130,633	85.82%	219,892
2003	6,152,078	4,275,122	69.49%	251,084
2004	6,390,997	4,471,383	69.96%	224,048
2005	6,155,199	5,475,920	88.96%	294,474

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.
- (4) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.

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

Portsmouth City School District
*Ratio of Debt to Estimated Actual Value,
 Personal Income, and Debt Per Capita
 Last Ten Fiscal Years*

Fiscal Year	General Obligation Bonds (1)	EPA Asbestos Loan (1)	Capital Leases (1)	Total Outstanding Debt	Estimated Actual Value (2)
1997	\$0	\$149,978	\$435,024	\$585,002	\$580,813,920
1998	0	135,694	343,522	479,216	579,932,589
1999	0	121,410	529,643	651,053	636,128,120
2000	0	107,126	180,624	287,750	624,820,251
2001	0	92,842	346,482	439,324	636,785,543
2002	17,533,309	78,558	282,704	17,894,571	667,499,640
2003	17,109,764	64,274	444,038	17,618,076	662,935,770
2004	16,848,207	49,990	173,169	17,071,366	663,716,695
2005	16,595,089	35,707	95,114	16,725,910	715,671,539
2006	16,267,255	21,423	3,794	16,292,472	728,117,997

Source: (1) School District Financial Records
 (2) Scioto County Auditor
 (3) Census data for 2000 census and 1990 census
 (4) Computation of per capita personal income multiplied by population

<u>Population (3)</u>	<u>Personal Income (4)</u>	<u>Ratio of Debt to Estimated Actual Value</u>	<u>Ratio of Debt to Personal Income</u>	<u>Debt Per Capita</u>
22,676	\$233,154,632	0.10%	0.25%	\$25.80
22,676	233,154,632	0.08%	0.21%	21.13
22,676	233,154,632	0.10%	0.28%	28.71
20,909	315,265,902	0.05%	0.09%	13.76
20,909	315,265,902	0.07%	0.14%	21.01
20,909	315,265,902	2.68%	5.68%	855.83
20,909	315,265,902	2.66%	5.59%	842.61
20,909	315,265,902	2.57%	5.41%	816.46
20,909	315,265,902	2.34%	5.31%	799.94
20,909	315,265,902	2.24%	5.17%	779.21

Portsmouth City School District
*Ratio of General Obligation Bonded Debt to
 Estimated Actual Value and General Obligation Bonded Debt Per Capita
 Last Five Fiscal Years*

Fiscal Year	General Obligation Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of General Obligation Debt to Estimated Actual Value	General Obligation Debt Per Capita
2002	\$17,533,309	\$667,499,640	20,909	2.63%	\$838.55
2003	17,109,764	662,935,770	20,909	2.58%	818.30
2004	16,848,207	663,716,695	20,909	2.54%	805.79
2005	16,595,089	715,671,539	20,909	2.32%	793.68
2006	16,267,255	728,117,997	20,909	2.23%	778.00

Source: (1) Scioto County Auditor
 (2) Census data for 2000 census

The School District issued general obligation debt in fiscal year 2002.

Portsmouth City School District
Computation of Direct and Overlapping Debt
 June 30, 2006

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
Portsmouth City School District:			
General Obligation Bonds	\$16,267,255	100.00%	\$16,267,255
EPA Asbestos Loan	21,423	100.00	21,423
Capital Lease Obligation	3,794	100.00	3,794
Total Direct Debt	16,292,472		16,292,472
Overlapping:			
Scioto County:			
General Obligation Bonds	13,036,198	26.99	3,518,470
Loan Obligation	53,629	26.99	14,474
Capital Lease Obligation	194,730	26.99	52,558
City of Portsmouth:			
General Obligation Bonds	1,915,000	100.00	1,915,000
Bond Anticipation Notes	44,132	100.00	44,132
Total Overlapping Debt	15,243,689		5,544,634
Total Direct and Overlapping Debt	\$31,536,161		\$21,837,106

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2005 collection year.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken in account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

Portsmouth City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Assessed Valuation	\$185,732,100	\$185,288,250	\$204,461,290
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Property Valuation	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valutaion used to Calculate Legal Debt Margin (1)	185,732,100	185,288,250	204,461,290
Overall debt limitation - 9.0% of assessed valuation (2)	16,715,889	16,675,943	18,401,516
Gross indebtedness authorized by the School District	149,978	135,694	121,410
Less exempt debt:			
EPA Asbestos Loan	<u>(149,978)</u>	<u>(135,694)</u>	<u>(121,410)</u>
Debt within 9.0% limitation	0	0	0
Less amount available in the debt service fund	<u>0</u>	<u>0</u>	<u>0</u>
Net debt within 9.0% limitation	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin within 9.0% limitation	<u>\$16,715,889</u>	<u>\$16,675,943</u>	<u>\$18,401,516</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.0%	100.0%	100.0%
Unvoted debt limitation .10% of assessed valuation (2)	\$185,732	\$185,288	\$204,461
Gross indebtedness authorized by the School District	149,978	135,694	121,410
Less exempt debt:			
EPA Asbestos Loan	<u>(149,978)</u>	<u>(135,694)</u>	<u>(121,410)</u>
Legal debt margin within .10% limitation	<u>\$185,732</u>	<u>\$185,288</u>	<u>\$204,461</u>
Unvoted Legal Debt Margin as a Percentage of the Excess of Revenues Over (Under) Expenditures	100.0%	100.0%	100.0%

Source: Scioto County Auditor and School District Records

(1) The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

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

2000	2001	2002	2003	2004	2005	2006
\$201,140,040	\$204,182,220	\$218,362,670	\$217,150,954	\$217,826,651	\$235,450,442	\$233,267,970
0	0	0	0	0	0	(4,636,680)
0	0	0	0	0	0	(17,692,340)
201,140,040	204,182,220	218,362,670	217,150,954	217,826,651	235,450,442	210,938,950
18,102,604	18,376,400	19,652,640	19,543,586	19,604,399	21,190,540	18,984,506
107,126	92,842	17,148,558	16,859,274	16,494,990	16,120,707	15,691,423
(107,126)	(92,842)	(78,558)	(64,274)	(49,990)	(35,707)	(21,423)
0	0	17,070,000	16,795,000	16,445,000	16,085,000	15,670,000
0	0	(648,230)	(875,363)	(981,047)	(1,270,369)	(1,593,664)
0	0	16,421,770	15,919,637	15,463,953	14,814,631	14,076,336
<u>\$18,102,604</u>	<u>\$18,376,400</u>	<u>\$3,230,870</u>	<u>\$3,623,949</u>	<u>\$4,140,446</u>	<u>\$6,375,909</u>	<u>\$4,908,170</u>
100.0%	100.0%	16.4%	18.5%	21.1%	30.1%	25.9%
\$201,140	\$204,182	\$218,363	\$217,151	\$217,827	\$235,450	\$210,939
107,126	92,842	78,558	64,274	49,990	35,707	21,423
(107,126)	(92,842)	(78,558)	(64,274)	(49,990)	(35,707)	(21,423)
<u>\$201,140</u>	<u>\$204,182</u>	<u>\$218,363</u>	<u>\$217,151</u>	<u>\$217,827</u>	<u>\$235,450</u>	<u>\$210,939</u>
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Portsmouth City School District
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)
1997	22,676	\$233,154,632	\$10,282	N/A	N/A
1998	22,676	233,154,632	10,282	N/A	N/A
1999	22,676	233,154,632	10,282	N/A	N/A
2000	20,909	315,265,902	15,078	23,004	38
2001	20,909	315,265,902	15,078	23,004	38
2002	20,909	315,265,902	15,078	23,004	38
2003	20,909	315,265,902	15,078	23,004	38
2004	20,909	315,265,902	15,078	23,004	38
2005	20,909	315,265,902	15,078	23,004	38
2006	20,909	315,265,902	15,078	23,004	38

Source: (1) U.S. Census Bureau; 1997 - 1999 Median Household Income and Median Age was not available
(2) Computation of per capita personal income multiplied by population
(3) School District Records
(4) Ohio Department of Jobs and Family Services
(5) Ohio Department of Taxation

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Scioto County Unemployment Rate (4)</u>	<u>State of Ohio Unemployment Rate (4)</u>	<u>U.S.A. Unemployment Rate (4)</u>	<u>Total Assessed Property Value (5)</u>
10.5%	3,307	9.90%	4.60%	4.90%	\$185,732,100
10.5	3,180	10.70	4.40	4.70	185,288,250
10.5	3,059	9.16	4.35	4.42	204,461,290
12.5	2,918	8.30	3.90	4.10	201,140,040
12.5	2,628	6.30	4.00	4.90	204,182,220
12.5	2,257	8.50	5.60	5.90	218,362,670
12.5	2,188	8.10	5.50	5.80	217,150,954
12.5	2,172	8.10	6.00	5.50	217,826,651
12.5	2,079	8.40	5.70	5.00	235,450,442
12.5	1,982	7.40	5.20	4.80	233,267,970

Portsmouth City School District
Principal Employers
Fiscal Years 2006 and 1998 (1)

Employer	2006		
	Total Employees	Rank	Percentage of Total Employees
Southern Ohio Medical Center	2,042	1	34.10%
Shawnee State University	1,483	2	24.76
Scioto County	662	3	11.05
State of Ohio	327	4	5.46
OSCO Industries, Inc.	292	5	4.88
City of Portsmouth	286	6	4.78
Portsmouth City School District	271	7	4.52
Community Action Organization	250	8	4.17
Ohio Troopers Coalition	200	9	3.34
Kroger Company	176	10	2.94
Lockheed Martin	-		-
Mitchellace, Inc.	-		-
Norfolk and Southern Railway	-		-
Total Employees	5,989		100.00%

Source: City of Portsmouth

(1) Information prior to fiscal year 1998 was not available.

1998		
Total Employees	Rank	Percentage of Total Employees
1,600	1	32.41%
350	6	7.09
632	2	12.81
367	5	7.44
282	8	5.71
280	9	5.67
554	3	11.23
-		-
-		-
-		-
400	4	8.11
325	7	6.59
145	10	2.94
<u>4,935</u>		<u>100.00%</u>

Portsmouth City School District
Building Statistics
Last Ten Fiscal Years

	1997	1998	1999
Portsmouth Middle/High School			
Constructed in 1906			
Total Building Square Footage	177,653	177,653	177,653
Acreage	4.00	4.00	4.00
Enrollment Grades 9-12 (Fiscal Years 1997 - 2005) (1)	N/A	682	654
Enrollment Grades 7-12 (Beginning in Fiscal Year 2006)	N/A	N/A	N/A
Student Capacity	1,064	1,064	1,064
Regular Instructional Classrooms	33	33	33
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	4	4	4
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	18,992	18,992	18,992
Cafeteria Facilities Square Footage	3,500	3,500	3,500
Library/Media Center Square Footage	2,924	2,924	2,924
East Middle/High School (2)			
Constructed in 1916 with additions in 1937 and 1957			
Total Building Square Footage	59,925	59,925	59,925
Acreage	11.00	11.00	11.00
Enrollment Grades 7-12 (1)	N/A	425	369
Student Capacity	365	365	365
Regular Instructional Classrooms	22	22	22
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	2	2	2
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	7,344	7,344	7,344
Cafeteria Facilities Square Footage	2,520	2,520	2,520
Library/Media Center Square Footage	968	968	968
U.S. Grant Middle School (3)			
Constructed in 1930 with additions in 1958			
Total Building Square Footage	60,930	60,930	60,930
Acreage	1.38	1.38	1.38
Enrollment Grades 7-8 (1)	N/A	221	204
Student Capacity	403	403	403
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	5	5	5
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	11,163	11,163	11,163
Cafeteria Facilities Square Footage	1,618	1,618	1,618
Library/Media Center Square Footage	1,253	1,253	1,253

2000	2001	2002	2003	2004	2005	2006
177,653	177,653	177,653	177,653	177,653	177,653	177,653
4.00	4.00	4.00	4.00	4.00	4.00	4.00
612	522	560	529	486	732	N/A
N/A	N/A	N/A	N/A	N/A	N/A	761
1,064	1,064	1,064	1,064	1,064	1,064	1,064
33	33	33	33	33	37	37
N/A	N/A	30	30	29	40	37
4	4	4	4	4	4	4
N/A	N/A	6	6	5	5	4
18,992	18,992	18,992	18,992	18,992	18,992	18,992
3,500	3,500	3,500	3,500	3,500	3,500	3,500
2,924	2,924	2,924	2,924	2,924	2,924	2,924
59,925	59,925	N/A	N/A	N/A	N/A	N/A
11.00	11.00	N/A	N/A	N/A	N/A	N/A
355	343	N/A	N/A	N/A	N/A	N/A
365	365	N/A	N/A	N/A	N/A	N/A
22	22	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	2	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
7,344	7,344	N/A	N/A	N/A	N/A	N/A
2,520	2,520	N/A	N/A	N/A	N/A	N/A
968	968	N/A	N/A	N/A	N/A	N/A
60,930	60,930	60,930	60,930	60,930	N/A	N/A
1.38	1.38	1.38	1.38	1.38	N/A	N/A
195	312	324	300	305	N/A	N/A
403	403	403	403	403	N/A	N/A
20	20	20	20	20	N/A	N/A
N/A	N/A	12	12	12	N/A	N/A
5	5	5	5	5	N/A	N/A
N/A	N/A	5	6	1	N/A	N/A
11,163	11,163	11,163	11,163	11,163	N/A	N/A
1,618	1,618	1,618	1,618	1,618	N/A	N/A
1,253	1,253	1,253	1,253	1,253	N/A	N/A

(continued)

Portsmouth City School District

Building Statistics

Last Ten Fiscal Years

(continued)

	1997	1998	1999
East Elementary School (4)			
Constructed in 2005			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades K-6	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A
McKinley Elementary School			
Constructed in 1916 with additions in 1955			
Total Building Square Footage	64,450	64,450	64,450
Acreage	2.02	2.02	2.02
Enrollment Grades 6-8 (Fiscal Years 1997 - 2000) (1)	N/A	321	331
Enrollment Grades 4-6 (Beginning in Fiscal Year 2001)	N/A	N/A	N/A
Student Capacity	427	427	427
Regular Instructional Classrooms	22	22	22
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	6	6	6
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	6,148	6,148	6,148
Cafeteria Facilities Square Footage	1,904	1,904	1,904
Library/Media Center Square Footage	2,160	2,160	2,160
Wilson Elementary School			
Constructed in 1926 with additions in 1957			
Total Building Square Footage	61,790	61,790	61,790
Acreage	2.00	2.00	2.00
Enrollment Grades K-5 (Fiscal Years 1997 - 2000) (1)	N/A	402	365
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	N/A	N/A	N/A
Student Capacity	522	522	522
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	8	8	8
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	3,990	3,990	3,990
Cafeteria Facilities Square Footage	3,990	3,990	3,990
Library/Media Center Square Footage	828	828	828

2000	2001	2002	2003	2004	2005	2006
N/A	N/A	N/A	N/A	N/A	N/A	45,779
N/A	N/A	N/A	N/A	N/A	N/A	23.29
N/A	N/A	N/A	N/A	N/A	N/A	231
N/A	N/A	N/A	N/A	N/A	N/A	350
N/A	N/A	N/A	N/A	N/A	N/A	14
N/A	N/A	N/A	N/A	N/A	N/A	14
N/A	N/A	N/A	N/A	N/A	N/A	5
N/A	N/A	N/A	N/A	N/A	N/A	2
N/A	N/A	N/A	N/A	N/A	N/A	3,469
N/A	N/A	N/A	N/A	N/A	N/A	3,857
N/A	N/A	N/A	N/A	N/A	N/A	1,106
64,450	64,450	64,450	64,450	64,450	64,450	64,450
2.02	2.02	2.02	2.02	2.02	2.02	2.02
328	N/A	N/A	N/A	N/A	N/A	N/A
N/A	447	426	315	448	298	350
427	427	427	427	427	427	427
22	22	22	22	22	22	22
N/A	N/A	19	19	19	18	13
6	6	6	6	6	6	6
N/A	N/A	9	9	7	7	4
6,148	6,148	6,148	6,148	6,148	6,148	6,148
1,904	1,904	1,904	1,904	1,904	1,904	1,904
2,160	2,160	2,160	2,160	2,160	2,160	2,160
61,790	61,790	61,790	61,790	61,790	61,790	61,790
2.00	2.00	2.00	2.00	2.00	2.00	2.00
381	N/A	N/A	N/A	N/A	N/A	N/A
N/A	359	331	446	305	402	320
522	522	522	522	522	522	522
20	20	20	20	20	20	20
N/A	N/A	17	17	17	16	14
8	8	8	8	8	8	8
N/A	N/A	5	5	3	2	3
3,990	3,990	3,990	3,990	3,990	3,990	3,990
3,990	3,990	3,990	3,990	3,990	3,990	3,990
828	828	828	828	828	828	828

(continued)

Portsmouth City School District

Building Statistics

Last Ten Fiscal Years

(continued)

	1997	1998	1999
Roosevelt Elementary School			
Constructed in 1929 with additions in 1956 and 1958			
Total Building Square Footage	32,224	32,224	32,224
Acreage	3.79	3.79	3.79
Enrollment Grades K-5 (Fiscal Years 1997 - 2000) (1)	N/A	253	257
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	N/A	N/A	N/A
Student Capacity	258	258	258
Regular Instructional Classrooms	11	11	11
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	1	1	1
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,230	4,230	4,230
Cafeteria Facilities Square Footage	4,230	4,230	4,230
Library/Media Center Square Footage	1,280	1,280	1,280
Harding Elementary School (5)			
Constructed in 1929 with additions in 1959			
Total Building Square Footage	41,455	41,455	41,455
Acreage	2.00	2.00	2.00
Enrollment Grades K-6 (1)	N/A	401	380
Student Capacity	332	332	332
Regular Instructional Classrooms	17	17	17
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	3	3	3
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,600	4,600	4,600
Cafeteria Facilities Square Footage	4,600	4,600	4,600
Library/Media Center Square Footage	1,012	1,012	1,012
Highland Elementary School (6)			
Constructed in 1955			
Total Building Square Footage	26,886	26,886	26,886
Acreage	1.00	1.00	1.00
Enrollment Grades K-5 (1)	N/A	238	251
Student Capacity	215	215	215
Regular Instructional Classrooms	13	13	13
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	2	2	2
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,272	4,272	4,272
Cafeteria Facilities Square Footage	4,272	4,272	4,272
Library/Media Center Square Footage	784	784	784

2000	2001	2002	2003	2004	2005	2006
32,224	32,224	32,224	32,224	32,224	32,224	32,224
3.79	3.79	3.79	3.79	3.79	3.79	3.79
267	N/A	N/A	N/A	N/A	N/A	N/A
N/A	289	268	269	317	329	320
258	258	258	258	258	258	258
11	11	11	11	11	11	11
N/A	N/A	15	15	15	15	14
1	1	1	1	1	1	1
N/A	N/A	3	3	3	3	3
4,230	4,230	4,230	4,230	4,230	4,230	4,230
4,230	4,230	4,230	4,230	4,230	4,230	4,230
1,280	1,280	1,280	1,280	1,280	1,280	1,280
41,455	41,455	41,455	41,455	41,455	41,455	N/A
2.00	2.00	2.00	2.00	2.00	2.00	N/A
344	356	348	329	311	318	N/A
332	332	332	332	332	332	N/A
17	17	19	19	17	17	N/A
N/A	N/A	19	19	16	17	N/A
3	3	1	1	3	3	N/A
N/A	N/A	2	2	3	2	N/A
4,600	4,600	4,600	4,600	4,600	4,600	N/A
4,600	4,600	4,600	4,600	4,600	4,600	N/A
1,012	1,012	1,012	1,012	1,012	1,012	N/A
26,886	N/A	N/A	N/A	N/A	N/A	N/A
1.00	N/A	N/A	N/A	N/A	N/A	N/A
231	N/A	N/A	N/A	N/A	N/A	N/A
215	N/A	N/A	N/A	N/A	N/A	N/A
13	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
4,272	N/A	N/A	N/A	N/A	N/A	N/A
4,272	N/A	N/A	N/A	N/A	N/A	N/A
784	N/A	N/A	N/A	N/A	N/A	N/A

(continued)

Portsmouth City School District
Building Statistics
Last Ten Fiscal Years
(continued)

	1997	1998	1999
Lincoln Elementary School (7)			
Constructed in 1914 with additions in 1930 and 1957			
Total Building Square Footage	32,708	32,708	32,708
Acreage	2.80	2.80	2.80
Enrollment Grades PS-5 (1)	N/A	237	248
Student Capacity	261	261	261
Regular Instructional Classrooms	13	13	13
Regular Instructional Teachers (1)	N/A	N/A	N/A
Special Instructional Classrooms	7	7	7
Special Instructional Teachers (1)	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,272	4,272	4,272
Cafeteria Facilities Square Footage	4,272	4,272	4,272
Library/Media Center Square Footage	1,254	1,254	1,254

Source: School District Records

- (1) Information regarding enrollment, regular instructional teachers, special instructional teachers was not available for fiscal year 1997.
- (2) East Middle/High School was donated for the establishment of the Sciotoville Community School in fiscal year 2002.
- (3) U.S. Grant Middle School was demolished in fiscal year 2005.
- (4) East Elementary School was constructed in fiscal year 2006.
- (5) Harding Elementary School was demolished in fiscal year 2006.
- (6) Highland Elementary School was sold to the Community Action Committee in fiscal year 2001.
- (7) Lincoln Elementary School was demolished in fiscal year 2001.

2000	2001	2002	2003	2004	2005	2006
32,708	N/A	N/A	N/A	N/A	N/A	N/A
2.80	N/A	N/A	N/A	N/A	N/A	N/A
205	N/A	N/A	N/A	N/A	N/A	N/A
261	N/A	N/A	N/A	N/A	N/A	N/A
13	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
4,272	N/A	N/A	N/A	N/A	N/A	N/A
4,272	N/A	N/A	N/A	N/A	N/A	N/A
1,254	N/A	N/A	N/A	N/A	N/A	N/A

Portsmouth City School District
Employees by Function
Last Four Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Instruction:				
Regular	116.00	111.00	107.00	102.00
Special	34.00	40.00	40.00	39.50
Vocational	3.00	5.00	5.00	4.00
Support Services:				
Pupils				
Student Facilitator	1.00	1.00	1.00	1.00
Pupil Personnel Facilitator	0.50	0.50	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
Guidance Counselors	5.00	6.00	6.00	5.00
Psychologists	3.50	3.50	2.00	3.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00
Data Facilitators	1.00	1.00	2.00	10.50
Test Coordinator	1.00	1.00	1.00	0.00
Nurse	1.00	1.00	1.00	1.00
Nurse Aides	2.00	2.00	2.00	2.00
Attendance Officer	1.00	1.00	1.00	1.00
Instructional Staff				
Directors	2.00	2.00	2.00	2.00
Coordinator	1.00	1.00	1.00	0.00
Secretary	1.00	1.00	1.00	2.00
Aides/Paraprofessionals	24.00	23.00	26.00	26.00
Librarians	2.00	2.00	2.00	2.00
Supervisor Technical Support	1.00	1.00	1.00	1.00
Administration				
Superintendent	1.00	1.00	1.00	1.00
Executive Assistants	2.00	2.00	2.00	2.00
Principals/Assistant Principals	6.00	5.00	5.00	4.00
Dean(s)	1.00	1.00	1.00	1.00
Secretaries	11.00	10.00	9.00	8.00
Fiscal				
Treasurer	1.00	1.00	1.00	1.00
Secretaries	3.00	3.00	3.00	3.00
Business				
Director	0.50	0.50	0.50	0.50
Executive Assistant	0.50	0.50	0.50	0.50
Operation and Maintenance of Plant				
Executive Assistant	0.50	0.50	0.50	0.50
Custodians	18.50	16.50	16.50	16.50
Maintenance	2.00	2.00	2.00	2.00
Pupil Transportation				
Bus Drivers	7.00	7.00	7.00	7.00
Operation of Non-Instructional Services:				
Food Service:				
Director	0.50	0.50	0.50	0.50
Manager	1.00	1.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
Cooks	17.00	15.00	16.00	14.00
Courier	0.50	0.50	0.50	0.50
Total Number of Employees	<u>277.00</u>	<u>274.00</u>	<u>273.00</u>	<u>270.00</u>

Method: Using 1.0 for each full-time employee and 0.50 for part-time and seasonal employee.

Source: School District Records (Count is taken on June 30th of each fiscal year)

Information prior to fiscal year 2003 was not available.

Portsmouth City School District
Per Pupil Cost
Last Ten Fiscal Years

Year	General Government Expenditures (1)	Average Daily Membership	Per Pupil Cost	Teaching Staff	Pupil/ Teacher Ratio
1997	\$20,459,423	3,311	\$6,179	224	14.78
1998	20,472,191	3,180	6,438	219	14.52
1999	22,952,150	3,059	7,503	221	13.84
2000	22,265,546	2,918	7,630	218	13.39
2001	23,472,288	2,628	8,932	207	12.70
2002	26,483,051	2,257	11,734	181	12.47
2003	31,643,017	2,188	14,462	167	13.10
2004	39,788,150	2,172	18,319	166	13.08
2005	54,809,495	2,079	26,363	166	12.52
2006	43,490,216	1,982	21,943	167	11.87

Source: School District Records

(1) Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Portsmouth City School District
Full-Time Equivalent Teachers by Education
Last Nine Fiscal Years (1)

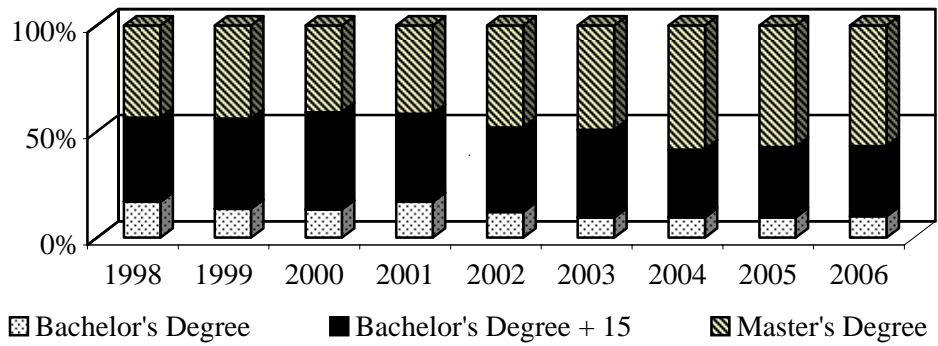
Degree	1998	1999	2000
Bachelor's Degree	37	30	29
Bachelor + 15 Years Experience	87	94	100
Master's Degree	95	97	89
Total	<u>219</u>	<u>221</u>	<u>218</u>

Source: School District Records

- (1) Information for fiscal year 1997 was not available.
- (2) The significant decrease in teachers between fiscal year 2001 and fiscal year 2002 was related to the closure of East Middle/High School when it was donated for the establishment of the Sciotoville Community School. The decrease in teachers between fiscal year 2002 and fiscal year 2003 was related to the School District being placed in fiscal caution. As an attempt to improve financial conditions, the School District reduced staff.

2001 (2)	2002 (2)	2003 (2)	2004	2005	2006
35	22	16	16	16	17
86	72	69	53	55	55
86	87	82	97	95	95
<u>207</u>	<u>181</u>	<u>167</u>	<u>166</u>	<u>166</u>	<u>167</u>

Full-Time Equivalent Teachers by Education



Portsmouth City School District
Full-Time Equivalent Teachers by Years of Experience
Last Nine Fiscal Years (1)

Years of Experience	1998	1999	2000
0 - 5	44	44	57
6 - 10	31	32	27
11 - 15	42	42	43
16 - 20	28	28	27
21 - 25	36	37	33
26 and over	<u>38</u>	<u>38</u>	<u>31</u>
Total	<u><u>219</u></u>	<u><u>221</u></u>	<u><u>218</u></u>

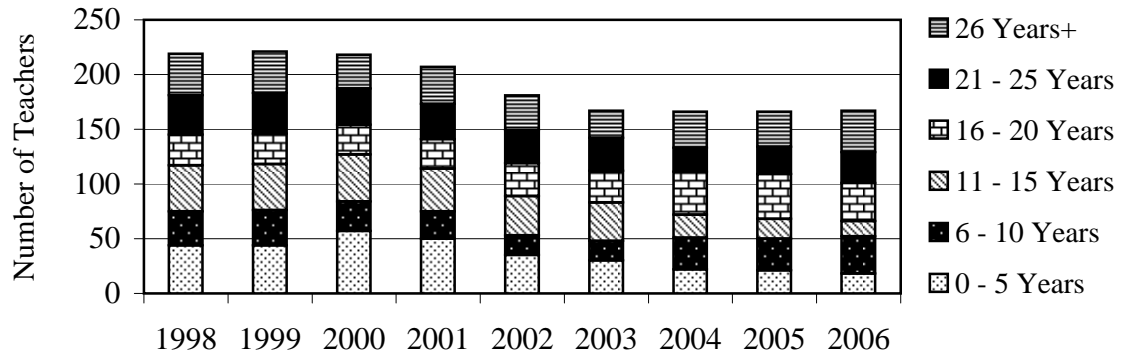
Source: School District Records

(1) Information for fiscal year 1997 was not available.

(2) The significant decrease in teachers between fiscal year 2001 and fiscal year 2002 was related to the closure of East Middle/High School when it was donated for the establishment of the Sciotoville Community School. The decrease in teachers between fiscal year 2002 and fiscal year 2003 was related to the School District being placed in fiscal watch. As an attempt to improve financial conditions, the School District reduced staff.

2001 (2)	2002 (2)	2003 (2)	2004	2005	2006
50	35	30	22	21	18
25	18	18	29	29	34
39	36	35	21	18	14
27	30	29	39	41	35
32	30	30	22	25	28
34	32	25	33	32	38
<u>207</u>	<u>181</u>	<u>167</u>	<u>166</u>	<u>166</u>	<u>167</u>

Full-Time Equivalent Teachers by Years of Experience



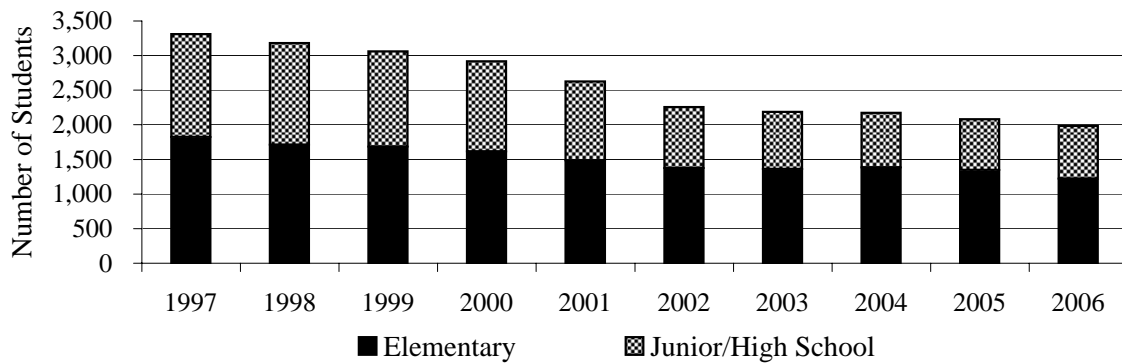
*Portsmouth City School District
Enrollment
Last Ten Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
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
2006	34	196	201	193	168	158	149

Source: School District Records

6	7	8	9	10	11	12	Total
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
122	166	139	104	118	127	107	1,982

Enrollment



Portsmouth City School District
Percentage of Students who Receive Free and Reduced Lunches
Last Nine Fiscal Years (1)

District Buildings	1998	1999	2000
Portsmouth Middle/High School	31.38%	33.94%	30.88%
East Middle/High School (2)	38.59%	36.31%	37.46%
U.S. Grant Middle School (3)	85.07%	87.75%	82.56%
East Elementary School (4)	N/A	N/A	N/A
McKinley Elementary School	52.65%	42.90%	48.48%
Wilson Elementary School	84.33%	96.71%	87.14%
Roosevelt Elementary School	36.76%	46.69%	41.95%
Harding Elementary School (5)	72.82%	67.11%	73.84%
Highland Elementary School (6)	65.55%	67.73%	74.89%
Lincoln Elementary School (7)	94.94%	91.13%	92.20%
District-Wide	57.86%	58.88%	58.33%

Source: Food Service Director Records

(1) Information for fiscal year 1997 was not available.

(2) East Middle/High School was donated for the establishment of the Sciotoville Community School in fiscal year 2002.

(3) U.S. Grant Middle School was demolished in fiscal year 2005.

(4) East Elementary School was constructed in fiscal year 2006.

(5) Harding Elementary School was demolished in fiscal year 2006.

(6) Highland Elementary School was sold to the Community Action Committee in fiscal year 2001.

(7) Lincoln Elementary School was demolished in fiscal year 2001.

2001	2002	2003	2004	2005	2006
36.78%	31.25%	34.59%	40.95%	51.64%	55.85%
43.44%	N/A	N/A	N/A	N/A	N/A
63.78%	64.20%	66.33%	65.25%	N/A	N/A
N/A	N/A	N/A	N/A	N/A	84.85%
70.69%	68.08%	100.00%	76.12%	100.00%	78.86%
100.00%	100.00%	87.00%	98.03%	72.89%	100.00%
53.98%	61.94%	51.67%	53.31%	54.41%	58.44%
71.63%	77.87%	75.08%	73.63%	75.16%	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
61.91%	64.69%	66.45%	66.99%	67.87%	73.66%

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Mary Taylor, CPA
Auditor of State

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
APRIL 3, 2007**