

Portsmouth City School District

Scioto County

Single Audit

July 1, 2009 through June 30, 2010

Fiscal Year Audited Under GAGAS: 2010



**Caudill & Associates, CPA's**

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# Dave Yost • Auditor of State

Board of Education  
Portsmouth City School District  
724 Findlay  
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the Portsmouth City School District, Scioto County, prepared by Caudill & Associates, CPA, for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

January 14, 2011

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**PORTSMOUTH CITY SCHOOL DISTRICT  
SCIOTO COUNTY**

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**PORTSMOUTH CITY SCHOOL DISTRICT**  
Scioto County

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2010

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
<b>United States Department of Agriculture</b>				
<i>Passed through the Ohio Department of Education</i>				
<i>Child Nutrition Cluster:</i>				
Non-Cash Assistance (Food Donation) National School Lunch Program	N/A	10.555	\$ 97,512	\$ 97,512
School Breakfast Program	05-PU	10.553	202,525	202,525
National School Lunch Program	LL-P4	10.555	676,712	676,712
Child Nutrition Cluster Total			<u>976,749</u>	<u>976,749</u>
Fresh Fruit and Vegetable Program	3L60	10.582	65,911	65,911
Total United States Department of Agriculture			<u>1,042,660</u>	<u>1,042,660</u>
<b>United States Department of Education</b>				
<i>Direct from Department of Education</i>				
Impact Aid	N/A	84.041	18,891	18,891
<i>Passed through the Ohio Department of Education</i>				
<i>Title I Part A Cluster:</i>				
Title I Grants to Local Educational Agencies	C1S1	84.010	2,264,980	2,175,655
ARRA - Title I Grants to Local Education Agencies	N/A	84.389	659,589	636,735
Title I Cluster Total			<u>2,924,569</u>	<u>2,812,390</u>
<i>Special Education Cluster:</i>				
Special Education - Grants to States	6BSF	84.027	597,968	578,901
ARRA - Special Education - Grants to States	N/A	84.391	374,302	352,189
Special Education - Preschool Grants	PGS1	84.173	6,595	9,868
ARRA - Special Education - Preschool Grants	N/A	84.392	17,705	17,293
Special Education Cluster Total			<u>996,570</u>	<u>958,251</u>
Safe & Drug Free Schools and Communities - State Grants	DRS1	84.186	18,999	18,293
Education for Homeless Children and Youth	HCS1	84.196	37,579	33,980
ARRA - Education for Homeless Children and Youth	N/A	84.387	3,184	4,395
Education Technology State Grants	TJS1	84.318	-	450
Reading First Grant	RSS1	84.357	570,621	549,880
Rural Education	RUS1	84.358	54,747	59,484
Improving Teacher Quality State Grants	TRS1	84.367	348,742	338,418
School Improvement Grant	N/A	84.377	2,800	1,703
ARRA - State Fiscal Stabilization	N/A	84.394	1,174,454	1,174,454
Total United States Department of Education			<u>6,151,156</u>	<u>5,970,589</u>
<b>U.S. Department of Health and Human Services</b>				
<i>Passed through the Ohio Department of Health and Human Services</i>				
Medical Assistance Program	N/A	93.778	57,009	57,009
Total U.S. Department of Health and Human Services			<u>57,009</u>	<u>57,009</u>
<b>Total Federal Awards</b>			<u>\$ 7,250,825</u>	<u>\$ 7,070,258</u>

N/A - Pass Through Entity Number is Not Available  
See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**PORTSMOUTH CITY SCHOOL DISTRICT  
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE A - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B – CHILD NUTRITION CLUSTER**

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



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Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Portsmouth City School District  
Scioto County  
724 Findlay Street  
Portsmouth, Ohio 45662

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District, Scioto County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.



Board of Education  
Portsmouth City School District

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*

We intend this report solely for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

*Caudill & Associates, CPAs*

Caudill & Associates, CPA's  
December 15, 2010



## Caudill & Associates, CPAs

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### **Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133**

Portsmouth City School District  
Scioto County  
724 Findlay Street  
Portsmouth, Ohio 45662

To the Board of Education:

#### **Compliance**

We have audited the compliance of Portsmouth City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Portsmouth City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2010.

#### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Board of Education  
Portsmouth City School District

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

### **Internal Control Over Compliance (Continued)**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Federal Awards Receipts and Expenditures Schedule**

We have also audited the financials statements of the governmental activities, each major fund and the aggregate remaining fund information of Portsmouth City School District, as of and for the year ended June 30, 2010 and have issued our report thereon dated December 15, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

*Caudill & Associates, CPAs*

Caudill & Associates, CPA's  
December 15, 2010

**PORTSMOUTH CITY SCHOOL DISTRICT  
SCIOTO COUNTY**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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**FOR THE YEAR ENDED JUNE 30, 2010**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other Significant Deficiencies in internal controls reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other Significant Deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No

**PORTSMOUTH CITY SCHOOL DISTRICT  
SCIOTO COUNTY**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS (Continued)</b>
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**FOR THE YEAR ENDED JUNE 30, 2010**

<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	<p><i>Title I, Part A Cluster:</i> Title 1 Grants to Local Educational Agencies CFDA # 84.010, ARRA – Title I Grants to Local Educational Agencies CFDA # 84.389</p> <p><i>Special Education Cluster:</i> Special Education Grant to States CFDA #84.027, ARRA – Special Education Grants to States CFDA #84.391, Special Education – Preschool Grants, CFDA #84.173, ARRA – Special Education – Preschool Grants, CFDA #84.392</p> <p><i>Child Nutrition Cluster:</i> CFDA 10.553 – School Breakfast Program and CFDA 10.555 – National School Lunch Program , CFDA 10.555 Food Donations</p> <p>ARRA - State Fiscal Stabilization Fund (SFSF), CFDA #84.394</p> <p>Improving Teacher Quality State Grants, CFDA#84.367</p>
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.

**PORTSMOUTH CITY SCHOOL DISTRICT  
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
*OMB CIRCULAR A-133 § .315 (b)*  
FOR THE YEAR ENDED JUNE 30, 2010**

No prior year findings noted.

# *PORTSMOUTH CITY SCHOOL DISTRICT*

724 Findlay Street, Portsmouth, Ohio 45662



## **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2010

***PORTSMOUTH CITY SCHOOL DISTRICT***

**PORTSMOUTH, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Issued by:

Treasurer's Office

Kyle F. Smith, Treasurer



# **INTRODUCTORY SECTION**

*Portsmouth City School District  
Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2010*

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**INTRODUCTORY SECTION**

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## Office of the Treasurer

December 15, 2010

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, 2010. 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, 2010.

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.

Caudill & Associates has issued an unqualified ("clean") opinion on the Portsmouth City School District's financial statements for the fiscal year ended June 30, 2010. The independent auditors' report is located at the front of the Financial Section of this report.

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

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, 2010, are:

<b><u>Board Member</u></b>	<b><u>Current Term</u></b>	<b><u>Total Years</u></b>
Mrs. Barbara Borden-Gibson	Jan. 2010 - Dec. 2013	4 - 1/2
Mr. Clarence M. Parker	Jan. 2008 – Dec. 2011	10 - 1/2
Dr. George P. Pettit	Jan. 2010 - Dec. 2013	9 - 3/4
Mrs. Mary L. Sommer	Jan. 2008 - Dec. 2011	4
Mr. Ray W. Thompson	Jan. 2008 - Dec. 2011	8 - 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. The Board hired Donald A. Armstrong for a two-year term beginning on August 1, 2008 to July 31, 2010. Superintendent Armstrong resigned effective July 31, 2010 to pursue other opportunities and the Board hired G. Scott Dutey for a three year term beginning August 1, 2010. Mr. Dutey started with the School District in July 2009 as Curriculum Director but before that he served as Assistant Superintendent at the Dawson Bryant School District in Lawrence County.

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. The Board appointed Mr. Kyle F. Smith as Treasurer beginning April 1, 2009 for a 28 month term ending July 31, 2011. Mr. Smith was the Assistant Treasurer before the appointment.

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.

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 five organizations, four of which are defined as jointly governed organizations, and one of which is defined as an insurance purchasing pool. These organizations are the South Central Ohio Computer Association, the Scioto County Career Technical Center, the Coalition of Rural and Appalachian Schools, Metropolitan Educational Council, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 to the basic financial statements.

The School District Board adopts an annual budget by July 1 which may be amended any time during the fiscal year as new information becomes available. 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, started 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 has recently adopted a twelve-year master plan for new construction and expansion. The University Center was completed in 2010 and is more than doubled in size compared to the old structure. Shawnee State offers over 80 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. Another higher education facility in the area is Ohio University Southern Campus located in Ironton, 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 down their plants over labor disputes and foreign influence. The city used to have a steel plant owned by Cyclops on the east side of the city, but it closed in February 1980. The city has been going in a downward trend since the 1990's.

In November 2002 the Portsmouth Uranium Enrichment Plant, located within the Portsmouth workforce area, was recognized as an ANS Nuclear Historic Landmark by the American Nuclear Society. It served a military function from 1952 until the mid-1960s. In the mid 1960's, the plant shifted from a military mission to a commercial focus, supplying enriched uranium to electric utilities operating nuclear power plants. In 2001, enrichment activities ceased and it began to support operational and administrative functions and perform external contract work.

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

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  
Shawnee State University  
Scioto County Government  
Community Action Organization  
State of Ohio  
City of Portsmouth  
Portsmouth City Board of Education  
Norfolk and Southern Railway  
OSCO Industries, Inc.  
United States Enrichment Corporation  
Sole Choice, Inc. (Formerly Mitchellace, Inc)  
C & J Pepsi-Cola Bottlers Inc.  
Sunoco Inc./Sun Coke  
Taylor Lumber, Inc.  
Wal-Mart Stores, Inc.

Southern Ohio Medical Center has completed expansion of the hospital on the Main Campus which includes Open Heart Surgery services that began at the end of 2008. This \$110 million, long-term investment in the community includes a four-story patient care addition with 102 new private beds. The first floor of this addition houses the new SOMC Heart and Vascular Center, with an expanded cardiac testing laboratory and the cardiac catheterization laboratory with space for a third catheterization suite. SOMC Surgical Services expanded to 19 surgical suites, with three suites dedicated to heart and

vascular procedures and five suites dedicated to gastrointestinal procedures. The SOMC Emergency Department doubled in size, with the addition of 22 more beds and space for the hospital's accredited chest pain center. In addition to 210,000 square feet of new space being added to the hospital, 60,000 square feet of existing space were refurbished and remodeled in 2009.

Unemployment Rates

Data obtained from the U.S. Bureau of Labor Statistics indicates that the percentage of unemployment for Portsmouth and Scioto County for June 2010 was 13.5 percent, which is above the State rate of 10.5 percent and the national rate of 9.5 percent. While the unemployment number is high in comparison to the State and national average, local initiatives are serving to promote a renewed spirit of pride in the community.

**THE SCHOOL DISTRICT AND ITS FACILITIES**

The School District served 2,163 students during the 2010 fiscal year. Facilities include one high/junior high school and two elementary schools. Preschool is offered at both elementary schools. 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 – 7*	247
Portsmouth Elementary	2006	K – 6	1,121
Portsmouth High/Junior High	2006	7 – 12	795

\* East Portsmouth Elementary added 7<sup>th</sup> grade in Fiscal Year 2010 and will be adding 8<sup>th</sup> grade in Fiscal Year 2011.

**EMPLOYEE RELATIONS**

The School District currently employs 269 full-time and part-time employees. Since 2000, the School District's enrollment has decreased from 2,918 to the 2009-2010 enrollment of 2,163. The decrease in enrollment was due primarily to a declining population, open enrollment and the creation of the Sciotoville Community School.

In fiscal year 2009, the School District experienced a decrease to 2,101 students from the 2008 fiscal year, which is a decrease of 31 students. This decrease is attributed to the opening of a new elementary community school and the Ed Choice program. However, enrollment is increasing because it is estimated between Ed Choice and the new community school, the School District lost about 104 students. In fiscal year 2010, the School District saw an increase in enrollment of 62 students. It is believed that this can be attributed to the opening of the Clark Athletic Complex next to Portsmouth High School.

The teachers, educational specialists, and counselors of the School District are represented by the Portsmouth City Teacher's Association (PCTA), which is one of two organizations representing School District employees. In July 2007, the Board adopted a three-year contract with PCTA beginning July, 2007 and extending through June 30, 2010 with pay increases of three percent each of the three years. The beginning teacher's salary for the 2010 fiscal year was \$32,004.

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 negotiated contract for Fiscal Years 2008, 2009 and 2010. 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 settled negotiations in January 2008 and received a four percent increase effective February 1, 2008 through June 30, 2008. They received a three percent increase in fiscal year 2009 and a two percent increase in fiscal year 2010.

In addition, both unions participate in a spousal coordination of benefits as it relates to their health insurance. If an employee's spouse is eligible for health insurance through his/her employer, the spouse is required to participate in at least a single plan as long as he/she does not have to contribute more than 50 percent (certified) or 25 percent (classified) toward the cost of the premium. PCTA members and administrators contribute seven percent toward the cost of their health care premium and AFSCME Local 2684 contributes 3.5 percent.

The School District's administrators are not organized.

## **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 in 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 from certain foundation payments due to the Board of Education. Should a shortfall occur, the Board of Education is to notify ODE fifteen business days in advance of the payment due date. If foundation payments are used for debt service payments, ODE is required to evaluate the Board of Education's ability to meet the debt service payments and recommend corrective actions to be implemented by the Board of Education.

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 houses the middle/high school students (7-12) and the other complex houses elementary students (K-6).

The Portsmouth Junior/Senior High School became the first Ohio School Facilities Commission-funded project to receive the Grand Prize from School Planning & Management's Education Design Showcase. The Grand Prize is awarded each year to the school design that best meets the needs of its educational program. The jury, which was comprised of educators, planning professionals, and architects from across the country, had this to say about the design: "Good use of day lighting, with lots of windows. It tied in the old with the new in a very nice way. The design works well in the context of the community. This project hits the mark on a lot of levels."

The East Portsmouth Elementary School was occupied in January 2006 with a dedication ceremony 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 statements:

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

The Portsmouth City School District believes that:

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

The School District's continuous improvement goals for the 2010 school year are:

1. By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts/mathematics.
2. All students will be taught by "highly qualified" teachers.

3. All students will be educated in learning environments that are safe, drug free and conducive to learning.
4. Students will be prepared with the academic and technical skills needed to be successful in postsecondary education and the workplace; and
5. All students will be provided the career knowledge needed to make informed career-decisions.

During fiscal year 2010, the School District received several grants that will serve to increase the programs and opportunities for our students. Below are just a few:

- Early Childhood Special Education
- Early Childhood Special Education/Preschool\*
- E-Tech Professional Development
- High Schools That Work
- IDEA-B\*
- Literacy Improvement Grant
- McKinney-Vento Homeless Assistance\*
- One Net Connectivity
- Reading First
- Title I\*

\* - Includes regular (entitled) grant dollars but also includes one time allotments for the American Recovery and Reinvestment Act or ARRA dollars.

### FOR THE FUTURE

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

Also, with donations from the Clyde and Maycel Clark Foundation, Inc. and the Scioto Foundation, a new Athletic/Administrative Complex was completed adjacent to the new Portsmouth High/Junior High School. The fiscal agent for the project is the Clark Education Foundation, LLC. Phase I was completed in the fall of 2009 and the first home football game was held September 5, 2009 against the Portsmouth West Senators. The Trojans were victorious in front of an estimated 9,000-10,000 people in attendance. The completion date for the "Complex" (Phase II) is projected to be sometime during 2011-2012. The "Complex" is being leased to the School District during the financing period, approximately 28 years, for \$10,000 per year. This lease payment will be deposited into a supplemental account, along with a \$10,000 donation each fiscal year from both the Scioto Foundation and the Clyde and Maycell Clark Foundation, by the LLC in the event of a short fall in making the debt payment. No "short fall" is anticipated, and the balance of this supplemental account is to be given back to the School District at the end of the financing period. After the Clark Education Foundation,

LLC debt is paid via donations as mentioned above, the entire complex is to be deeded to the School District.

### 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:

#### Classroom Learning Opportunities

Classroom learning opportunities have been enhanced by utilizing a State subsidy, Poverty Based Assistance and two federal subsidies: Title VI-B, “Rural and Low Income”; and Title II-A, “Improving Teacher Quality”. These subsidies enable the School District to hire additional highly qualified teachers to reduce class sizes in an effort to increase student proficiency.

#### Early Literacy Intervention

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

#### School Improvement

A School Improvement Grant was awarded to Portsmouth High School. 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. East Portsmouth Elementary and Portsmouth Elementary Schools have this program as an early intervention for first graders.

#### 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 Portsmouth Elementary School.

### Head Start Collaboration

This program is the collaboration between public education and local community agencies. Children ages three to six receive preschool experiences and benefit from the school setting. This program is housed offsite. The School District also operates two public preschool programs in collaboration with Head Start. These programs are located at East Portsmouth Elementary School.

### 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 Portsmouth Elementary School and one is housed at East Portsmouth Elementary. 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.

### Literacy Improvement Grant

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



### 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, block scheduling, curriculum alignment, and test result analysis continue to be offered.

## **FINANCIAL TRENDS**

Since fiscal year 1995 the number of students the School District educated dropped from 3,466 to 1,982 in fiscal year 2006. However, during fiscal years 2007 through 2010, the School District experienced an increase in enrollment by 181 students. This increase is attributed to the opening of three new facilities in August 2006, a new athletic complex that opened in 2009, and it is anticipated the enrollment will stabilize in future years.

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 tax year 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.

The State General Assembly passed House Bill 1 in July 2009 which included the biennium budget as well as sweeping changes in education. In this bill K-12 school districts started a new funding model, expenditure reporting requirements as well as additional personnel requirements. School districts were capped on the year to year increase over this biennium at .75 percent and the Portsmouth City School District fell into this category.

With the 2010 election of John Kasich comes the possibility of more changes. The State of Ohio is facing an \$8 billion shortfall for the next biennium (2012-2013). Ohio Department of Education Officials are not sure if education will be spared this cycle and districts have been told that cuts could come as deep as 10 percent.

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

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

On March 25, 2009 Roger Hardin from the Office of School Funding and Fiscal Support Services sent the School District a letter. This letter confirmed that the School District had an estimated negative fund balance for Fiscal Years 2010 and beyond. At this point the School District had to revise the Financial Recovery Plan. In addition to the cost saving measures above the following was added:

1. Reduction of Transportation Coordinator.
2. Reduction of seven teachers and ½ Librarian with the usage of American Recovery and Reinvestment Act funds to facilitate a new Education Model in the School District.
3. Energy cost saving measures in each School District building.

In addition, as a result of being placed in fiscal caution, the School District also receives, on a bi-monthly basis, State management assistance through the Ohio Department of Education, Regions 14 and 15 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. Caudill and Associates conducted the School District's audit for fiscal year 2010. The Auditor's 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, 2009. (This was the eleventh consecutive year that the School District 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, 2009.

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**

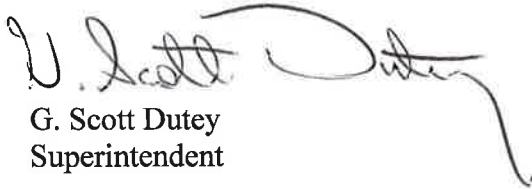
A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. Appreciation is expressed to the Assistant Treasurer, Dianna Reedy; retired Treasurer and District Consultant, Paula J. Butler; and Accounts Payable Clerks Cathi Evans and Pam Ervin. In addition, a special recognition goes to the Portsmouth High School Trojan Print Shop: Arthur Lard, Instructor, and students for their expertise in assembling and printing this report. This year's cover picture was provided by Portsmouth High School Alum, Sean Gowdy. 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,



Kyle F. Smith  
Treasurer



G. Scott Dutey  
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, 2009

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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**PORTSMOUTH CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2009

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

*Erin Galen*

President

*John D. Quasa*

Executive Director

*Portsmouth City School District*

*List of Principal Officials  
June 30, 2010*

ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

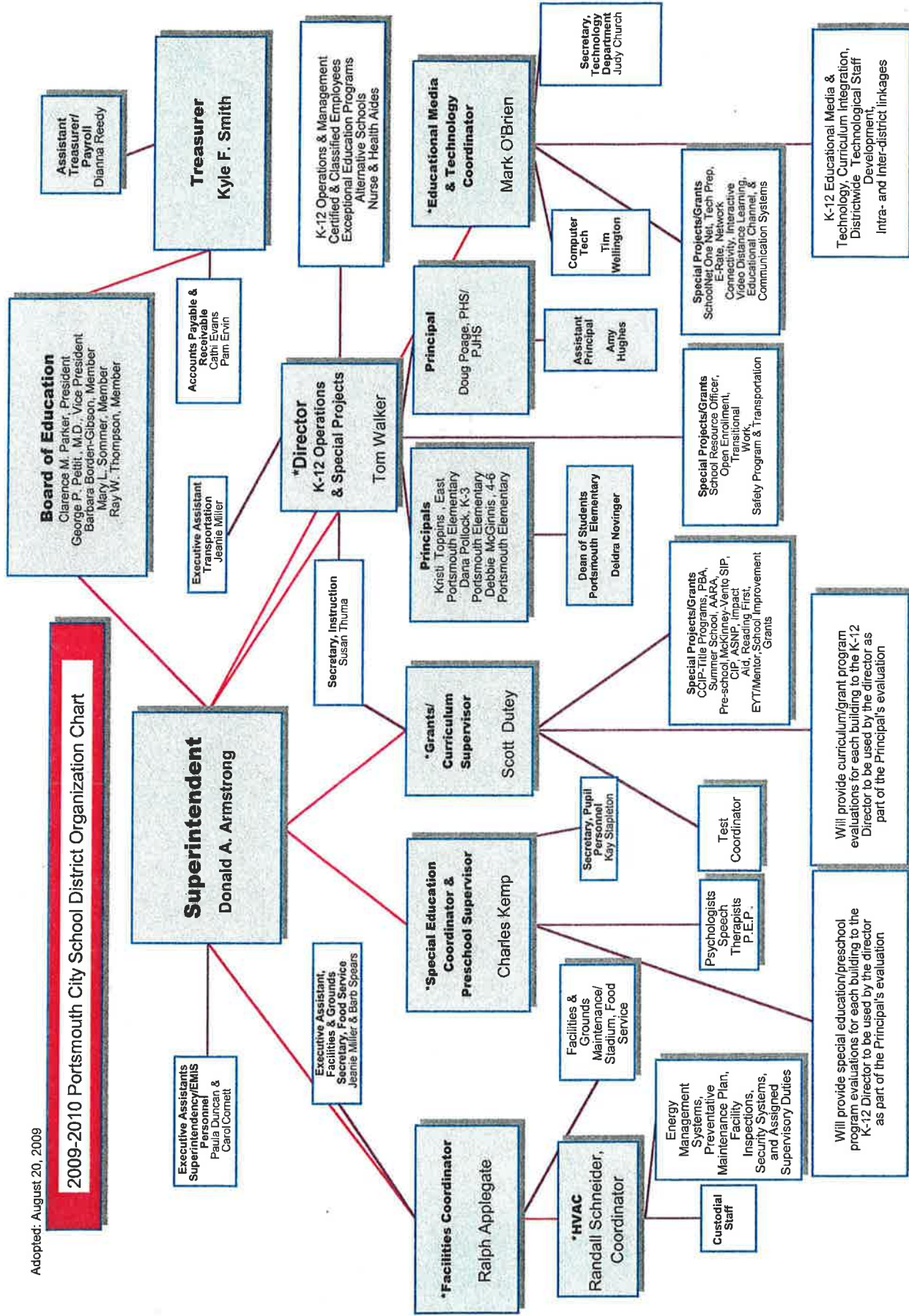
Superintendent\* ..... Don A. Armstrong  
Treasurer ..... Kyle F. Smith  
Facility Coordinator... ..... Ralph Applegate  
Coordinator of State and Federal Funds ..... G. Scott Dutey  
Director of Curriculum/Instruction\*\* ..... G. Scott Dutey  
Director of Operations\*\* ..... Thomas Walker  
Coordinator of Educational Media/Technology ..... Mark O'Brien  
Facilitator of Special Needs ..... Charles Kemp  
Gifted Coordinator / Curriculum ..... Elizabeth Mounts  
Safe Drug Free Coordinator..... Heather Johnson

\*Superintendent Don A. Armstrong resigned effective July 31, 2010 and the Board Of Education hired Director of Curriculum, G. Scott Dutey beginning August 1, 2010 and ending July 31, 2013.

\*\*Lindsay Kegley accepted the positions of Director of Curriculum/Instruction and Director of Operations upon the appointment of G. Scott Dutey to the position of Superintendent.

Adopted: August 20, 2009

## 2009-2010 Portsmouth City School District Organization Chart



Will provide curriculum/grant program evaluations for each building to the K-12 Director to be used by the director as part of the Principal's evaluation

Will provide special education/preschool program evaluations for each building to the K-12 Director to be used by the director as part of the Principal's evaluation

Will provide curriculum/grant program evaluations for each building to the K-12 Director to be used by the director as part of the Principal's evaluation

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



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# **FINANCIAL SECTION**



# Caudill & Associates, CPAs

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

## Independent Auditor's Report

Portsmouth City School District  
Scioto County  
724 Findlay Street  
Portsmouth, Ohio 45662

To the Board of Education:

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, Scioto County, Ohio, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Portsmouth City School District's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the Portsmouth City 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 the *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 the 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 the Portsmouth City School District, as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, on our consideration of the Portsmouth City 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, 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.

Board of Education  
Portsmouth City School District

Independent Auditor's Report (Continued)

The management's discussion and analysis on pages 3 through 10 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.

We conducted our audit to opine on the financial statements that collectively comprise the Portsmouth City School District's basic financial statements taken as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section provide additional analysis and are not a required part of the basic financial statements. The combining statements, individual fund statements and schedules are the School District's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including and comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

*Caudill & Associates, CPA's*

Caudill & Associates, CPA's  
December 15, 2010

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*Unaudited*

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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, 2010. 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 \$489,630 from the prior fiscal year. This is primarily due to depreciation expense on the School District's capital assets.
- General revenues accounted for \$24,055,459. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$9,473,072. Total revenues for the School District were \$33,528,531.
- The School District had \$34,018,161 in expenses related to governmental activities; only \$9,473,072 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 \$24,055,459 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.

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.

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*Unaudited*

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## **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 2010?” 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 fiscal 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.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District’s major funds begins on page eight. 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 and the Bond Retirement Debt Service Fund.

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
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**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.

**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 2010 and fiscal year 2009:



**Portsmouth City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2010**  
**Unaudited**

Table 1  
**Net Assets**

	2010	2009	Change
<b><u>Assets:</u></b>			
Current and Other Assets	\$16,895,907	\$16,193,758	\$702,149
Capital Assets, Net	58,368,537	60,275,054	(1,906,517)
<i>Total Assets</i>	<u>75,264,444</u>	<u>76,468,812</u>	<u>(1,204,368)</u>
<b><u>Liabilities:</u></b>			
Other Liabilities	8,100,885	8,266,810	(165,925)
Long-Term Liabilities	16,135,815	16,684,628	(548,813)
<i>Total Liabilities</i>	<u>24,236,700</u>	<u>24,951,438</u>	<u>(714,738)</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	44,092,020	46,147,550	(2,055,530)
Restricted	5,985,113	5,667,882	317,231
Unrestricted (Deficit)	950,611	(298,058)	1,248,669
<i>Total Net Assets</i>	<u>\$51,027,744</u>	<u>\$51,517,374</u>	<u>(\$489,630)</u>

Current and Other Assets increased \$702,149 primarily due to a significant increase in cash and cash equivalents. This increase was primarily due to an increase in general State Foundation Aid. Capital Assets, Net decreased \$1,906,517 which was due to current year depreciation exceeding current year additions and the sale of two parcels of land.

Total Liabilities of the School District decreased \$714,738 from the prior fiscal year. The largest decrease was in Long-Term Liabilities which decreased due to annual debt payments made by the School District. Another significant decrease was in Contracts Payable because there were no significant outstanding contracts as of fiscal year-end.

The primary factor contributing to the decrease in Invested in Capital Assets, Net of Related Debt from the prior fiscal year was that current year depreciation exceeded current year additions to capital assets as well as the sale of two parcels of land.

The increase in Restricted Net Assets was primarily the result of revenues for the fiscal year, consisting of property taxes, homestead and rollback reimbursements, and interest, received for debt service being greater than the annual debt payments the School District incurred.

Unrestricted Net Assets of the School District demonstrated an increase when compared to the prior fiscal year due to an increase in general State Foundation Aid.

**Portsmouth City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2010**  
**Unaudited**

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

Table 2  
**Change in Net Assets**

	2010	2009	Increase/ (Decrease)
<b><u>Revenues:</u></b>			
<b>Program Revenues:</b>			
Charges for Services and Sales	\$1,306,115	\$1,029,444	\$276,671
Operating Grants, Contributions, and Interest	8,136,834	7,105,527	1,031,307
Capital Grants and Contributions	30,123	37,777	(7,654)
<b>Total Program Revenues</b>	<b>9,473,072</b>	<b>8,172,748</b>	<b>1,300,324</b>
<b>General Revenues:</b>			
Property Taxes	5,627,768	5,901,926	(274,158)
Grants and Entitlements not Restricted to Specific Programs	18,319,840	17,914,549	405,291
Contributions and Donations	6,566	122,502	(115,936)
Investment Earnings	27,280	93,194	(65,914)
Miscellaneous	74,005	163,197	(89,192)
<b>Total General Revenues</b>	<b>24,055,459</b>	<b>24,195,368</b>	<b>(139,909)</b>
<b>Total Revenues</b>	<b>33,528,531</b>	<b>32,368,116</b>	<b>1,160,415</b>
<b><u>Program Expenses:</u></b>			
<b>Instruction:</b>			
Regular	13,753,627	13,573,992	179,635
Special	5,879,260	4,950,325	928,935
Vocational	480,887	507,713	(26,826)
Student Intervention Services	1,164,825	1,541,524	(376,699)
Intergovernmental	29,000	35,600	(6,600)
<b>Support Services:</b>			
Pupils	1,430,317	1,610,831	(180,514)
Instructional Staff	2,372,062	2,244,651	127,411
Board of Education	30,589	24,501	6,088
Administration	1,776,063	1,838,174	(62,111)
Fiscal	669,614	750,674	(81,060)
Business	82,268	76,787	5,481
Operation and Maintenance of Plant	3,114,874	2,867,303	247,571
Pupil Transportation	595,484	592,894	2,590
Central	62,866	344,578	(281,712)
Operation of Non-Instructional Services	1,461,701	1,362,363	99,338
Extracurricular Activities	477,581	338,911	138,670
Interest and Fiscal Charges	637,143	640,624	(3,481)
<b>Total Expenses</b>	<b>34,018,161</b>	<b>33,301,445</b>	<b>716,716</b>
<b>Change in Net Assets</b>	<b>(489,630)</b>	<b>(933,329)</b>	<b>443,699</b>
<b>Net Assets at Beginning of Year</b>	<b>51,517,374</b>	<b>52,450,703</b>	<b>(933,329)</b>
<b>Net Assets at End of Year</b>	<b>\$51,027,744</b>	<b>\$51,517,374</b>	<b>(\$489,630)</b>

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*Unaudited*

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Program revenues, which are primarily represented by charges for tuition, fees, sales, and extracurricular activities, as well as restricted intergovernmental revenue were \$9,473,072 for fiscal year 2010. The most significant increase in program revenues was in the form of Operating Grants, Contributions, and Interest which increased from the prior fiscal year primarily due to the receipt of stimulus monies in the Title I and IDEA-B Special Revenue Funds.

As previously mentioned, general revenues were \$24,055,459 for fiscal year 2010. The majority of these revenues are in the form of Grants and Entitlements not Restricted to Specific Programs and Property Taxes. Although total general revenues decreased, a significant increase occurred within Grants and Entitlements not Restricted to Specific Programs relating to increases in general State Foundation Aid. Property taxes revenue decreased primarily due to the phase-out of the business personal property taxes. There was a decrease in contributions and donations due to the donation of land in fiscal year 2009.

As should be expected, Instruction costs represent the largest of the School District's expenses for fiscal year 2010. There was a significant increase in Special Instruction primarily due to the addition of some teachers and some additional services in the Special Education program. There was a significant decrease in Student Intervention Services due to a decrease in open enrollment costs. The decrease in open enrollment was due to fewer students from the School District attending other schools.

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. The dependence upon tax revenues and unrestricted State entitlements for governmental activities was slightly less in fiscal year 2010 as program 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 its costs primarily in the form of operating grants restricted for special instruction. Another program which receives a large amount of revenues to offset costs is Operation of Non-Instructional Services. 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 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$33,443,379 and expenditures of \$32,974,724. The net change in fund balance for the fiscal year was most significant in the General Fund with an increase of \$1,086,340 which was due to an increase in general State Foundation Aid. There was also an increase of \$123,275 in charges for services in the General Fund which was due to an increase in open enrollment monies from the State.

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
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The Bond Retirement Debt Service Fund balance increased \$816,829. This was the result of revenues for the fiscal year, consisting of property taxes, homestead and rollback reimbursements, and interest, being greater than the annual debt payments the School District incurred. There was also a significant transfer from the Ohio School Facilities Commission Capital Projects Fund due to the School construction project being finished. Part of the monies that were not used in the construction will be utilized for debt service payments on the General Obligation Bonds used for the project.

**General Fund - Budget Highlights**

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

During the course of fiscal year 2010, 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 a substantial increase in revenues from the original budget to the final budget. The most significant increase was in Intergovernmental Revenue and was primarily due to an unanticipated increase in State Foundation Aid during the fiscal year.

The total decrease in expenditures from the original to the final budget was insignificant. The difference in actual expenditures made from the final budget was substantial. The largest decreases were in the Regular Instruction, Fiscal, and Operation and Maintenance of Plant functions. Some of the expenditures originally budgeted to be spent from these functions were expended from the Education Stabilization Special Revenue Fund which was received during the fiscal year.

The School District's ending unobligated cash balance was \$1,788,453 above the final budgeted amount. This was due to the School District continually monitoring expenditures throughout the fiscal year.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2010, the School District had \$58,368,537 invested in capital assets (net of accumulated depreciation). Additions to capital assets included two parcels of land, some building improvements, educational equipment, and textbooks. Disposals for the fiscal year were two parcels of land and a tuba. For further information regarding the School District's capital assets, refer to Note 8 in the Notes to the Basic Financial Statements.

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*Unaudited*

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***Debt***

At June 30, 2010, the School District had \$14,450,128 in bonds outstanding, \$580,000 of which is due within one year. At fiscal year-end, \$163,534 of the capital lease remained outstanding.

For further information regarding the School District's long-term obligations, refer to Note 14 in the Notes to the Basic Financial Statements.

**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 Kyle F. Smith, at Portsmouth City School District, 1149 Gallia Street, Portsmouth, Ohio 45662, or e-mail at [kyle.smith@portsmouthtrojans.net](mailto:kyle.smith@portsmouthtrojans.net).

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**Portsmouth City School District**  
*Statement of Net Assets*  
*June 30, 2010*

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$9,048,023
Accounts Receivable	17,233
Accrued Interest Receivable	1,346
Intergovernmental Receivable	751,589
Prepaid Items	18,492
Inventory Held for Resale	43,191
Materials and Supplies Inventory	18,475
Property Taxes Receivable	6,817,274
Deferred Charges	180,284
Capital Assets:	
Land and Construction in Progress	5,984,276
Depreciable Capital Assets, Net	<u>52,384,261</u>
<i>Total Assets</i>	<u>75,264,444</u>
<b><u>Liabilities:</u></b>	
Accounts Payable	126,203
Contracts Payable	10,951
Accrued Wages and Benefits Payable	1,844,353
Intergovernmental Payable	585,873
Accrued Interest Payable	48,467
Matured Compensated Absences Payable	22,980
Deferred Revenue	5,462,058
Long-Term Liabilities:	
Due Within One Year	848,535
Due in More Than One Year	<u>15,287,280</u>
<i>Total Liabilities</i>	<u>24,236,700</u>
<b><u>Net Assets:</u></b>	
Invested in Capital Assets, Net of Related Debt	44,092,020
Restricted for:	
Debt Service	3,174,753
Capital Projects	1,587,811
Other Purposes	1,182,521
Set-Asides	40,028
Unrestricted	<u>950,611</u>
<i>Total Net Assets</i>	<u><u>\$51,027,744</u></u>

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2010

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b><i>Governmental Activities:</i></b>					
Instruction:					
Regular	\$13,753,627	\$813,908	\$15,348	\$0	(\$12,924,371)
Special	5,879,260	12,305	4,245,634	0	(1,621,321)
Vocational	480,887	0	81,164	0	(399,723)
Student Intervention Services	1,164,825	0	822,038	0	(342,787)
Intergovernmental	29,000	0	29,000	0	0
Support Services:					
Pupils	1,430,317	0	438,918	0	(991,399)
Instructional Staff	2,372,062	0	1,091,181	0	(1,280,881)
Board of Education	30,589	0	0	0	(30,589)
Administration	1,776,063	7,235	0	0	(1,768,828)
Fiscal	669,614	0	0	0	(669,614)
Business	82,268	0	0	0	(82,268)
Operation and Maintenance of Plant	3,114,874	19,038	0	30,123	(3,065,713)
Pupil Transportation	595,484	1,638	35,019	0	(558,827)
Central	62,866	129,892	5,000	0	72,026
Operation of Non-Instructional Services:					
Food Service Operations	1,241,298	177,183	998,472	0	(65,643)
Other	220,403	0	293,680	0	73,277
Extracurricular Activities	477,581	144,916	81,380	0	(251,285)
Interest and Fiscal Charges	637,143	0	0	0	(637,143)
<b><i>Total Governmental Activities</i></b>	<b><u>\$34,018,161</u></b>	<b><u>\$1,306,115</u></b>	<b><u>\$8,136,834</u></b>	<b><u>\$30,123</u></b>	<b><u>(24,545,089)</u></b>
<b><i>General Revenues:</i></b>					
Property Taxes Levied for:					
General Purposes					4,319,587
Debt Service					1,227,943
Capital Outlay					80,238
Grants and Entitlements not Restricted to					
Specific Programs					18,319,840
Contributions and Donations					6,566
Investment Earnings					27,280
Miscellaneous					74,005
<b><i>Total General Revenues</i></b>					<b><u>24,055,459</u></b>
Change in Net Assets					(489,630)
<b><i>Net Assets at Beginning of Year</i></b>					<b><u>51,517,374</u></b>
<b><i>Net Assets at End of Year</i></b>					<b><u>\$51,027,744</u></b>

See accompanying notes to the basic financial statements



**Portsmouth City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2010*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$3,111,942	\$2,971,820	\$2,781,571	\$8,865,333
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	182,690	0	0	182,690
Receivables:				
Property Taxes	5,293,008	1,424,617	99,649	6,817,274
Accounts	15,233	0	2,000	17,233
Intergovernmental	31,490	0	720,099	751,589
Accrued Interest	1,346	0	0	1,346
Interfund	92,626	0	0	92,626
Prepaid Items	18,218	0	274	18,492
Materials and Supplies Inventory	18,475	0	0	18,475
Inventory Held for Resale	0	0	43,191	43,191
<b>Total Assets</b>	<b>\$8,765,028</b>	<b>\$4,396,437</b>	<b>\$3,646,784</b>	<b>\$16,808,249</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$23,293	\$0	\$102,910	\$126,203
Contracts Payable	0	0	10,951	10,951
Accrued Wages and Benefits Payable	1,263,724	0	580,629	1,844,353
Intergovernmental Payable	445,907	0	139,966	585,873
Interfund Payable	0	0	92,626	92,626
Matured Compensated Absences Payable	22,980	0	0	22,980
Deferred Revenue	5,032,741	1,335,800	590,030	6,958,571
<b>Total Liabilities</b>	<b>6,788,645</b>	<b>1,335,800</b>	<b>1,517,112</b>	<b>9,641,557</b>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	34,018	0	29,687	63,705
Reserved for Property Taxes	298,793	88,817	5,640	393,250
Reserved for Textbooks and Instructional Materials	40,028	0	0	40,028
Reserved for Capital Acquisitions	123,030	0	0	123,030
Reserved for Bus Purchases	19,632	0	0	19,632
Unreserved, Designated for:				
Employee Health Benefits	111,202	0	0	111,202
Unreserved, Undesignated, Reported in:				
General Fund	1,349,680	0	0	1,349,680
Special Revenue Funds	0	0	556,352	556,352
Debt Service Fund	0	2,971,820	0	2,971,820
Capital Projects Funds	0	0	1,537,993	1,537,993
<b>Total Fund Balances</b>	<b>1,976,383</b>	<b>3,060,637</b>	<b>2,129,672</b>	<b>7,166,692</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$8,765,028</b>	<b>\$4,396,437</b>	<b>\$3,646,784</b>	<b>\$16,808,249</b>

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, 2010*

**Total Governmental Fund Balances** \$7,166,692

***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	5,718,425	
Construction in progress	265,851	
Depreciable capital assets	63,596,985	
Accumulated depreciation	(11,212,724)	
Total capital assets	58,368,537	58,368,537

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	961,965	
Intergovernmental	496,021	
Investment Earnings	1,016	
Accounts	37,511	
	1,496,513	1,496,513

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (48,467)

Bond issuance costs reported as an expenditure in governmental funds are recognized as an asset and allocated as an expense over the life of the bonds on a full accrual basis. 180,284

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

General Obligation Bonds	(14,273,345)	
Bond Premiums	(550,613)	
Loss on Refunding	373,830	
Capital leases	(163,534)	
Compensated absences	(1,522,153)	
Total liabilities	(16,135,815)	(16,135,815)

*Net Assets of Governmental Activities* \$51,027,744

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, 2010*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$4,218,338	\$1,194,153	\$78,093	\$5,490,584
Intergovernmental	18,822,422	203,144	7,416,861	26,442,427
Investment Earnings	23,600	0	3,695	27,295
Tuition and Fees	830,737	0	4,860	835,597
Extracurricular Activities	52,647	0	117,353	170,000
Rentals	4,580	0	0	4,580
Charges for Services	123,275	0	172,323	295,598
Contributions and Donations	79,759	0	23,535	103,294
Miscellaneous	68,771	0	5,233	74,004
<i>Total Revenues</i>	<u>24,224,129</u>	<u>1,397,297</u>	<u>7,821,953</u>	<u>33,443,379</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	12,517,522	0	371,318	12,888,840
Special	2,851,279	0	2,748,318	5,599,597
Vocational	442,357	0	0	442,357
Student Intervention Services	279,698	0	943,792	1,223,490
Intergovernmental	29,000	0	0	29,000
Support Services:				
Pupils	967,447	0	345,900	1,313,347
Instructional Staff	1,186,332	0	1,090,164	2,276,496
Board of Education	30,589	0	0	30,589
Administration	1,549,083	0	758	1,549,841
Fiscal	464,959	31,378	150,192	646,529
Business	67,125	0	0	67,125
Operation and Maintenance of Plant	1,793,370	0	1,164,186	2,957,556
Pupil Transportation	488,643	0	0	488,643
Central	55,938	0	6,928	62,866
Operation of Non-Instructional Services:				
Food Service Operations	1,500	0	1,081,609	1,083,109
Other	258	0	224,462	224,720
Extracurricular Activities	342,274	0	135,993	478,267
Capital Outlay	0	0	412,407	412,407
Debt Service:				
Principal Retirement	51,429	545,000	0	596,429
Interest and Fiscal Charges	11,460	592,056	0	603,516
<i>Total Expenditures</i>	<u>23,130,263</u>	<u>1,168,434</u>	<u>8,676,027</u>	<u>32,974,724</u>
Excess of Revenues Over (Under) Expenditures	<u>1,093,866</u>	<u>228,863</u>	<u>(854,074)</u>	<u>468,655</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	0	0	325,000	325,000
Transfers In	0	587,966	1,645,132	2,233,098
Transfers Out	(7,526)	0	(2,225,572)	(2,233,098)
<i>Total Other Financing Sources (Uses)</i>	<u>(7,526)</u>	<u>587,966</u>	<u>(255,440)</u>	<u>325,000</u>
Net Change in Fund Balances	1,086,340	816,829	(1,109,514)	793,655
Fund Balances at Beginning of Year	890,043	2,243,808	3,239,186	6,373,037
Fund Balances at End of Year	<u>\$1,976,383</u>	<u>\$3,060,637</u>	<u>\$2,129,672</u>	<u>\$7,166,692</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, 2010*

**Net Change in Fund Balances - Total Governmental Funds** \$793,655

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

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

Capital assets additions	392,660	
Construction in progress additions	346,993	
Depreciation expense	(2,291,790)	
Excess of depreciation over capital outlay expense	(1,552,137)	(1,552,137)

Governmental funds report only the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each sale.

Proceeds from sale of capital assets	(325,000)	
Loss on disposal of capital assets	(29,380)	
	(354,380)	(354,380)

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	137,184	
Intergovernmental	(52,361)	
Investment Earnings	(12)	
Tuition and Fees	(4,016)	
Charges for Services	6,618	
Rentals	(2,261)	
	85,152	85,152

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 fiscal year, these amounts consist of:

Bond payments	545,000	
Capital lease payments	51,429	
	596,429	596,429

Amortization of bond issuance costs, bond premiums, bond discounts, the deferred loss on the refunding of debt, as well as accrued interest payable on the bonds are not reported in the funds, but is allocated as an expense over the life of the debt in the Statement of Activities.

Decrease in accrued interest	1,742	
Amortization of bond issuance costs	(12,475)	
Amortization of bond premiums	38,394	
Amortization of loss on refunding	(24,922)	
Accretion on bonds	(36,366)	
	(33,627)	(33,627)

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:

Compensated absences payable	(24,722)	
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**Change in Net Assets of Governmental Activities** (\$489,630)

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, 2010**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$5,290,365	\$4,197,162	\$4,197,162	\$0
Intergovernmental	16,483,418	18,733,929	18,733,929	0
Investment Earnings	23,380	26,572	26,572	0
Tuition and Fees	729,337	828,915	828,915	0
Extracurricular Activities	46,323	52,647	52,647	0
Rentals	2,069	2,351	2,351	0
Charges for Services	108,466	123,275	123,275	0
Contributions and Donations	70,178	79,759	79,759	0
Miscellaneous	54,257	61,664	61,664	0
<b>Total Revenues</b>	<b>22,807,793</b>	<b>24,106,274</b>	<b>24,106,274</b>	<b>0</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	12,638,428	12,978,456	12,527,351	451,105
Special	2,513,154	2,913,234	2,720,033	193,201
Vocational	433,725	464,627	438,153	26,474
Student Intervention Services	226,253	336,283	255,198	81,085
Support Services:				
Pupils	947,497	1,001,140	936,272	64,868
Instructional Staff	1,375,246	1,365,071	1,186,377	178,694
Board of Education	28,325	37,508	30,717	6,791
Administration	1,593,737	1,640,720	1,537,637	103,083
Fiscal	797,875	684,697	473,891	210,806
Business	69,040	72,701	66,028	6,673
Operation and Maintenance of Plant	2,970,099	2,149,324	1,911,671	237,653
Pupil Transportation	621,924	617,943	497,370	120,573
Central	248,510	102,191	86,369	15,822
Operation of Non-Instructional Services:				
Food Service Operations	4,000	4,485	1,500	2,985
Other	235	393	258	135
Extracurricular Activities	372,064	403,116	344,218	58,898
Capital Outlay	6,000	6,000	0	6,000
<b>Total Expenditures</b>	<b>24,846,112</b>	<b>24,777,889</b>	<b>23,013,043</b>	<b>1,764,846</b>
Excess of Revenues Over (Under) Expenditures	<b>(2,038,319)</b>	<b>(671,615)</b>	<b>1,093,231</b>	<b>1,764,846</b>
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	68,522	68,522	68,522	0
Transfers In	265,940	265,940	0	(265,940)
Transfers Out	(126,465)	(270,000)	(445)	269,555
Advances In	202,159	202,159	172,093	(30,066)
Advances Out	(30,067)	(122,693)	(92,626)	30,067
Refund of Prior Year Receipts	(20,000)	(20,000)	(9)	19,991
<b>Total Other Financing Sources (Uses)</b>	<b>360,089</b>	<b>123,928</b>	<b>147,535</b>	<b>23,607</b>
Net Change in Fund Balance	<b>(1,678,230)</b>	<b>(547,687)</b>	<b>1,240,766</b>	<b>1,788,453</b>
Fund Balance at Beginning of Year	1,975,598	1,975,598	1,975,598	0
Prior Year Encumbrances Appropriated	33,380	33,380	33,380	0
<b>Fund Balance at End of Year</b>	<b>\$330,748</b>	<b>\$1,461,291</b>	<b>\$3,249,744</b>	<b>\$1,788,453</b>

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**June 30, 2010**

	<u>Student Managed Activity</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$6,473</u></u>
<b><u>Liabilities:</u></b>	
Undistributed Monies	<u><u>\$6,473</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, 2010*

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**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 85 non-certificated employees, 170 certificated full-time personnel and 14 administrative employees who provide services to 2,163 students and other community members. The School District currently operates three 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 has no 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.

**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

(continued)

The School District participates in four jointly governed organizations and one insurance purchasing pool. These organizations are presented in Note 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

South Central Ohio Computer Association  
Scioto County Career Technical Center  
Coalition of Rural and Appalachian Schools  
Metropolitan Educational Council

Insurance Purchasing Pool:

Ohio School Boards Association Workers' Compensation Group Rating  
Plan

**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.

**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 government-wide financial statements usually 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, 2010*

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**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 fiscal 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 rather than reporting by type. 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.

**Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. 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 typically 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:

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.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Bond Retirement Debt Service Fund – This fund is used 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.

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.

**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.

*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.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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 that 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 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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.

**Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in the pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2010, the School District's investments were limited to negotiable certificates of deposit. Investments are reported at fair value which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Interest credited to the General Fund during fiscal year 2010 amounted to \$23,600, which includes \$14,573 assigned from other School District funds.

For presentation on the financial statements, 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 considered to be cash equivalents.

**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, capital acquisitions and bus purchases.

**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.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2010, 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.

**Inventory**

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

**Capital Assets**

All capital assets of the School District are general capital assets that are associated with governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net 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 \$1,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 - 10 years
Buildings and Improvements	50 years
Furniture, Fixtures, and Equipment	3 - 20 years
Vehicles	8 years
Textbooks	5 - 20 years

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**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.

**Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental 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. 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Fund Balance Reserves and Designations**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund 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, capital acquisitions, and bus purchases. A designation of fund balance has been established for employee health benefits, which assists employees with satisfying their health care deductibles.

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

**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 food service operations, 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.

**Internal Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**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, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. 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 certificate in effect at the time the final appropriations were passed. Before fiscal year-end, the School District requested and received an amended certificate of estimate resources that reflected actual revenue for the fiscal year-end in all funds.

The appropriations 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.



**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds/Loss on Refunding**

For governmental activities, 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 fiscal 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. The accounting loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt.

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the period in which the bonds were issued. Accretion on the capital appreciation bonds is not reported.

**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.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 3 – ACCOUNTABILITY**

At June 30, 2010, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
Special Revenue:	
District Managed Student Activities	\$21,498
Early Childhood Preschool	5,106
IDEA - B	50,171
Education Stabilization	59,655
Title I	147,268
Drug Free Schools	805
Early Childhood Special Education	2,853
Title II - A	9,599
Miscellaneous Federal Grants	18,242
Capital Projects:	
Ohio School Facilities Commission	13,783

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
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).

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING** (continued)

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

Net Change in Fund Balance	
GAAP Basis	\$1,086,340
Adjustments:	
Revenue Accruals	(51,392)
Expenditure Accruals	159,950
Encumbrances	(35,658)
Advances	79,467
Increase in Fair Value of Investments - 2009	11,289
Increase in Fair Value of Investments - 2010	(9,230)
Budget Basis	\$1,240,766

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

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

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

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 bills, bonds, notes, 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;

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

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;
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) above;
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.

*Investments:* As of June 30, 2010, the School District had the following investments. All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Investment Maturities in Years</u>	
		<u>Less than 1</u>	<u>1 - 2</u>
Negotiable Certificates of Deposit	<u>\$203,484</u>	<u>\$100,575</u>	<u>\$102,909</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.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

*Credit Risk*

The School District's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or issued by United States Government sponsored enterprises.

*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 investment in negotiable certificates of deposit represents 100 percent of its total investments.

**NOTE 6 – PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District's 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 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009, and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 6 – PROPERTY TAXES** (continued)

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property tax) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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 Scioto County Treasurer collects property taxes on behalf of all governments in the 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, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the real property, public utility property, and tangible personal property taxes which are measurable as of June 30, 2010, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal-year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit of deferred revenue.

The amount available as an advance at June 30, 2010, was \$393,250 and is recognized as revenue: \$298,793 in the General Fund, \$88,817 in the Bond Retirement Debt Service Fund and \$5,640 in the Other Governmental Fund. The amount available as an advance at June 30, 2009, was \$365,909 and is recognized as revenue: \$277,617 in the General Fund, \$83,095 in the Bond Retirement Debt Service Fund and \$5,197 in the Other Governmental Funds.

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

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 6 – PROPERTY TAXES** (continued)

The assessed values upon which fiscal year 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$218,265,980	93.96%	\$217,702,040	94.10%
Public Utility Personal	13,210,120	5.68%	13,210,120	5.71%
General Business Personal	828,540	0.36%	435,460	0.19%
Total Assessed Value	<u>\$232,304,640</u>	<u>100.00%</u>	<u>\$231,347,620</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$41.03		 \$41.03	

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2010, 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 property taxes. 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:

	<u>Amount</u>
<b><u>Governmental Activities:</u></b>	
Title I	\$390,987
Title I School Improvement SUB G	6,200
Title I School Improvement SUB A	82,794
Reading First	55,755
Special Education, Part B-IDEA	91,586
Title II-A, Improving Teacher Quality	28,810
Early Childhood Preschool	12,547
Title VI-B, Rural and Low-Income	5,020
Early Childhood Special Education	3,130
McKinney-Vento Homeless Assistance Program	6,798
Title IV-A, Safe and Drug-Free Schools	2,674
Title II-D	26,185
Charges for Services Related to Athletic Activities	31,490
Food Service Subsidies	6,977
High Schools That Work Grant	636
Total Intergovernmental Receivable	<u>\$751,589</u>

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2010, was as follows:

	Balance at 6/30/09	Additions	Deductions	Balance at 6/30/10
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$5,989,073	\$37,732	(\$354,380)	\$5,672,425
Paintings	0	53,043	0	53,043
Construction in Progress	98,766	346,993	(179,908)	265,851
Total Capital Assets Not Being Depreciated	<u>6,087,839</u>	<u>437,768</u>	<u>(534,288)</u>	<u>5,991,319</u>
Capital Assets Being Depreciated:				
Land Improvements	4,642,102	0	0	4,642,102
Buildings and Improvements	51,470,041	225,908	0	51,695,949
Furniture, Fixtures, and Equipment	3,433,767	147,021	(2,186)	3,578,602
Vehicles	904,476	0	0	904,476
Textbooks	2,659,949	108,864	0	2,768,813
Total Capital Assets Being Depreciated	<u>63,110,335</u>	<u>481,793</u>	<u>(2,186)</u>	<u>63,589,942</u>
Less Accumulated Depreciation:				
Land Improvements	(591,560)	(232,105)	0	(823,665)
Building and Improvements	(3,849,154)	(1,386,925)	0	(5,236,079)
Furniture, Fixtures, and Equipment	(1,879,412)	(493,944)	2,186	(2,371,170)
Vehicles	(632,935)	(64,716)	0	(697,651)
Textbooks	(1,970,059)	(114,100)	0	(2,084,159)
Total Accumulated Depreciation	<u>(8,923,120)</u>	<u>(2,291,790) *</u>	<u>2,186</u>	<u>(11,212,724)</u>
Total Capital Assets Being Depreciated, Net	<u>54,187,215</u>	<u>(1,809,997)</u>	<u>0</u>	<u>52,377,218</u>
Governmental Activities Capital Assets, Net	<u>\$60,275,054</u>	<u>(\$1,372,229)</u>	<u>(\$534,288)</u>	<u>\$58,368,537</u>



**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 8 – CAPITAL ASSETS** (continued)

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$990,617
Special	239,252
Vocational	36,947
Student Intervention Services	6,845
Support Services:	
Pupils	128,538
Instructional Staff	196,824
Administration	212,077
Fiscal	26,019
Business	12,173
Operation and Maintenance of Plant	176,303
Pupil Transportation	104,822
Operation of Non-Instructional Services:	
Food Service Operations	156,035
Other	2,159
Extracurricular Activities	3,179
Total Depreciation Expense	<u><u>\$2,291,790</u></u>

**NOTE 9 – RISK MANAGEMENT**

**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 contracts with School Insurance Consultants, LLC (SIC) for insurance consulting services. The premium for this service is \$2.00 per student, subject to a \$3,500 minimum fee. The School District also pays to the awarded insurance agency an insurance premium that is based on types of coverage, limits of coverage, and deductibles that it selects. For the fiscal year, the School District contracted with Ohio Casualty for liability, property, inland marine, and automobile liability insurance coverage and paid its premium to the Hunter-Williams Insurance Agency, an agent for Ohio Casualty.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 9 – RISK MANAGEMENT** (continued)

Coverage provided by the Hunter-Williams Insurance Agency is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) - replacement cost (\$1,000 deductible)	\$59,603,400
Auto Liability:	
Liability - Any Auto	1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	1,000,000
Comprehensive - All (\$500 deductible)	Actual Cash Value
Collision - All (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	75,000
Comprehensive	Actual Cash Value
Collision	Actual Cash Value
General Liability:	
Each Occurrence Limit	1,000,000
Damage to Premises Rented - Limit	300,000
Medical Expense Limit (any one person)	15,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
General Aggregate Limit	2,000,000
Products - Completed Operations Aggregate Limit	2,000,000
Excess Liability:	
Liability Limit - Each Accident	1,000,000
Liability Policy Aggregate	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was an increase of \$4,500,900 in the liability for the Building and Contents insurance coverage from last fiscal year in order to more accurately reflect the replacement cost of the buildings.

**NOTE 9 – RISK MANAGEMENT** (continued)

**Workers' Compensation**

For fiscal year 2010, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). 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 participants is calculated as one experience and a common premium rate is applied to all participants 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. 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 fiscal year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

Plan Description – 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.

Funding Policy – 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 and death benefit obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension and death benefit obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were \$379,053, \$235,505, and \$220,085, respectively; 55.47 percent has been contributed for fiscal year 2010 and 100 percent for the fiscal years 2009 and 2008.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS** (continued)

**State Teachers Retirement System of Ohio**

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://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 a member's lifetime 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime annuity at age 50. 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS** (continued)

Funding Policy – For the fiscal year ended June 30, 2010, 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. 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.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,323,659, \$1,280,381, and \$1,296,509, respectively; 83.43 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$16,192 made by plan members and \$22,669 made by the School District.

**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, 2010, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 11 – POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

Plan Description – The School District participates in two cost-sharing, multiple-employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, .46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 11 – POSTEMPLOYMENT BENEFITS** (continued)

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$53,361, \$146,558, and \$150,176, respectively; 55.47 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$22,541, \$19,431, and \$15,858, respectively; 55.47 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**State Teachers Retirement System of Ohio**

Plan Description – The School District contributes to the cost-sharing, multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorized STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$101,820, \$98,491, and \$99,731, respectively; 83.43 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**NOTE 12 – EMPLOYEE BENEFITS**

**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 10 to 25 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.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 12 – EMPLOYEE BENEFITS** (continued)

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 224 days for teachers and 220 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 56 days for teachers and 55 days for classified employees. Administrators are paid for one-fourth of accrued, but unused sick leave with no maximum.

**Insurance**

The School District provides medical insurance to all employees through Medical Mutual of Ohio. Certified employees are provided with life insurance through Metropolitan Educational Council (Note 16), dental insurance through Medical Mutual of Ohio, and vision insurance through Vision Service Plan (VSP). Classified employees are provided with life, dental, and vision insurance through the Health Care Plan of AFSCME Local 2684. All employees are provided prescription drug coverage through the Health Care Plan of AFSCME Local 2684. Certified employees pay seven percent of healthcare premiums. Classified employees pay three and one-half percent of healthcare premiums.

**Deferred Compensation**

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

**NOTE 13 – LEASES – LESSEE DISCLOSURE**

During the prior fiscal year, the School District entered into a capitalized lease for copiers. The lease meets 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 copiers acquired by lease were capitalized in the amount of \$223,240, which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2010 totaled \$51,429 and were paid from the General Fund.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 13 – LEASES – LESSEE DISCLOSURE** (continued)

The assets acquired through the capital lease as of June 30, 2010, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Copiers	\$223,240	(\$52,089)	\$171,151

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, 2010:

Fiscal Year Ending June 30,	Total Payments
2011	\$62,889
2012	62,889
2013	52,407
Total	178,185
Less: Amount Representing Interest	(14,651)
Present Value of Net Minimum Lease Payments	\$163,534

In the current fiscal year and in prior fiscal years, the School District entered into noncancelable operating leases for the use of a stadium and for a copier. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in fiscal year 2010 totaled \$15,063 in the General Fund.

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

Fiscal Year Ending June 30,	Total Payments
2011	\$13,312
2012	13,312
2013	12,760
2014	10,000
2015	10,000
2016 - 2020	50,000
2021 - 2025	50,000
2026 - 2030	50,000
2031 - 2035	50,000
2036 - 2038	27,500
Total	\$286,884



**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

**NOTE 14 – LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during fiscal year 2010 were as follows:

	Principal Outstanding 6/30/09	Additions	Deductions	Principal Outstanding 6/30/10	Due Wthin One Year
<u>Governmental Activities:</u>					
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	\$4,990,000	\$0	\$480,000	\$4,510,000	\$510,000
Premium on Debt Issue	57,118	0	3,602	53,516	0
2007 School Improvement					
Refunding Bonds:					
Serial Bonds 3.6 to 4.0%	9,325,000	0	65,000	9,260,000	70,000
Term Bonds 3.73%	325,000	0	0	325,000	0
Capital Appreciation					
Bonds 3.05%	75,000	0	0	75,000	0
Accretion on Capital					
Appreciation Bonds	66,979	36,366	0	103,345	0
Premium on Debt Issue	531,889	0	34,792	497,097	0
Loss on Refunding	(398,752)	0	(24,922)	(373,830)	0
Capital Leases	214,963	0	51,429	163,534	54,590
Compensated Absences	1,497,431	277,484	252,762	1,522,153	213,945
Total Governmental Activities					
Long-Term Obligations	<u>\$16,684,628</u>	<u>\$313,850</u>	<u>\$862,663</u>	<u>\$16,135,815</u>	<u>\$848,535</u>

*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 23 year period with final maturity in December 2024. The bonds will be retired from the Debt Service Fund. During fiscal year 2007, \$9,800,000 of these serial bonds were refunded.

The serial bonds of the 2002 Classroom Facilities General Obligation Bonds outstanding at June 30, 2009, have maturity dates of December 1, 2009, to December 1, 2016. The bonds 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, 2016, at the redemption price of 100 percent.

*2007 School Improvement Refunding Bonds* - On October 11, 2006, the School District issued \$9,800,000 in general obligation bonds for the purpose of advance refunding a portion of the 2002 Classroom Facilities General Obligation Serial Bonds. At June 30, 2010, \$9,800,000 of the refunded bonds were outstanding.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

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**NOTE 14 – LONG-TERM OBLIGATIONS** (continued)

The serial bonds of the 2007 School Improvement General Obligation Refunding Bonds, issued at \$9,400,000 with maturity dates of December 1, 2007, to December 1, 2012, and December 1, 2018, to December 1, 2024, are subject to optional redemption, in whole or in part on any date in any order of maturity and by lot within a maturity at the option of the issuer on or after December 1, 2016, at the redemption price of 100 percent.

The capital appreciation bonds of the 2007 School Improvement General Obligation Refunding Bonds, issued at \$75,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2018 in the amount of \$980,000. Accretion on the capital appreciation bonds for fiscal year 2010 was \$36,366.

The term bonds of the 2007 School Improvement General Obligation Refunding Bonds, issued at \$325,000, will mature on December 1, 2017.

The 2007 bonds will be retired from the Debt Service Fund.

Compensated absences will be paid from the General Fund and the Food Service, Auxiliary Services Non Public, Early Childhood Preschool, IDEA-B, Title I, 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 \$9,598,163 with an unvoted debt margin of \$230,084 at June 30, 2010.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Term Bond	Total
2011	\$580,000	\$570,002	\$0	\$0	\$0	\$1,150,002
2012	615,000	545,762	0	0	0	1,160,762
2013	665,000	519,232	0	0	0	1,184,232
2014	630,000	490,139	0	0	0	1,120,139
2015	675,000	458,149	0	0	0	1,133,149
2016-2020	3,730,000	1,805,485	75,000	905,000	325,000	6,840,485
2021-2025	6,875,000	712,500	0	0	0	7,587,500
Total	<u>\$13,770,000</u>	<u>\$5,101,269</u>	<u>\$75,000</u>	<u>\$905,000</u>	<u>\$325,000</u>	<u>\$20,176,269</u>

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2010*

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**NOTE 15 – INTERFUND ACTIVITY**

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

		<b>Receivable</b>
		<u>General</u>
<b>Payable</b>	Other Governmental Funds	<u>\$92,626</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, 2010, were as follows:

	<b>Transfers From</b>		
<b>Transfers To</b>	General	Other Governmental Funds	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
Bond Retirement	\$0	\$587,966	\$587,966
Other Governmental Funds	7,526	1,637,606	1,645,132
Totals	<u>\$7,526</u>	<u>\$2,225,572</u>	<u>\$2,233,098</u>

Transfers from the General Fund are made to move unrestricted balances to support programs and projects accounted for in other funds. During fiscal year 2010, there was a transfer out of the Ohio School Facilities Commission Special Revenue Fund in the amount of \$2,217,248. \$587,966 of this transfer went to the Debt Service Fund to be used to service the general obligation bonds. \$1,629,282 of the transfer went to the Permanent Improvement Capital Projects Fund to be used for future capital improvements. There was a transfer of \$3,529 from the Miscellaneous Federal Grant Fund to the Title II-D Technology Fund and transfers from the Title I Fund of \$4,507 and \$288 to the Title I School Improvement, Sub A and Title I School Improvement, Sub G Funds, respectively. These transfers were to move monies received in the prior fiscal year to new funds that were created specifically for the purpose of accounting for these monies.

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL**

**Jointly Governed Organizations**

*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 \$6,285 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.

*Scioto County Career Technical Center*

The Scioto County Career Technical Center 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 the 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 Career Technical Center at P.O. Box 766, Lucasville, Ohio 45648.

*Coalition of Rural and Appalachian Schools*

The Coalition of Rural and Appalachian Schools (the “Coalition”) is a jointly governed organization of over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of 14 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 education conditions 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 fiscal year.

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL** (continued)

*Metropolitan Educational Council*

The School District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 100 members, which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts) and one representative from each county outside Franklin County. In particular, the School District participates in an insurance purchasing pool, which is managed by MEC, to obtain lower costs for life insurance coverage for their employees. The School District pays premiums to MEC based on the number of employees who participate, the amount of coverage provided, and what MEC estimates will cover the costs to provide that coverage. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, OH 43219.

**Insurance Purchasing Pool**

*Ohio School Boards Association Workers' Compensation Group Rating Plan*

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

**NOTE 17 – 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 instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal 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.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2010

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**NOTE 17 – SET-ASIDE CALCULATIONS AND FUND RESERVES** (continued)

The following cash basis information describes the change in the fiscal year-end set-aside amounts for textbooks and instructional materials and capital acquisitions. Disclosure of this information is required by State statute.

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Reserve Balance as of June 30, 2009	\$93,347	\$74,049
Current Fiscal Year Set-aside Requirement	335,339	335,339
Current Fiscal Year Offsets	0	(180,144)
Qualifying Disbursements	(388,658)	(106,214)
Set-aside Reserve Balance as of June 30, 2010	\$40,028	\$123,030
Required Set-aside Balances Carried Forward to FY 2011	\$40,028	\$123,030

**NOTE 18 – CONTINGENCIES**

**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, 2010.

**Litigation**

The School District is not a party to legal proceedings.

**NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2010, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, “*Accounting and Financial Reporting for Intangible Assets,*” GASB Statement No. 53, “*Accounting and Financial Reporting for Derivative Instruments,*” and GASB Statement No. 58, “*Accounting and Financial Reporting for Chapter 9 Bankruptcies.*”

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among State and local governments. The implementation of this statement did not result in any change to the School District’s financial statements.

**NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES** (continued)

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by State and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

**NOTE 20 – 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 revenues. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education which requires school districts to provide written proposals for discontinuing or correcting the practices and conditions that led to the declaration of Fiscal Caution. 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, 2010, the School District was still in Fiscal Caution.

**PORTSMOUTH CITY SCHOOL DISTRICT**  
**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



*Portsmouth City School District*

*Nonmajor Governmental Fund Descriptions*

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***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.

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.

Early Childhood Preschool

To account for State grant monies used in the preschool program.

SchoolNet Praise

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

(continued)

*Portsmouth City School District*

*Nonmajor Governmental Fund Descriptions - (continued)*

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*Nonmajor Special Revenue Funds - (continued)*

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.

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.

Poverty Based Assistance

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

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.

Education Stabilization

To account for federal financial assistance allocated from the American Recovery and Reinvestment Act to Ohio to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

Title II-D Technology

To account for federal financial assistance allocated from the American Recovery and Reinvestment Act to Ohio for professional development and student learning. The grant offers a unique opportunity to schools that are ready and willing to embrace the change that is required for 21<sup>st</sup> Century learning. Through sustained, collaborative, job-embedded professional development and the use of research-based methods, teachers will experience new models and strategies for teaching and learning. Teachers will become facilitators and co-learners, and create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21<sup>st</sup> Century skills.

(continued)

*Portsmouth City School District*

*Nonmajor Governmental Fund Descriptions - (continued)*

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*Nonmajor Special Revenue Funds - (continued)*

Title I – School Improvement, Sub A

To account for federal financial assistance allocated from the American Recovery and Reinvestment Act to Ohio for distribution to school districts based on four distinct funding formulas as affected by census poverty data. The funding is to provide supplemental funding to economically disadvantaged school districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

Title I – School Improvement, Sub G

To account for school improvement funds provided to School District buildings through a competitive process in amounts ranging from \$50,000 to \$2,000,000 per year for three years for implementing a school improvement plan that is focused on the specific reasons that caused the building to be identified for school improvement under the No Child Left Behind Act. (No budgetary schedule is presented for this fund due to no activity.)

Title I

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

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 account for federal funds provided 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.

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 the schools; and hold schools accountable for improvements in student academic achievements.

(continued)

***Portsmouth City School District***

***Nonmajor Governmental Fund Descriptions - (continued)***

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***Nonmajor Special Revenue Funds - (continued)***

Miscellaneous Federal Grants

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

***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. The following are descriptions of the School District's nonmajor Capital Projects Funds:

***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 premiums and accrued interest, was paid into this fund. Expenditures recorded here represent all costs related to the acquisition of real property.

Ohio School Facilities Commission

To account for monies received and expended by the School District in connection with contracts entered into by the School District and the Ohio School Facilities Commission 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, except premiums and accrued interest, and all grant monies associated with the project.

Athletic Complex Project

To account for donations to be used for construction and renovations of the old High School gymnasium.

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2010**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$1,169,434	\$1,612,137	\$2,781,571
Receivables:			
Property Taxes	99,649	0	99,649
Accounts	0	2,000	2,000
Intergovernmental	720,099	0	720,099
Prepaid Items	274	0	274
Inventory Held for Resale	43,191	0	43,191
<i>Total Assets</i>	<b>\$2,032,647</b>	<b>\$1,614,137</b>	<b>\$3,646,784</b>
<b><u>Liabilities:</u></b>			
Accounts Payable	\$89,127	\$13,783	\$102,910
Contracts Payable	0	10,951	10,951
Accrued Wages and Benefits Payable	580,629	0	580,629
Intergovernmental Payable	139,966	0	139,966
Interfund Payable	57,619	35,007	92,626
Deferred Revenue	590,030	0	590,030
<i>Total Liabilities</i>	1,457,371	59,741	1,517,112
<b><u>Fund Balances:</u></b>			
Reserved for Encumbrances	13,284	16,403	29,687
Reserved for Property Taxes	5,640	0	5,640
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	556,352	0	556,352
Capital Projects Funds	0	1,537,993	1,537,993
<i>Total Fund Balances</i>	575,276	1,554,396	2,129,672
<i>Total Liabilities and Fund Balances</i>	<b>\$2,032,647</b>	<b>\$1,614,137</b>	<b>\$3,646,784</b>

**Portsmouth City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>Revenues:</u></b>			
Property Taxes	\$78,093	\$0	\$78,093
Intergovernmental	7,386,738	30,123	7,416,861
Investment Earnings	309	3,386	3,695
Tuition and Fees	4,860	0	4,860
Extracurricular Activities	117,353	0	117,353
Charges for Services	172,323	0	172,323
Contributions and Donations	23,535	0	23,535
Miscellaneous	3,233	2,000	5,233
	<u>7,786,444</u>	<u>35,509</u>	<u>7,821,953</u>
<i>Total Revenues</i>			
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	371,318	0	371,318
Special	2,748,318	0	2,748,318
Student Intervention Services	943,792	0	943,792
Support Services:			
Pupils	345,900	0	345,900
Instructional Staff	1,086,164	4,000	1,090,164
Administration	758	0	758
Fiscal	150,192	0	150,192
Operation and Maintenance of Plant	865,574	298,612	1,164,186
Central	6,928	0	6,928
Operation of Non-Instructional Services:			
Food Service Operations	1,081,609	0	1,081,609
Other	224,462	0	224,462
Extracurricular Activities	135,993	0	135,993
Capital Outlay	0	412,407	412,407
	<u>7,961,008</u>	<u>715,019</u>	<u>8,676,027</u>
<i>Total Expenditures</i>			
Excess of Revenues Under Expenditures	<u>(174,564)</u>	<u>(679,510)</u>	<u>(854,074)</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Proceeds from Sale of Capital Assets	0	325,000	325,000
Transfers In	15,658	1,629,474	1,645,132
Transfers Out	(8,324)	(2,217,248)	(2,225,572)
	<u>7,334</u>	<u>(262,774)</u>	<u>(255,440)</u>
<i>Total Other Financing Sources (Uses)</i>			
Net Change in Fund Balances	(167,230)	(942,284)	(1,109,514)
Fund Balances at Beginning of Year	<u>742,506</u>	<u>2,496,680</u>	<u>3,239,186</u>
Fund Balances at End of Year	<u>\$575,276</u>	<u>\$1,554,396</u>	<u>\$2,129,672</u>

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2010**

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$95,599	\$137,875	\$601,884	\$13,118
Receivables:				
Property Taxes	0	0	99,649	0
Intergovernmental	6,977	0	0	0
Prepaid Items	0	0	0	0
Inventory Held for Resale	43,191	0	0	0
<b>Total Assets</b>	<b>\$145,767</b>	<b>\$137,875</b>	<b>\$701,533</b>	<b>\$13,118</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$220	\$1,111	\$1,100
Accrued Wages and Benefits Payable	54,981	0	0	0
Intergovernmental Payable	39,701	0	0	0
Interfund Payable	0	0	0	33,516
Deferred Revenue	0	0	94,009	0
<b>Total Liabilities</b>	<b>94,682</b>	<b>220</b>	<b>95,120</b>	<b>34,616</b>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	0	0	0	0
Reserved for Property Taxes	0	0	5,640	0
Unreserved, Undesignated (Deficits)	51,085	137,655	600,773	(21,498)
<b>Total Fund Balances (Deficits)</b>	<b>51,085</b>	<b>137,655</b>	<b>606,413</b>	<b>(21,498)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$145,767</b>	<b>\$137,875</b>	<b>\$701,533</b>	<b>\$13,118</b>

Auxiliary Services Non Public	Early Childhood Preschool	SchoolNet Praise	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B	Education Stabilization
\$50,133	\$6,160	\$3,359	\$714	\$46,911	\$28,113	\$0
0	0	0	0	0	0	0
0	12,547	0	636	0	91,586	0
0	0	0	0	0	274	0
0	0	0	0	0	0	0
<u>\$50,133</u>	<u>\$18,707</u>	<u>\$3,359</u>	<u>\$1,350</u>	<u>\$46,911</u>	<u>\$119,973</u>	<u>\$0</u>
\$1,703	\$0	\$0	\$0	\$0	\$6,000	\$58,015
5,949	13,635	0	0	0	95,202	0
1,113	3,336	0	0	0	21,928	1,640
0	0	0	636	0	4,465	0
0	6,842	0	0	0	42,549	0
<u>8,765</u>	<u>23,813</u>	<u>0</u>	<u>636</u>	<u>0</u>	<u>170,144</u>	<u>59,655</u>
9,493	0	3,359	0	0	0	0
0	0	0	0	0	0	0
<u>31,875</u>	<u>(5,106)</u>	<u>0</u>	<u>714</u>	<u>46,911</u>	<u>(50,171)</u>	<u>(59,655)</u>
<u>41,368</u>	<u>(5,106)</u>	<u>3,359</u>	<u>714</u>	<u>46,911</u>	<u>(50,171)</u>	<u>(59,655)</u>
<u>\$50,133</u>	<u>\$18,707</u>	<u>\$3,359</u>	<u>\$1,350</u>	<u>\$46,911</u>	<u>\$119,973</u>	<u>\$0</u>

(continued)



**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2010**  
*(continued)*

	Title II-D Technology	Title I School Improvement, Sub A	Title I School Improvement, Sub G	Title I
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$1,223	\$15,998	\$1,385	\$137,722
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	26,185	82,794	6,200	397,785
Prepaid Items	0	0	0	0
Inventory Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$27,408</u>	<u>\$98,792</u>	<u>\$7,585</u>	<u>\$535,507</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$20,853	\$0	\$125
Accrued Wages and Benefits Payable	0	8,911	0	312,833
Intergovernmental Payable	0	3,694	0	51,856
Interfund Payable	0	13,091	0	1,211
Deferred Revenue	26,185	51,883	6,200	316,750
<i>Total Liabilities</i>	<u>26,185</u>	<u>98,432</u>	<u>6,200</u>	<u>682,775</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	0	0	0	432
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficits)	1,223	360	1,385	(147,700)
<i>Total Fund Balances (Deficits)</i>	<u>1,223</u>	<u>360</u>	<u>1,385</u>	<u>(147,268)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,408</u>	<u>\$98,792</u>	<u>\$7,585</u>	<u>\$535,507</u>

Drug Free Schools	Early Childhood Special Education	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$213	\$413	\$14,793	\$13,821	\$1,169,434
0	0	0	0	99,649
2,674	3,130	28,810	60,775	720,099
0	0	0	0	274
0	0	0	0	43,191
<u>\$2,887</u>	<u>\$3,543</u>	<u>\$43,603</u>	<u>\$74,596</u>	<u>\$2,032,647</u>
\$0	\$0	\$0	\$0	\$89,127
2,194	3,314	27,238	56,372	580,629
464	1,014	5,556	9,664	139,966
0	349	0	4,351	57,619
1,034	1,719	20,408	22,451	590,030
<u>3,692</u>	<u>6,396</u>	<u>53,202</u>	<u>92,838</u>	<u>1,457,371</u>
0	0	0	0	13,284
0	0	0	0	5,640
(805)	(2,853)	(9,599)	(18,242)	556,352
<u>(805)</u>	<u>(2,853)</u>	<u>(9,599)</u>	<u>(18,242)</u>	<u>575,276</u>
<u>\$2,887</u>	<u>\$3,543</u>	<u>\$43,603</u>	<u>\$74,596</u>	<u>\$2,032,647</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, 2010*

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$78,093	\$0
Intergovernmental	998,469	0	102,493	0
Investment Earnings	3	233	0	0
Tuition and Fees	4,860	0	0	0
Extracurricular Activities	0	0	0	117,353
Charges for Services	172,323	0	0	0
Contributions and Donations	0	23,385	0	150
Miscellaneous	0	0	0	1,546
<i>Total Revenues</i>	<u>1,175,655</u>	<u>23,618</u>	<u>180,586</u>	<u>119,049</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	8,200	0	0
Special	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	15,000	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	189	0	2,047	0
Operation and Maintenance of Plant	6,991	2,700	84,079	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,081,609	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	135,993
<i>Total Expenditures</i>	<u>1,088,789</u>	<u>25,900</u>	<u>86,126</u>	<u>135,993</u>
Excess of Revenues Over (Under) Expenditures	<u>86,866</u>	<u>(2,282)</u>	<u>94,460</u>	<u>(16,944)</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	86,866	(2,282)	94,460	(16,944)
Fund Balances (Deficits) at Beginning of Year	<u>(35,781)</u>	<u>139,937</u>	<u>511,953</u>	<u>(4,554)</u>
Fund Balances (Deficits) at End of Year	<u>\$51,085</u>	<u>\$137,655</u>	<u>\$606,413</u>	<u>(\$21,498)</u>

Auxiliary Services Non Public	Education Management Information System	Early Childhood Preschool	SchoolNet Praise	OhioReads	Vocational Education Enhancement
\$0	\$0	\$0	\$0	\$0	\$0
199,300	5,000	138,011	6,859	9,608	8,039
73	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
199,373	5,000	138,011	6,859	9,608	8,039
0	0	0	0	0	0
0	0	90,822	0	0	688
0	0	0	0	0	166
0	0	0	0	0	0
0	0	30,491	3,500	0	6,943
0	0	0	0	0	0
0	0	0	0	0	0
0	6,928	0	0	0	0
0	0	0	0	0	0
179,843	0	0	0	0	0
0	0	0	0	0	0
179,843	6,928	121,313	3,500	0	7,797
19,530	(1,928)	16,698	3,359	9,608	242
0	445	0	0	6,889	0
0	0	0	0	0	0
0	445	0	0	6,889	0
19,530	(1,483)	16,698	3,359	16,497	242
21,838	1,483	(21,804)	0	(16,497)	472
\$41,368	\$0	(\$5,106)	\$3,359	\$0	\$714

(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, 2010*  
*(continued)*

	Poverty Based Assistance	Miscellaneous State Grants	IDEA-B	Education Stabilization
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	0	0	922,507	1,174,454
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	196	1,491	0	0
<b>Total Revenues</b>	<b>196</b>	<b>1,491</b>	<b>922,507</b>	<b>1,174,454</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	1,593	0	361,525
Special	67,885	0	552,547	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	1,094	0	43,223	0
Instructional Staff	0	630	357,358	53,924
Administration	625	0	0	133
Fiscal	0	0	23,434	46,723
Operation and Maintenance of Plant	0	0	0	771,804
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>69,604</b>	<b>2,223</b>	<b>976,562</b>	<b>1,234,109</b>
Excess of Revenues Over (Under) Expenditures	(69,408)	(732)	(54,055)	(59,655)
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(69,408)	(732)	(54,055)	(59,655)
Fund Balances (Deficits) at Beginning of Year	69,408	47,643	3,884	0
Fund Balances (Deficits) at End of Year	<b>\$0</b>	<b>\$46,911</b>	<b>(\$50,171)</b>	<b>(\$59,655)</b>

Title II-D Technology	Title I School Improvement, Sub A	Title I School Improvement, Sub G	Title I	Title V	Drug Free Schools	Early Childhood Special Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	123,611	2,800	2,725,424	0	18,930	28,635
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	123,611	2,800	2,725,424	0	18,930	28,635
0	0	0	0	0	0	0
0	0	0	1,720,548	0	0	92
0	0	0	663,273	0	0	0
0	0	0	0	0	0	0
1,977	124,338	1,703	419,171	0	18,614	30,824
0	0	0	0	0	0	0
329	3,420	0	55,510	0	363	572
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	44,268	108	0	0
0	0	0	0	0	0	0
2,306	127,758	1,703	2,902,770	108	18,977	31,488
(2,306)	(4,147)	1,097	(177,346)	(108)	(47)	(2,853)
3,529	4,507	288	0	0	0	0
0	0	0	(4,795)	0	0	0
3,529	4,507	288	(4,795)	0	0	0
1,223	360	1,385	(182,141)	(108)	(47)	(2,853)
0	0	0	34,873	108	(758)	0
\$1,223	\$360	\$1,385	(\$147,268)	\$0	(\$805)	(\$2,853)

**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, 2010*  
*(continued)*

	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b><u>Revenues:</u></b>			
Property Taxes	\$0	\$0	\$78,093
Intergovernmental	323,785	598,813	7,386,738
Investment Earnings	0	0	309
Tuition and Fees	0	0	4,860
Extracurricular Activities	0	0	117,353
Charges for Services	0	0	172,323
Contributions and Donations	0	0	23,535
Miscellaneous	0	0	3,233
<i>Total Revenues</i>	<u>323,785</u>	<u>598,813</u>	<u>7,786,444</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	0	0	371,318
Special	307,292	8,444	2,748,318
Student Intervention Services	0	280,353	943,792
Support Services:			
Pupils	0	286,583	345,900
Instructional Staff	7,730	28,961	1,086,164
Administration	0	0	758
Fiscal	6,099	11,506	150,192
Operation and Maintenance of Plant	0	0	865,574
Central	0	0	6,928
Operation of Non-Instructional Services:			
Food Service Operations	0	0	1,081,609
Other	0	243	224,462
Extracurricular Activities	0	0	135,993
<i>Total Expenditures</i>	<u>321,121</u>	<u>616,090</u>	<u>7,961,008</u>
Excess of Revenues Over (Under) Expenditures	<u>2,664</u>	<u>(17,277)</u>	<u>(174,564)</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	0	0	15,658
Transfers Out	0	(3,529)	(8,324)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(3,529)</u>	<u>7,334</u>
Net Change in Fund Balances	2,664	(20,806)	(167,230)
Fund Balances (Deficits) at Beginning of Year	<u>(12,263)</u>	<u>2,564</u>	<u>742,506</u>
Fund Balances (Deficits) at End of Year	<u>(\$9,599)</u>	<u>(\$18,242)</u>	<u>\$575,276</u>

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2010**

	Permanent Improvement	Site Acquisition	Ohio School Facilities Commission	Total Nonmajor Capital Projects Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$1,609,116	\$3,021	\$0	\$1,612,137
Receivables:				
Accounts	2,000	0	0	2,000
<b>Total Assets</b>	<b>\$1,611,116</b>	<b>\$3,021</b>	<b>\$0</b>	<b>\$1,614,137</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$0	\$13,783	\$13,783
Contracts Payable	10,951	0	0	10,951
Interfund Payable	35,007	0	0	35,007
<b>Total Liabilities</b>	<b>45,958</b>	<b>0</b>	<b>13,783</b>	<b>59,741</b>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	16,403	0	0	16,403
Unreserved, Undesignated (Deficit)	1,548,755	3,021	(13,783)	1,537,993
<b>Total Fund Balances (Deficit)</b>	<b>1,565,158</b>	<b>3,021</b>	<b>(13,783)</b>	<b>1,554,396</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,611,116</b>	<b>\$3,021</b>	<b>\$0</b>	<b>\$1,614,137</b>



**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, 2010*

	Permanent Improvement	Site Acquisition	Ohio School Facilities Commission	Athletic Complex Project	Total Nonmajor Capital Projects Funds
<b><u>Revenues:</u></b>					
Intergovernmental	\$0	\$0	\$30,123	\$0	\$30,123
Investment Earnings	0	5	3,381	0	3,386
Miscellaneous	2,000	0	0	0	2,000
<i>Total Revenues</i>	<u>2,000</u>	<u>5</u>	<u>33,504</u>	<u>0</u>	<u>35,509</u>
<b><u>Expenditures:</u></b>					
Current:					
Support Services:					
Instructional Staff	4,000	0	0	0	4,000
Operation and Maintenance of Plant	0	0	298,612	0	298,612
Capital Outlay	307,676	0	104,731	0	412,407
<i>Total Expenditures</i>	<u>311,676</u>	<u>0</u>	<u>403,343</u>	<u>0</u>	<u>715,019</u>
Excess of Revenues Over (Under) Expenditures	<u>(309,676)</u>	<u>5</u>	<u>(369,839)</u>	<u>0</u>	<u>(679,510)</u>
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds from Sale of Capital Assets	325,000	0	0	0	325,000
Transfers In	1,629,282	0	0	192	1,629,474
Transfers Out	0	0	(2,217,248)	0	(2,217,248)
<i>Total Other Financing Sources (Uses)</i>	<u>1,954,282</u>	<u>0</u>	<u>(2,217,248)</u>	<u>192</u>	<u>(262,774)</u>
Net Change in Fund Balances	1,644,606	5	(2,587,087)	192	(942,284)
Fund Balances (Deficits) at Beginning of Year	(79,448)	3,016	2,573,304	(192)	2,496,680
Fund Balances (Deficits) at End of Year	<u>\$1,565,158</u>	<u>\$3,021</u>	<u>(\$13,783)</u>	<u>\$0</u>	<u>\$1,554,396</u>

*Portsmouth City School District*

*Fiduciary Fund Description*

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***AGENCY FUND***

The Agency Fund is 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, 2010

	Balance at 6/30/2009	Additions	Deletions	Balance at 6/30/2010
<b>STUDENT MANAGED ACTIVITY</b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$5,797	\$13,913	\$13,237	\$6,473
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$5,797	\$13,913	\$13,237	\$6,473

**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, 2010*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$5,290,365	\$4,197,162	\$4,197,162	\$0
Intergovernmental	16,483,418	18,733,929	18,733,929	0
Investment Earnings	23,380	26,572	26,572	0
Tuition and Fees	729,337	828,915	828,915	0
Extracurricular Activities	46,323	52,647	52,647	0
Rentals	2,069	2,351	2,351	0
Charges for Services	108,466	123,275	123,275	0
Contributions and Donations	70,178	79,759	79,759	0
Miscellaneous	54,257	61,664	61,664	0
<b>Total Revenues</b>	<b>22,807,793</b>	<b>24,106,274</b>	<b>24,106,274</b>	<b>0</b>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries	3,763,586	3,774,106	3,525,146	248,960
Fringe Benefits	1,802,979	1,747,174	1,621,357	125,817
Purchased Services	6,875,371	7,259,947	7,216,257	43,690
Materials and Supplies	183,092	184,650	154,071	30,579
Capital Outlay	11,500	10,305	10,146	159
Other	1,900	2,274	374	1,900
<b>Total Regular</b>	<b>12,638,428</b>	<b>12,978,456</b>	<b>12,527,351</b>	<b>451,105</b>
Special:				
Salaries	1,783,497	1,895,959	1,782,873	113,086
Fringe Benefits	690,050	965,634	896,731	68,903
Purchased Services	5,994	9,975	7,274	2,701
Materials and Supplies	32,845	41,649	33,138	8,511
Capital Outlay	768	17	17	0
<b>Total Special</b>	<b>2,513,154</b>	<b>2,913,234</b>	<b>2,720,033</b>	<b>193,201</b>
Vocational:				
Salaries	287,968	299,067	296,666	2,401
Fringe Benefits	114,147	136,172	131,940	4,232
Materials and Supplies	8,923	7,501	7,451	50
Capital Outlay	22,687	21,887	2,096	19,791
<b>Total Vocational</b>	<b>433,725</b>	<b>464,627</b>	<b>438,153</b>	<b>26,474</b>
Student Intervention Services:				
Salaries	197,201	242,530	200,368	42,162
Fringe Benefits	28,282	92,823	53,900	38,923
Purchased Services	0	930	930	0
Materials and Supplies	770	0	0	0
<b>Total Student Intervention Services</b>	<b>226,253</b>	<b>336,283</b>	<b>255,198</b>	<b>81,085</b>
<b>Total Instruction</b>	<b>\$15,811,560</b>	<b>\$16,692,600</b>	<b>\$15,940,735</b>	<b>\$751,865</b>

(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, 2010*  
*(continued)*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries	\$654,269	\$674,757	\$650,840	\$23,917
Fringe Benefits	267,435	301,213	270,590	30,623
Purchased Services	10,000	6,700	2,083	4,617
Materials and Supplies	9,093	11,219	7,479	3,740
Capital Outlay	1,900	2,451	751	1,700
Other	4,800	4,800	4,529	271
Total Pupils	947,497	1,001,140	936,272	64,868
Instructional Staff:				
Salaries	761,565	776,987	714,145	62,842
Fringe Benefits	447,295	399,212	343,985	55,227
Purchased Services	43,155	61,126	43,970	17,156
Materials and Supplies	50,686	52,515	39,948	12,567
Capital Outlay	71,345	73,751	42,849	30,902
Other	1,200	1,480	1,480	0
Total Instructional Staff	1,375,246	1,365,071	1,186,377	178,694
Board of Education:				
Salaries	7,500	7,500	7,500	0
Fringe Benefits	3,425	3,425	1,854	1,571
Purchased Services	7,500	7,622	3,622	4,000
Materials and Supplies	300	300	110	190
Other	9,600	18,661	17,631	1,030
Total Board of Education	28,325	37,508	30,717	6,791
Administration:				
Salaries	759,145	760,563	748,924	11,639
Fringe Benefits	452,869	428,867	401,004	27,863
Purchased Services	296,919	262,543	215,403	47,140
Materials and Supplies	52,934	43,743	30,708	13,035
Capital Outlay	3,850	2,700	177	2,523
Other	28,020	142,304	141,421	883
Total Administration	1,593,737	1,640,720	1,537,637	103,083
Fiscal:				
Salaries	199,064	199,064	108,546	90,518
Fringe Benefits	154,871	100,440	96,282	4,158
Purchased Services	217,675	157,950	125,054	32,896
Materials and Supplies	10,015	10,015	4,691	5,324
Capital Outlay	2,500	2,500	0	2,500
Other	213,750	214,728	139,318	75,410
Total Fiscal	\$797,875	\$684,697	\$473,891	\$210,806

(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, 2010*  
*(continued)*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<b>Business:</b>				
Salaries	\$40,113	\$40,113	\$39,335	\$778
Fringe Benefits	8,532	8,532	6,563	1,969
Purchased Services	10,395	11,171	8,156	3,015
Materials and Supplies	7,800	12,685	11,974	711
Capital Outlay	2,000	0	0	0
Other	200	200	0	200
<b>Total Business</b>	<b>69,040</b>	<b>72,701</b>	<b>66,028</b>	<b>6,673</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries	874,562	892,547	855,060	37,487
Fringe Benefits	591,359	608,582	587,594	20,988
Purchased Services	1,266,415	379,384	277,526	101,858
Materials and Supplies	225,276	239,624	165,823	73,801
Capital Outlay	12,087	28,787	25,668	3,119
Other	400	400	0	400
<b>Total Operation and Maintenance of Plant</b>	<b>2,970,099</b>	<b>2,149,324</b>	<b>1,911,671</b>	<b>237,653</b>
<b>Pupil Transportation:</b>				
Salaries	202,990	203,548	179,108	24,440
Fringe Benefits	197,596	208,104	198,772	9,332
Purchased Services	103,100	86,695	64,298	22,397
Materials and Supplies	98,306	99,003	54,231	44,772
Capital Outlay	19,632	20,593	961	19,632
Other	300	0	0	0
<b>Total Pupil Transportation</b>	<b>621,924</b>	<b>617,943</b>	<b>497,370</b>	<b>120,573</b>
<b>Central:</b>				
Salaries	8,150	8,150	6,000	2,150
Fringe Benefits	185,360	39,041	31,211	7,830
Purchased Services	55,000	55,000	49,158	5,842
<b>Total Central</b>	<b>248,510</b>	<b>102,191</b>	<b>86,369</b>	<b>15,822</b>
<b>Total Support Services</b>	<b>8,652,253</b>	<b>7,671,295</b>	<b>6,726,332</b>	<b>944,963</b>
<b>Operation of Non-Instructional Services:</b>				
<b>Food Service Operations:</b>				
Salaries	0	428	428	0
Fringe Benefits	1,200	1,257	62	1,195
Purchased Services	2,500	2,500	1,010	1,490
Materials and Supplies	300	300	0	300
<b>Total Food Service Operations</b>	<b>4,000</b>	<b>4,485</b>	<b>1,500</b>	<b>2,985</b>
<b>Other:</b>				
Fringe Benefits	135	135	0	135
Materials and Supplies	100	258	258	0
<b>Total Other</b>	<b>235</b>	<b>393</b>	<b>258</b>	<b>135</b>
<b>Total Operation of Non-Instructional Services</b>	<b>\$4,235</b>	<b>\$4,878</b>	<b>\$1,758</b>	<b>\$3,120</b>

(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, 2010*  
*(continued)*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	\$15,767	\$17,137	\$15,397	\$1,740
Fringe Benefits	3,529	4,126	3,089	1,037
Purchased Services	9,700	8,550	6,309	2,241
Materials and Supplies	5,400	5,400	3,864	1,536
Capital Outlay	9,100	9,100	7,690	1,410
Total Academic Oriented Activities	43,496	44,313	36,349	7,964
Sports Oriented Activities:				
Salaries	185,150	197,325	155,121	42,204
Fringe Benefits	27,576	30,263	25,208	5,055
Purchased Services	1,000	1,000	0	1,000
Capital Outlay	85,000	85,000	85,000	0
Total Sports Oriented Activities	298,726	313,588	265,329	48,259
School and Public Service Co-Curricular Activities:				
Salaries	7,165	8,606	8,147	459
Fringe Benefits	1,402	1,672	1,280	392
Purchased Services	13,075	10,975	9,845	1,130
Materials and Supplies	8,200	23,962	23,268	694
Total School and Public Service Co-Curricular Activities	29,842	45,215	42,540	2,675
Total Extracurricular Activities	372,064	403,116	344,218	58,898
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay	5,000	5,000	0	5,000
Other	1,000	1,000	0	1,000
Total Capital Outlay	6,000	6,000	0	6,000
<i>Total Expenditures</i>	24,846,112	24,777,889	23,013,043	1,764,846
Excess of Revenues Over (Under) Expenditures	(2,038,319)	(671,615)	1,093,231	1,764,846
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	68,522	68,522	68,522	0
Transfers In	265,940	265,940	0	(265,940)
Transfers Out	(126,465)	(270,000)	(445)	269,555
Advances In	202,159	202,159	172,093	(30,066)
Advances Out	(30,067)	(122,693)	(92,626)	30,067
Refund of Prior Year Receipts	(20,000)	(20,000)	(9)	19,991
<i>Total Other Financing Sources (Uses)</i>	360,089	123,928	147,535	23,607
Net Change in Fund Balance	(1,678,230)	(547,687)	1,240,766	1,788,453
Fund Balance at Beginning of Year	1,975,598	1,975,598	1,975,598	0
Prior Year Encumbrances Appropriated	33,380	33,380	33,380	0
Fund Balance at End of Year	\$330,748	\$1,461,291	\$3,249,744	\$1,788,453



**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, 2010*

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Property Taxes	\$1,232,163	\$1,188,431	\$1,188,431	\$0
Intergovernmental	203,144	203,144	203,144	0
<i>Total Revenues</i>	<u>1,435,307</u>	<u>1,391,575</u>	<u>1,391,575</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal:				
Other	34,500	34,500	31,378	3,122
Debt Service:				
Principal Retirement	555,455	555,455	545,000	10,455
Interest and Fiscal Charges	592,056	592,056	592,056	0
Total Debt Service	<u>1,147,511</u>	<u>1,147,511</u>	<u>1,137,056</u>	<u>10,455</u>
<i>Total Expenditures</i>	<u>1,182,011</u>	<u>1,182,011</u>	<u>1,168,434</u>	<u>13,577</u>
Excess of Revenues Over Expenditures	253,296	209,564	223,141	13,577
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	587,966	587,966	0
Net Change in Fund Balance	253,296	797,530	811,107	13,577
Fund Balance at Beginning of Year	<u>2,160,713</u>	<u>2,160,713</u>	<u>2,160,713</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,414,009</u></u>	<u><u>\$2,958,243</u></u>	<u><u>\$2,971,820</u></u>	<u><u>\$13,577</u></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, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,220,446	\$968,829	\$968,829	\$0
Investment Earnings	3	3	3	0
Tuition and Fees	6,123	4,860	4,860	0
Charges for Services	217,077	172,323	172,323	0
<b>Total Revenues</b>	<b>1,443,649</b>	<b>1,146,015</b>	<b>1,146,015</b>	<b>0</b>
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal:				
Purchased Services	200	200	189	11
Operation and Maintenance of Plant:				
Purchased Services	17,500	17,158	5,449	11,709
Materials and Supplies	1,600	1,942	1,542	400
<b>Total Operation and Maintenance of Plant</b>	<b>19,100</b>	<b>19,100</b>	<b>6,991</b>	<b>12,109</b>
<b>Total Support Services</b>	<b>19,300</b>	<b>19,300</b>	<b>7,180</b>	<b>12,120</b>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	439,150	389,927	367,488	22,439
Fringe Benefits	307,400	244,426	212,718	31,708
Purchased Services	8,925	8,925	5,151	3,774
Materials and Supplies	645,274	481,541	477,950	3,591
Capital Outlay	25,000	20,000	0	20,000
<b>Total Operation of Non-Instructional Services</b>	<b>1,425,749</b>	<b>1,144,819</b>	<b>1,063,307</b>	<b>81,512</b>
<b>Total Expenditures</b>	<b>1,445,049</b>	<b>1,164,119</b>	<b>1,070,487</b>	<b>93,632</b>
Excess of Revenues Over (Under) Expenditures	(1,400)	(18,104)	75,528	93,632
<b><u>Other Financing Sources:</u></b>				
Refund of Prior Year Expenditures	1,565	1,565	1,565	0
Net Change in Fund Balance	0	(16,539)	77,093	93,632
Fund Balance at Beginning of Year	18,506	18,506	18,506	0
Fund Balance at End of Year	<u>\$18,506</u>	<u>\$1,967</u>	<u>\$95,599</u>	<u>\$93,632</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Investment Earnings	\$128	\$233	\$233	\$0
Contributions and Donations	12,801	23,385	23,385	0
<i>Total Revenues</i>	<u>12,929</u>	<u>23,618</u>	<u>23,618</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Capital Outlay	1,023	1,020	0	1,020
Other	12,231	12,208	7,980	4,228
Total Instruction	<u>13,254</u>	<u>13,228</u>	<u>7,980</u>	<u>5,248</u>
Support Services:				
Pupils:				
Other	15,000	15,000	15,000	0
Operation and Maintenance of Plant:				
Capital Outlay	42,817	42,817	2,700	40,117
Total Support Services	<u>57,817</u>	<u>57,817</u>	<u>17,700</u>	<u>40,117</u>
<i>Total Expenditures</i>	<u>71,071</u>	<u>71,045</u>	<u>25,680</u>	<u>45,365</u>
Net Change in Fund Balance	(58,142)	(47,427)	(2,062)	45,365
Fund Balance at Beginning of Year	139,937	139,937	139,937	0
Fund Balance at End of Year	<u><u>\$81,795</u></u>	<u><u>\$92,510</u></u>	<u><u>\$137,875</u></u>	<u><u>\$45,365</u></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, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$97,250	\$77,650	\$77,650	\$0
Intergovernmental	83,171	102,493	102,493	0
<i>Total Revenues</i>	<u>180,421</u>	<u>180,143</u>	<u>180,143</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Fiscal:				
Other	4,800	4,800	2,047	2,753
Operation and Maintenance of Plant:				
Purchased Services	183,128	183,128	139,151	43,977
Materials and Supplies	16,000	16,000	0	16,000
Capital Outlay	38,702	38,702	2,524	36,178
Total Operation and Maintenance of Plant	<u>237,830</u>	<u>237,830</u>	<u>141,675</u>	<u>96,155</u>
<i>Total Expenditures</i>	<u>242,630</u>	<u>242,630</u>	<u>143,722</u>	<u>98,908</u>
Net Change in Fund Balance	(62,209)	(62,487)	36,421	98,908
Fund Balance at Beginning of Year	511,961	511,961	511,961	0
Prior Year Encumbrances Appropriated	53,502	53,502	53,502	0
Fund Balance at End of Year	<u><u>\$503,254</u></u>	<u><u>\$502,976</u></u>	<u><u>\$601,884</u></u>	<u><u>\$98,908</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*District Managed Student Activities Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Extracurricular Activities	\$93,903	\$117,353	\$117,353	\$0
Contributions and Donations	120	150	150	0
Miscellaneous	987	1,233	1,472	239
<i>Total Revenues</i>	<u>95,010</u>	<u>118,736</u>	<u>118,975</u>	<u>239</u>
<b><u>Expenditures:</u></b>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries	3,380	2,475	2,475	0
Fringe Benefits	36,187	49	49	0
Purchased Services	4,120	70,680	70,304	376
Materials and Supplies	42,560	43,734	42,994	740
Capital Outlay	5,000	11,274	11,274	0
Total Sports Oriented Activities	<u>91,247</u>	<u>128,212</u>	<u>127,096</u>	<u>1,116</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	20,150	8,100	8,040	60
Materials and Supplies	5,150	2,600	161	2,439
Total School and Public Service Co-Curricular Activities	<u>25,300</u>	<u>10,700</u>	<u>8,201</u>	<u>2,499</u>
<i>Total Expenditures</i>	<u>116,547</u>	<u>138,912</u>	<u>135,297</u>	<u>3,615</u>
Excess of Revenues Over (Under) Expenditures	<u>(21,537)</u>	<u>(20,176)</u>	<u>(16,322)</u>	<u>3,854</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	75	75	75	0
Advances In	33,515	33,515	33,515	0
Advances Out	(13,787)	(13,787)	(13,787)	0
<i>Total Other Financing Sources (Uses)</i>	<u>19,803</u>	<u>19,803</u>	<u>19,803</u>	<u>0</u>
Net Change in Fund Balance	(1,734)	(373)	3,481	3,854
Fund Balance at Beginning of Year	8,724	8,724	8,724	0
Prior Year Encumbrances Appropriated	913	913	913	0
Fund Balance at End of Year	<u>\$7,903</u>	<u>\$9,264</u>	<u>\$13,118</u>	<u>\$3,854</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, 2010*

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$196,333	\$199,295	\$199,295	\$0
Investment Earnings	73	73	73	0
<i>Total Revenues</i>	<u>196,406</u>	<u>199,368</u>	<u>199,368</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	63,880	57,174	57,174	0
Fringe Benefits	25,486	20,169	20,169	0
Purchased Services	71,134	61,807	61,807	0
Materials and Supplies	53,725	40,354	40,354	0
Capital Outlay	16,971	15,347	15,347	0
<i>Total Expenditures</i>	<u>231,196</u>	<u>194,851</u>	<u>194,851</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(34,790)</u>	<u>4,517</u>	<u>4,517</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	5	5	5	0
Refund of Prior Year Receipts	0	(370)	(370)	0
<i>Total Other Financing Sources (Uses)</i>	<u>5</u>	<u>(365)</u>	<u>(365)</u>	<u>0</u>
Net Change in Fund Balance	(34,785)	4,152	4,152	0
Fund Balance at Beginning of Year	7,587	7,587	7,587	0
Prior Year Encumbrances Appropriated	27,198	27,198	27,198	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$38,937</u>	<u>\$38,937</u>	<u>\$0</u>

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Central:				
Salaries	6,000	6,000	6,000	0
Fringe Benefits	928	928	928	0
<i>Total Expenditures</i>	<u>6,928</u>	<u>6,928</u>	<u>6,928</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,928)	(1,928)	(1,928)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	445	445	445	0
Net Change in Fund Balance	(1,483)	(1,483)	(1,483)	0
Fund Balance at Beginning of Year	<u>1,483</u>	<u>1,483</u>	<u>1,483</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)  
Early Childhood Preschool Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$150,781	\$132,306	\$132,306	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries	60,739	53,858	53,858	0
Fringe Benefits	48,305	42,305	42,305	0
Total Instruction	109,044	96,163	96,163	0
Support Services:				
Instructional Staff:				
Salaries	16,955	16,810	16,810	0
Fringe Benefits	14,453	13,286	13,286	0
Total Support Services	31,408	30,096	30,096	0
<i>Total Expenditures</i>	140,452	126,259	126,259	0
Net Change in Fund Balance	10,329	6,047	6,047	0
Fund Balance at Beginning of Year	113	113	113	0
Fund Balance at End of Year	\$10,442	\$6,160	\$6,160	\$0



**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, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,000	\$6,859	\$6,859	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	6,000	6,859	6,859	0
Net Change in Fund Balance	3,000	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,608	\$9,608	\$9,608	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Pupils:				
Salaries	1,924	1,924	1,924	0
Fringe Benefits	1,547	1,547	1,547	0
<i>Total Expenditures</i>	<u>3,471</u>	<u>3,471</u>	<u>3,471</u>	<u>0</u>
Excess of Revenues Over Expenditures	6,137	6,137	6,137	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	(6,137)	(6,137)	(6,137)	0
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)*  
**Vocational Education Enhancement Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$7,403	\$7,403	\$7,403	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	0	688	688	0
Student Intervention Services:				
Materials and Supplies	540	166	166	0
Total Instruction	540	854	854	0
Support Services:				
Instructional Staff:				
Salaries	3,821	3,021	3,021	0
Fringe Benefits	619	508	508	0
Purchased Services	3,885	4,482	3,768	714
Total Support Services	8,325	8,011	7,297	714
<i>Total Expenditures</i>	8,865	8,865	8,151	714
Excess of Revenues Over (Under) Expenditures	(1,462)	(1,462)	(748)	714
<b><u>Other Financing Sources:</u></b>				
Advances In	636	636	636	0
Net Change in Fund Balance	(826)	(826)	(112)	714
Fund Balance at Beginning of Year	766	766	766	0
Prior Year Encumbrances Appropriated	60	60	60	0
Fund Balance at End of Year	\$0	\$0	\$714	\$714

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Poverty Based Assistance Special Revenue Fund  
For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries	108,105	108,105	108,105	0
Fringe Benefits	59,477	55,645	55,645	0
Purchased Services	59,493	59,493	59,493	0
Total Special	227,075	223,243	223,243	0
Student Intervention Services:				
Salaries	93,404	102,945	102,945	0
Fringe Benefits	32,246	26,538	26,538	0
Total Student Intervention Services	125,650	129,483	129,483	0
Total Instruction	352,725	352,726	352,726	0
Support Services:				
Pupils:				
Salaries	19,854	19,853	19,853	0
Fringe Benefits	8,272	8,272	8,272	0
Total Pupils	28,126	28,125	28,125	0
Administration:				
Salaries	5,235	5,235	5,235	0
Fringe Benefits	1,514	1,514	1,514	0
Total Administration	6,749	6,749	6,749	0
Total Support Services	34,875	34,874	34,874	0
<b>Total Expenditures</b>	387,600	387,600	387,600	0
Excess of Revenues Under Expenditures	(387,600)	(387,600)	(387,600)	0
<b><u>Other Financing Sources:</u></b>				
Refund of Prior Year Expenditures	196	196	196	0
Net Change in Fund Balance	(387,404)	(387,404)	(387,404)	0
Fund Balance at Beginning of Year	387,404	387,404	387,404	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, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	147	147	0	147
Other	127	124	102	22
Total Regular	274	271	102	169
Student Intervention Services:				
Materials and Supplies	12,796	12,796	0	12,796
Total Instruction	13,070	13,067	102	12,965
Support Services:				
Instructional Staff:				
Fringe Benefits	185	129	0	129
Purchased Services	1,159	1,218	401	817
Materials and Supplies	229	229	229	0
Total Instructional Staff	1,573	1,576	630	946
Pupil Transportation:				
Other	33,000	33,000	0	33,000
Total Support Services	34,573	34,576	630	33,946
<i>Total Expenditures</i>	47,643	47,643	732	46,911
Excess of Revenues Over (Under) Expenditures	(47,643)	(47,643)	(732)	46,911
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	1,491	1,491	1,491	0
Refund of Prior Year Receipts	(1,491)	(1,491)	(1,491)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
Net Change in Fund Balance	(47,643)	(47,643)	(732)	46,911
Fund Balance at Beginning of Year	47,643	47,643	47,643	0
Fund Balance at End of Year	\$0	\$0	\$46,911	\$46,911

**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, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,342,146	\$972,269	\$972,269	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries	442,085	339,235	339,235	0
Fringe Benefits	295,550	172,618	172,618	0
Purchased Services	725	525	525	0
Total Special:	738,360	512,378	512,378	0
Student Intervention:				
Purchased Services	100,000	0	0	0
Total Instruction	838,360	512,378	512,378	0
Support Services:				
Pupils:				
Salaries	6,594	6,594	6,594	0
Fringe Benefits	4,260	4,270	4,270	0
Purchased Services	62,552	46,668	46,668	0
Total Pupils	73,406	57,532	57,532	0
Instructional Staff:				
Salaries	231,676	185,266	185,266	0
Fringe Benefits	137,162	140,473	140,473	0
Purchased Services	8,608	11,443	11,443	0
Materials and Supplies	2,500	565	565	0
Capital Outlay	0	6,000	6,000	0
Total Instructional Staff	379,946	343,747	343,747	0
Fiscal:				
Other	10,950	23,434	23,434	0
Total Support Services	464,302	424,713	424,713	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	26,419	0	0	0
Total Expenditures	1,329,081	937,091	937,091	0
Excess of Revenues Over Expenditures	13,065	35,178	35,178	0
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	4,465	4,465	4,465	0
Advances Out	(22,736)	(22,736)	(22,736)	0
Total Other Financing Sources (Uses)	(18,271)	(18,271)	(18,271)	0
Net Change in Fund Balance	(5,206)	16,907	16,907	0
Fund Balance at Beginning of Year	6	6	6	0
Prior Year Encumbrances Appropriated	5,200	5,200	5,200	0
Fund Balance at End of Year	\$0	\$22,113	\$22,113	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Education Stabilization Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$519,617	\$1,174,454	\$1,174,454	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	81,599	144,465	144,465	0
Fringe Benefits	90,293	24,642	24,642	0
Purchased Services	1,406	191,331	191,331	0
Total Regular	173,298	360,438	360,438	0
Special:				
Materials and Supplies	2,425	0	0	0
Total Instruction	175,723	360,438	360,438	0
Support Services:				
Pupils:				
Salaries	149,673	0	0	0
Fringe Benefits	97,181	0	0	0
Total Pupils	246,854	0	0	0
Instructional Staff:				
Purchased Services	29,500	53,924	53,924	0
Administration:				
Salaries and Wages	4,880	0	0	0
Fringe Benefits	9,792	0	0	0
Total Administration	14,672	0	0	0
Fiscal:				
Purchased Services	42,212	46,723	46,723	0
Operation and Maintenance of Plant:				
Purchased Services	0	713,369	713,369	0
Pupil Transportation:				
Salaries	9,114	0	0	0
Fringe Benefits	1,542	0	0	0
Total Pupil Transportation	10,656	0	0	0
Total Support Services	343,894	814,016	814,016	0
<i>Total Expenditures</i>	519,617	1,174,454	1,174,454	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	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)*  
*Title II-D Technology Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$29,809	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	19,660	1,720	1,720	0
Fringe Benefits	3,509	257	257	0
Materials and Supplies	5,953	0	0	0
Total Instructional Staff	29,122	1,977	1,977	0
Fiscal:				
Other	331	329	329	0
Total Support Services	29,453	2,306	2,306	0
Operation of Non-Instructional Services:				
Community Services:				
Capital Outlay	356	0	0	0
<i>Total Expenditures</i>	29,809	2,306	2,306	0
Excess of Revenues Under Expenditures	0	(2,306)	(2,306)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	3,529	3,529	0
Net Change in Fund Balance	0	1,223	1,223	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,223</u>	<u>\$1,223</u>	<u>\$0</u>



**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I School Improvement, Sub A Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$180,000	\$92,700	\$92,700	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	82,625	35,966	35,966	0
Fringe Benefits	13,977	5,767	5,767	0
Purchased Services	74,978	60,145	60,145	0
Materials and Supplies	5,000	5,000	5,000	0
Total Instructional Staff	176,580	106,878	106,878	0
Fiscal:				
Other	3,420	3,420	3,420	0
<i>Total Expenditures</i>	180,000	110,298	110,298	0
Excess of Revenues Under Expenditures	0	(17,598)	(17,598)	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	0	4,507	4,507	0
Advances In	0	13,091	13,091	0
<i>Total Other Financing Sources</i>	0	17,598	17,598	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I School Improvement, Sub G Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$9,000	\$2,800	\$2,800	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>9,000</u>	<u>1,703</u>	<u>1,703</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	1,097	1,097	0
<b><u>Other Financing Sources:</u></b>				
Transfers In	<u>0</u>	<u>288</u>	<u>288</u>	<u>0</u>
Net Change in Fund Balance	0	1,385	1,385	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>\$1,385</u></u>	<u><u>\$1,385</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)*  
**Title I Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$3,737,143	\$2,872,633	\$2,872,633	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries	1,260,357	953,878	953,878	0
Fringe Benefits	638,245	468,786	468,786	0
Purchased Services	30,000	6,641	6,641	0
Materials and Supplies	147,377	207,106	207,106	0
Total Special	2,075,979	1,636,411	1,636,411	0
Student Intervention Services:				
Salaries	422,872	426,863	426,863	0
Fringe Benefits	163,768	175,244	175,244	0
Purchased Services	22,210	0	0	0
Materials and Supplies	63,633	548	548	0
Total Student Intervention Services	672,483	602,655	602,655	0
Total Instruction	2,748,462	2,239,066	2,239,066	0
Support Services:				
Instructional Staff:				
Salaries	477,712	261,466	261,466	0
Fringe Benefits	149,334	91,682	91,682	0
Purchased Services	232,434	44,670	44,670	0
Materials and Supplies	8,000	17,269	17,269	0
Capital Outlay	60	0	0	0
Total Instructional Staff	867,540	415,087	415,087	0
Fiscal:				
Other	55,306	55,510	55,510	0
Total Support Services	\$922,846	\$470,597	\$470,597	\$0

(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, 2010  
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	\$26,004	\$34,450	\$34,450	\$0
Fringe Benefits	4,420	5,832	5,832	0
Purchased Services	35,617	767	767	0
Materials and Supplies	22,275	3,076	3,076	0
Capital Outlay	3,955	3,238	3,238	0
				0
Total Operation of Non-Instructional Services	92,271	47,363	47,363	0
<i>Total Expenditures</i>	3,763,579	2,757,026	2,757,026	0
Excess of Revenues Over (Under) Expenditures	(26,436)	115,607	115,607	0
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	3,683	3,683	3,683	0
Transfers In	0	189	189	0
Transfers Out	(106)	(4,984)	(4,984)	0
Advances In	1,211	1,211	1,211	0
Advances Out	(34,242)	(34,242)	(34,242)	0
Refund of Prior Year Receipts	0	(189)	(189)	0
<i>Total Other Financing Sources (Uses)</i>	(29,454)	(34,332)	(34,332)	0
Net Change in Fund Balance	(55,890)	81,275	81,275	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	55,890	55,890	55,890	0
Fund Balance at End of Year	\$0	\$137,165	\$137,165	\$0

**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, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$116	\$110	\$110	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	6	0	0	0
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	210	210	210	0
<i>Total Expenditures</i>	216	210	210	0
Excess of Revenues Under Expenditures	(100)	(100)	(100)	0
<b><u>Other Financing Uses:</u></b>				
Advances Out	(110)	(110)	(110)	0
Net Change in Fund Balance	(210)	(210)	(210)	0
Fund Balance at Beginning of Year	210	210	210	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)*  
**Drug Free Schools Special Revenue Fund**  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$21,465	\$18,999	\$18,999	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	17,394	14,602	14,602	0
Fringe Benefits	2,377	2,329	2,329	0
Purchased Services	200	0	0	0
Materials and Supplies	1,210	1,000	1,000	0
Total Instructional Staff	21,181	17,931	17,931	0
Fiscal:				
Other	0	363	363	0
<i>Total Expenditures</i>	21,181	18,294	18,294	0
Excess of Revenues Over Expenditures	284	705	705	0
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	208	208	208	0
Advances Out	(492)	(492)	(492)	0
<i>Total Other Financing Sources (Uses)</i>	(284)	(492)	(492)	0
Net Change in Fund Balance	0	213	213	0
Fund Balance at End of Year	\$0	\$213	\$213	\$0

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$29,757	\$24,300	\$24,300	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	0	92	92	0
Support Services:				
Instructional Staff:				
Salaries	17,745	11,191	11,191	0
Fringe Benefits	12,125	15,305	15,305	0
Purchased Services	236	0	0	0
Total Instructional Staff	30,106	26,496	26,496	0
Fiscal:				
Other	0	572	572	0
Total Support Services	30,106	27,068	27,068	0
<i>Total Expenditures</i>	30,106	27,160	27,160	0
Excess of Revenues Under Expenditures	(349)	(2,860)	(2,860)	0
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	0	2,924	2,924	0
Transfers In	0	2,924	0	(2,924)
Transfers Out	0	(2,924)	0	2,924
Advances In	349	349	349	0
<i>Total Other Financing Sources (Uses)</i>	349	3,273	3,273	0
Net Change in Fund Balance	0	413	413	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$413	\$413	\$0

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$389,696	\$348,742	\$348,742	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Special:				
Salaries	246,021	221,281	221,281	0
Fringe Benefits	118,107	103,289	103,289	0
Total Instruction	364,128	324,570	324,570	0
Support Services:				
Instructional Staff:				
Salaries	11,703	0	0	0
Fringe Benefits	1,978	0	0	0
Purchased Services	16,079	7,749	7,749	0
Materials and Supplies	15	0	0	0
Total Instructional Staff:	29,775	7,749	7,749	0
Fiscal				
Other	0	6,099	6,099	0
Total Support Services	29,775	13,848	13,848	0
Operation of Non-Instructional Services:				
Community Recreation Services:				
Purchased Services	262	0	0	0
<b>Total Expenditures</b>	<b>394,165</b>	<b>338,418</b>	<b>338,418</b>	<b>0</b>
Net Change in Fund Balance	(4,469)	10,324	10,324	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	4,469	4,469	4,469	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$14,793</u>	<u>\$14,793</u>	<u>\$0</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$640,943	\$625,258	\$625,258	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,506	1,506	0	1,506
Special:				
Salaries	6,375	6,147	6,147	0
Fringe Benefits	2,914	2,308	2,308	0
Total Special	9,289	8,455	8,455	0
Student Intervention Services:				
Salaries	118,978	112,865	112,865	0
Fringe Benefits	57,548	52,095	52,095	0
Purchased Services	45,520	49,857	49,857	0
Materials and Supplies	25,000	65,397	65,397	0
Total Student Intervention Services:	247,046	280,214	280,214	0
Total Instruction	257,841	290,175	288,669	1,506
Support Services:				
Pupils:				
Salaries	201,605	189,245	189,245	0
Fringe Benefits	104,455	94,018	94,018	0
Total Pupils	306,060	283,263	283,263	0
Instructional Staff:				
Salaries	46,360	14,236	14,236	0
Fringe Benefits	14,264	7,312	7,312	0
Purchased Services	3,016	4,170	4,170	0
Materials and Supplies	8,000	0	0	0
Capital Outlay	6,000	0	0	0
Total Instructional Staff	\$77,640	\$25,718	\$25,718	\$0

(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, 2010  
(continued)*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Fiscal:				
Other	\$0	\$11,506	\$11,506	\$0
Total Support Services	383,700	320,487	320,487	0
Operation of Non-Instructional Services:				
Community Recreation Services:				
Capital Outlay	807	450	450	0
<i>Total Expenditures</i>	642,348	611,112	609,606	1,506
Excess of Revenues Over (Under) Expenditures	(1,405)	14,146	15,652	1,506
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	6,424	6,424	6,424	0
Transfers Out	0	(3,529)	(3,529)	0
Advances In	4,351	4,351	4,351	0
Advances Out	(15,141)	(15,141)	(15,141)	0
Refund of Prior Year Receipts	(289)	(289)	0	289
<i>Total Other Financing Sources (Uses)</i>	(4,655)	(8,184)	(7,895)	289
Net Change in Fund Balance	(6,060)	5,962	7,757	1,795
Fund Balance at Beginning of Year	5,624	5,624	5,624	0
Prior Year Encumbrances Appropriated	440	440	440	0
Fund Balance at End of Year	\$4	\$12,026	\$13,821	\$1,795

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>	\$0	\$0	\$0	\$0
<b><u>Expenditures:</u></b>				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay	0	4,000	4,000	0
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	0	8,640	8,640	0
Capital Outlay	0	1,200,000	37,732	1,162,268
Total Site Acquisition Services:	0	1,208,640	46,372	1,162,268
Building Acquisition and Construction Services:				
Purchased Services	570,552	0	0	0
Capital Outlay	0	52,006	52,006	0
Total Building Acquisition and Construction Services:	570,552	52,006	52,006	0
Building Improvement Services:				
Capital Outlay	0	222,269	216,465	5,804
Other	0	2,285	2,285	0
Total Building Improvement Services:	0	224,554	218,750	5,804
Total Capital Outlay	570,552	1,485,200	317,128	1,168,072
<i>Total Expenditures</i>	570,552	1,489,200	321,128	1,168,072
Excess of Revenues Over (Under) Expenditures	(570,552)	(1,489,200)	(321,128)	1,168,072
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from Sale of Capital Assets	0	325,000	325,000	0
Transfers In	650,000	1,629,282	1,629,282	0
Advances In	0	35,007	35,007	0
Advances Out	(79,448)	(79,448)	(79,448)	0
<i>Total Other Financing Sources (Uses)</i>	570,552	1,909,841	1,909,841	0
Net Change in Fund Balance	0	420,641	1,588,713	1,168,072
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$420,641	\$1,588,713	\$1,168,072

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Investment Earnings	\$10	\$5	\$5	\$0
<b><u>Expenditures:</u></b>				
Capital Outlay:				
Site Acquisition and Construction Services:				
Capital Outlay	<u>3,026</u>	<u>3,021</u>	<u>0</u>	<u>3,021</u>
Net Change in Fund Balance	(3,016)	(3,016)	5	3,021
Fund Balance at Beginning of Year	<u>3,016</u>	<u>3,016</u>	<u>3,016</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,021</u></u>	<u><u>\$3,021</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Ohio School Facilities Commission Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2010*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$8,179	\$9,802	\$9,802	\$0
Investment Earnings	2,821	3,381	3,381	0
<i>Total Revenues</i>	11,000	13,183	13,183	0
<b><u>Expenditures:</u></b>				
Current:				
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	1,402	0	0	0
Building Acquisition and Construction Services:				
Purchased Services	0	9,801	9,801	0
Capital Outlay	174,300	174,300	174,300	0
Total Building Acquisition and Construction Services	174,300	184,101	184,101	0
<i>Total Expenditures</i>	175,702	184,101	184,101	0
Excess of Revenues Under Expenditures	(164,702)	(170,918)	(170,918)	0
<b><u>Other Financing Sources (Uses):</u></b>				
Refund of Prior Year Expenditures	0	20,321	20,321	0
Transfers Out	0	(2,217,248)	(2,217,248)	0
Refund of Prior Year Receipts	0	(298,612)	(298,612)	0
<i>Total Other Financing Sources (Uses)</i>	0	(2,495,539)	(2,495,539)	0
Net Change in Fund Balance	(164,702)	(2,666,457)	(2,666,457)	0
Fund Balance at Beginning of Year	2,490,755	2,490,755	2,490,755	0
Prior Year Encumbrances Appropriated	175,702	175,702	175,702	0
Fund Balance at End of Year	\$2,501,755	\$0	\$0	\$0

# **STATISTICAL SECTION**

## *STATISTICAL TABLES*

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	108-119
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	120-131
These schedules contain information to help the reader assess the School District's most significant local revenue sources.	
Debt Capacity	132-137
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	138-141
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	142-159
These schedules contain service and capital assets 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 beginning in that fiscal year.

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

Fiscal Year	2002	2003	2004
Invested in Capital Assets, Net of Related Debt	\$5,554,609	\$7,242,383	\$19,628,944
Restricted	55,492,747	53,348,214	41,319,641
Unrestricted (Deficit)	915,662	582,503	(395,286)
<i>Total Net Assets</i>	<u>\$61,963,018</u>	<u>\$61,173,100</u>	<u>\$60,553,299</u>



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$47,821,407	\$53,930,015	\$49,868,043	\$47,745,755	\$46,147,550	\$44,092,020
13,801,697	5,658,264	4,578,776	5,294,118	5,667,882	5,985,113
443,079	(24,392)	275,794	(589,170)	(298,058)	950,611
<u>\$62,066,183</u>	<u>\$59,563,887</u>	<u>\$54,722,613</u>	<u>\$52,450,703</u>	<u>\$51,517,374</u>	<u>\$51,027,744</u>

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

Fiscal Year	2002	2003	2004
<b>Expenses:</b>			
Current:			
Instruction:			
Regular	\$10,262,658	\$9,260,456	\$10,475,429
Special	5,369,206	5,461,916	5,685,775
Vocational	421,922	426,379	436,071
Student Intervention Services	0	0	0
Intergovernmental	35,000	39,500	38,500
Support Services:			
Pupils	1,255,863	1,395,374	1,249,081
Instructional Staff	2,540,087	2,067,428	2,170,104
Board of Education	19,268	17,640	14,780
Administration	1,241,456	1,452,144	1,491,750
Fiscal	660,279	634,352	618,945
Business	128,797	96,448	117,910
Operation and Maintenance of Plant	1,425,756	1,622,828	2,241,541
Pupil Transportation	441,998	456,547	449,424
Central	28,857	23,119	58,711
Operation of Non-Instructional Services:			
Food Service Operations	1,031,547	1,024,118	993,307
Other	245,315	265,024	250,077
Extracurricular Activities	251,505	270,667	241,093
Interest and Fiscal Charges	316,956	861,638	892,098
<i>Total Expenses</i>	<u>25,676,470</u>	<u>25,375,578</u>	<u>27,424,596</u>
<b>Program Revenues:</b>			
Charges for Services and Sales:			
Instruction:			
Regular	44,737	0	682,970
Special	315,901	135,408	251,524
Support Services:			
Pupils	0	0	0
Instructional Staff	0	32,365	40,228
Administration	0	0	0
Business	0	0	5,698
Operation and Maintenance of Plant	0	526	148,712
Pupil Transportation	1,676	18,068	1,501
Central	0	0	0
Operation of Non-Instructional Services:			
Food Service Operations	216,926	214,639	211,138
Extracurricular Activities	91,939	94,187	66,276
Operating Grants, Contributions, and Interest	5,365,348	6,715,845	4,923,390
Capital Grants and Contributions	189,745	84,596	53,438
<i>Total Program Revenues</i>	<u>6,226,272</u>	<u>7,295,634</u>	<u>6,384,875</u>
<i>Net Expense</i>	<u>(\$19,450,198)</u>	<u>(\$18,079,944)</u>	<u>(\$21,039,721)</u>

2005	2006	2007 (1)	2008	2009	2010
\$10,608,667	\$12,169,231	\$12,640,485	\$13,103,606	\$13,573,992	\$13,753,627
5,436,258	6,622,247	5,788,924	5,396,013	4,950,325	5,879,260
431,277	380,329	410,481	452,153	507,713	480,887
0	445,405	1,174,211	1,422,054	1,541,524	1,164,825
35,000	43,500	38,500	43,500	35,600	29,000
1,121,140	1,760,834	1,704,291	1,736,450	1,610,831	1,430,317
1,987,011	2,352,092	2,044,780	1,900,014	2,244,651	2,372,062
16,589	17,703	19,611	22,717	24,501	30,589
1,367,234	1,566,110	1,814,350	1,957,080	1,838,174	1,776,063
642,889	655,226	678,032	798,597	750,674	669,614
109,044	117,299	91,249	76,236	76,787	82,268
1,795,612	2,053,486	2,761,532	2,640,319	2,867,303	3,114,874
375,360	633,970	751,522	696,035	592,894	595,484
22,133	30,025	90,398	77,150	344,578	62,866
1,003,493	1,195,821	1,270,836	1,192,836	1,134,696	1,241,298
203,699	227,513	224,685	239,402	227,667	220,403
252,910	290,208	301,445	321,079	338,911	477,581
860,111	825,820	763,791	641,868	640,624	637,143
<u>26,268,427</u>	<u>31,386,819</u>	<u>32,569,123</u>	<u>32,717,109</u>	<u>33,301,445</u>	<u>34,018,161</u>
601,777	546,511	722,722	833,866	702,476	813,908
37,294	0	21,557	8,057	9,661	12,305
35,426	384	0	0	0	0
41,114	0	0	0	0	0
0	1,529	10,031	13,836	7,975	7,235
6,913	4,703	0	0	0	0
145,301	34,135	38,401	23,101	41,926	19,038
0	1,000	42,650	2,106	8,045	1,638
0	0	0	0	0	129,892
206,136	191,444	231,560	142,910	172,450	177,183
78,653	93,600	69,494	115,273	86,911	144,916
4,749,113	5,849,948	5,929,213	6,290,703	7,105,527	8,136,834
0	0	226,000	81,352	37,777	30,123
<u>5,901,727</u>	<u>6,723,254</u>	<u>7,291,628</u>	<u>7,511,204</u>	<u>8,172,748</u>	<u>9,473,072</u>
<u>(\$20,366,700)</u>	<u>(\$24,663,565)</u>	<u>(\$25,277,495)</u>	<u>(\$25,205,905)</u>	<u>(\$25,128,697)</u>	<u>(\$24,545,089)</u>

(continued)

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

Fiscal Year	2002	2003	2004
<b>General Revenues:</b>			
Property Taxes Levied for:			
General Purposes	\$5,489,946	\$4,107,524	\$4,395,841
Debt Service	0	1,076,457	1,049,924
Capital Outlay	0	81,311	79,690
Grants and Entitlements not Restricted to Specific Programs			
Operating	14,222,706	11,441,919	14,682,918
Capital	52,617,286 *	0	0
Contributions and Donations	15,159	3,783	17,724
Investment Earnings	446,786	423,898	116,557
Miscellaneous	1,728,465	155,134	74,774
Gain on Sale of Capital Assets	0	0	0
Gain on Early Retirement of Capital Lease	0	0	2,492
<i>Total General Revenues</i>	<u>74,520,348</u>	<u>17,290,026</u>	<u>20,419,920</u>
<i>Change in Net Assets</i>	<u>\$55,070,150</u>	<u>(\$789,918)</u>	<u>(\$619,801)</u>

\* The School District was awarded a grant in the amount of \$52,617,286 on December 14, 2001, from the Ohio School Facilities Commission for the construction of new facilities. At June 30, 2007, the new facilities were complete and it was determined that \$2,476,078 of the grant would not be received. Therefore, revenue was reduced since the total amount of the grant had been reported as revenue in fiscal year 2002, the year of the grant award.

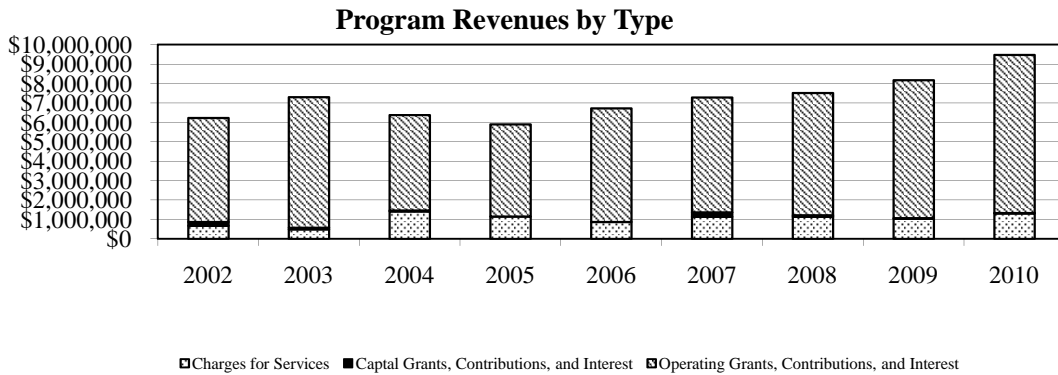
(1) Special Instruction expenses decreased significantly from fiscal year 2006 to fiscal year 2007 due to cuts in Title I funding and a shift in spending from special education programs to student intervention programs.

Expenses in Operation and Maintenance of Plant increased significantly from fiscal year 2006 to fiscal year 2007 due to increases in purchases of supplies and maintenance costs related to the new buildings.

2005	2006	2007	2008	2009	2010
\$4,644,731	\$4,776,914	\$4,643,256	\$4,614,506	\$4,541,034	\$4,319,587
1,228,724	1,267,834	1,236,071	1,270,249	1,277,487	1,227,943
88,356	89,670	87,507	84,971	83,405	80,238
15,183,620	15,174,137	15,979,356	16,535,835	17,914,549	18,319,840
0	0	(2,476,078) *	0	0	0
10,270	96,988	21,861	7,276	122,502	6,566
516,895	659,852	495,355	228,426	93,194	27,280
206,988	95,874	448,893	140,770	163,197	74,005
0	0	0	51,962	0	0
0	0	0	0	0	0
<u>21,879,584</u>	<u>22,161,269</u>	<u>20,436,221</u>	<u>22,933,995</u>	<u>24,195,368</u>	<u>24,055,459</u>
<u>\$1,512,884</u>	<u>(\$2,502,296)</u>	<u>(\$4,841,274)</u>	<u>(\$2,271,910)</u>	<u>(\$933,329)</u>	<u>(\$489,630)</u>

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

Fiscal Year	2002	2003	2004
<b>Function / Program:</b>			
Instruction:			
Regular	\$1,343,504	\$118,414	\$2,042,953
Special	2,068,462	4,229,140	2,108,342
Vocational	0	99,366	132,085
Student Intervention Services	0	0	0
Intergovernmental	35,000	39,500	38,500
Support Services:			
Pupils	438,683	362,025	229,734
Instructional Staff	872,330	686,230	293,214
Administration	5,138	160,916	0
Fiscal	0	0	1,000
Business	0	0	5,698
Operation and Maintenance of Plant	22,235	526	249,966
Pupil Transportation	164,897	374,783	12,039
Central	8,437	8,284	8,097
Operation of Non-Instructional Services:			
Food Service Operations	937,425	865,811	968,424
Other	237,722	225,735	204,488
Extracurricular Activities	92,439	124,904	90,335
<b>Total Program Revenues</b>	<b>\$6,226,272</b>	<b>\$7,295,634</b>	<b>\$6,384,875</b>



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$776,829	\$655,376	\$780,193	\$835,334	\$706,481	\$829,256
2,525,523	2,961,157	2,862,385	3,009,488	3,773,426	4,257,939
133,713	123,342	108,519	108,312	80,633	81,164
0	0	594,453	637,011	824,849	822,038
35,000	43,500	38,500	43,500	35,600	29,000
334,395	903,686	695,466	687,936	518,201	438,918
748,177	740,038	626,664	727,823	748,494	1,091,181
0	1,529	10,431	13,836	7,975	7,235
0	22,066	18,789	0	0	0
6,913	4,703	0	0	0	0
145,301	34,135	264,401	101,443	41,926	49,161
11,266	20,486	55,794	16,034	39,699	36,657
6,557	6,799	7,190	7,436	6,196	134,892
896,858	863,570	947,947	989,939	1,013,715	1,175,655
202,317	234,370	200,688	213,690	277,667	293,680
78,878	108,497	80,208	119,422	97,886	226,296
<u>\$5,901,727</u>	<u>\$6,723,254</u>	<u>\$7,291,628</u>	<u>\$7,511,204</u>	<u>\$8,172,748</u>	<u>\$9,473,072</u>

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

	2001	2002	2003
<b>General Fund:</b>			
Reserved	\$818,634	\$1,192,016	\$1,272,715
Unreserved, Designated for:			
Future Severance Payments	0	0	0
Employee Health Benefits	0	0	0
Unreserved (Deficit)	(1,110,982)	105,014	(165,221)
<i>Total General Fund (Deficit)</i>	(292,348)	1,297,030 *	1,107,494
<b>All Other Governmental Funds:</b>			
Reserved	95,721	288,411	332,974
Unreserved, Undesignated Reported in:			
Special Revenue Funds	1,002,253	803,651	492,049
Debt Service Fund	0	507,497	806,254
Capital Projects Funds	69,915	17,260,396 **	16,448,189
<i>Total All Other Governmental Funds</i>	1,167,889	18,859,955	18,079,466
<i>Total Governmental Funds</i>	\$875,541	\$20,156,985	\$19,186,960

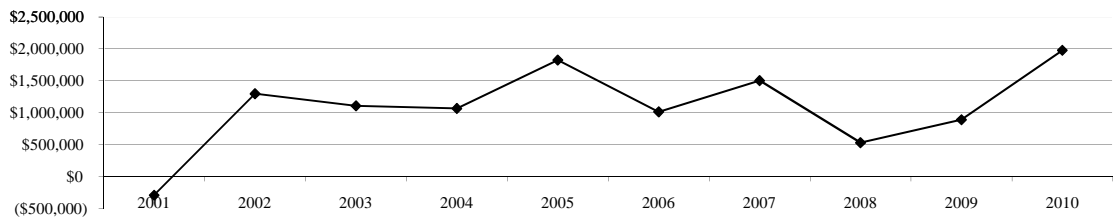
\* The School District received \$1,500,000 from the sale of Anthem stock that was a result of the demutualization of Anthem.

\*\* The School District was awarded a grant in the amount of \$52,617,286 on December 14, 2001, from the Ohio School Facilities Commission for the construction of new facilities.



2004	2005	2006	2007	2008	2009	2010
\$853,449	\$853,035	\$570,286	\$386,658	\$318,879	\$493,013	\$515,501
0	0	144,916	39,497	0	0	0
0	0	0	260,012	115,237	17,994	111,202
213,041	970,227	297,480	816,255	95,854	379,036	1,349,680
1,066,490	1,823,262	1,012,682	1,502,422	529,970	890,043	1,976,383
227,587	210,291	2,600,479	314,250	153,620	248,389	124,144
549,751	655,987	823,534	422,042	829,331	659,756	556,352
925,963	1,198,864	1,526,591	1,572,878	1,884,722	2,160,713	2,971,820
21,837,486	15,763,438	3,042,442	2,632,126	2,603,996	2,414,136	1,537,993
23,540,787	17,828,580	7,993,046	4,941,296	5,471,669	5,482,994	5,190,309
<u>\$24,607,277</u>	<u>\$19,651,842</u>	<u>\$9,005,728</u>	<u>\$6,443,718</u>	<u>\$6,001,639</u>	<u>\$6,373,037</u>	<u>\$7,166,692</u>

**Fund Balance of the General Fund**



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

	2001	2002	2003
<b><u>Revenues:</u></b>			
Property Taxes	\$4,218,468	\$5,365,498	\$5,374,990
Intergovernmental	18,117,379	19,723,492	23,914,235
Investment Earnings	171,599	375,258	466,997
Tuition and Fees	44,146	312,936	185,829
Extracurricular Activities	136,602	91,939	94,187
Rentals	5,472	39,801	5,462
Charges for Services	339,052	218,602	214,639
Contributions and Donations	50,488	52,885	38,400
Miscellaneous	287,358	1,745,779	121,507
<b>Total Revenues</b>	<b>23,370,564</b>	<b>27,926,190</b>	<b>30,416,246</b>
<b><u>Expenditures:</u></b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	7,162,473	9,789,456	9,307,594
Special	4,855,621	5,338,568	5,442,891
Vocational	309,130	400,072	363,008
Student Intervention Services	0	0	0
Other	1,802,225	0	0
Intergovernmental	70,000	35,000	39,500
<b>Support Services:</b>			
Pupils	1,156,875	1,249,195	1,420,847
Instructional Staff	1,478,115	2,488,248	2,020,626
Board of Education	20,021	19,134	17,640
Administration	1,540,360	1,213,258	1,364,087
Fiscal	490,428	675,353	607,672
Business	69,677	69,701	72,086
Operation and Maintenance of Plant	1,914,292	1,529,814	1,557,969
Pupil Transportation	407,401	446,885	444,353
Central	66,584	24,932	20,117
Operation of Non-Instructional Services	1,226,452	1,246,882	1,216,765
Extracurricular Activities	394,193	261,428	269,825
Capital Outlay	393,610	917,141	6,266,203
<b>Debt Service:</b>			
Principal Retirement	88,514	109,564	384,696
Interest and Fiscal Charges	26,317	412,370	827,138
Capital Appreciation Bonds Interest	0	0	0
Issuance Costs	0	256,050	0
<b>Total Expenditures</b>	<b>23,472,288</b>	<b>26,483,051</b>	<b>31,643,017</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(101,724)</b>	<b>1,443,139</b>	<b>(1,226,771)</b>
<b><u>Other Financing Sources (Uses):</u></b>			
Refunding General Obligation Bonds Issued	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Premium on Debt Issuance	0	450,106	0
Proceeds from Sale of Capital Assets	32,818	286,697	0
General Obligation Bonds Issued	0	17,070,000	0
Inception of Capital Leases	369,494	31,502	256,746
Transfers In	17,413	324,863	36,731
Transfers Out	(17,413)	(324,863)	(36,731)
<b>Total Other Financing Sources (Uses)</b>	<b>402,312</b>	<b>17,838,305</b>	<b>256,746</b>
<b>Net Change in Fund Balances</b>	<b>\$300,588</b>	<b>\$19,281,444</b>	<b>(\$970,025)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.5%</b>	<b>2.1%</b>	<b>4.8%</b>

2004	2005	2006	2007	2008	2009	2010
\$5,540,481	\$5,843,336	\$6,113,783	\$5,950,227	\$5,846,283	\$5,815,069	\$5,490,584
37,997,577	42,090,396	24,873,719	22,285,912	22,889,706	24,755,768	26,442,427
143,042	513,626	663,175	500,962	220,765	104,549	27,295
878,400	708,727	581,230	769,582	853,102	731,539	835,597
97,985	86,933	100,858	85,294	140,440	107,503	170,000
148,712	145,301	3,407	19,175	5,001	25,454	4,580
276,341	202,898	186,765	226,760	138,500	166,934	295,598
17,457	47,420	220,770	299,081	91,535	25,002	103,294
108,472	206,457	96,895	612,970	140,770	162,797	74,004
<u>45,208,467</u>	<u>49,845,094</u>	<u>32,840,602</u>	<u>30,749,963</u>	<u>30,326,102</u>	<u>31,894,615</u>	<u>33,443,379</u>
10,370,515	10,452,972	11,449,775	11,198,436	11,922,586	12,541,748	12,888,840
5,638,357	5,466,596	5,685,519	5,283,592	5,082,517	4,710,824	5,599,597
357,922	364,702	282,628	372,088	414,553	468,224	442,357
0	0	445,405	1,033,777	1,422,054	1,506,816	1,223,490
0	0	0	0	0	0	0
38,500	35,000	43,500	71,834	43,500	35,600	29,000
1,172,511	1,133,842	1,551,356	1,580,635	1,581,368	1,499,536	1,313,347
2,118,813	1,952,423	1,948,181	1,867,975	1,672,959	1,962,474	2,276,496
14,914	16,589	17,703	19,341	22,717	24,501	30,589
1,389,199	1,372,555	1,373,106	1,497,568	1,579,663	1,571,955	1,549,841
580,902	636,210	618,325	637,334	765,319	724,687	646,529
159,315	75,031	119,389	61,244	61,376	61,611	67,125
1,713,799	1,595,541	1,864,911	2,411,030	2,540,184	2,692,751	2,957,556
569,236	396,939	423,496	628,841	584,863	477,755	488,643
55,389	22,133	30,025	69,681	77,150	344,578	62,866
1,272,591	1,239,057	1,168,103	1,273,249	1,244,908	1,207,375	1,307,829
248,846	257,171	286,170	270,860	318,507	336,435	478,267
12,799,738	28,587,294	14,932,204	3,708,759	462,503	437,044	412,407
521,813	461,304	520,604	243,579	216,638	528,277	596,429
765,790	744,136	729,816	721,991	621,758	614,266	603,516
0	0	0	207,456	237,558	0	0
0	0	0	159,703	0	0	0
<u>39,788,150</u>	<u>54,809,495</u>	<u>43,490,216</u>	<u>33,318,973</u>	<u>30,872,681</u>	<u>31,746,457</u>	<u>32,974,724</u>
<u>5,420,317</u>	<u>(4,964,401)</u>	<u>(10,649,614)</u>	<u>(2,569,010)</u>	<u>(546,579)</u>	<u>148,158</u>	<u>468,655</u>
0	0	0	9,800,000	0	0	0
0	0	0	(10,266,546)	0	0	0
0	0	0	466,546	0	0	0
0	0	3,500	7,000	104,500	0	325,000
0	0	0	0	0	0	0
0	8,966	0	0	0	223,240	0
73,100	315,710	220,267	306,451	113,451	2,943	2,233,098
<u>(73,100)</u>	<u>(315,710)</u>	<u>(220,267)</u>	<u>(306,451)</u>	<u>(113,451)</u>	<u>(2,943)</u>	<u>(2,233,098)</u>
<u>0</u>	<u>8,966</u>	<u>3,500</u>	<u>7,000</u>	<u>104,500</u>	<u>223,240</u>	<u>325,000</u>
<u>\$5,420,317</u>	<u>(\$4,955,435)</u>	<u>(\$10,646,114)</u>	<u>(\$2,562,010)</u>	<u>(\$442,079)</u>	<u>\$371,398</u>	<u>\$793,655</u>
4.8%	4.6%	4.0%	3.1%	3.5%	3.6%	3.7%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2007	137,372,790	64,103,370	575,646,171	15,387,970	61,551,880
2008	151,287,800	66,721,490	622,883,686	13,091,910	52,367,640
2009	151,433,790	66,832,190	623,617,086	13,210,120	52,840,480
2010	150,905,230	66,796,810	622,005,829	13,210,120	52,840,480

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. 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 has been phased out. The assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 for 2010 and zero for 2011.

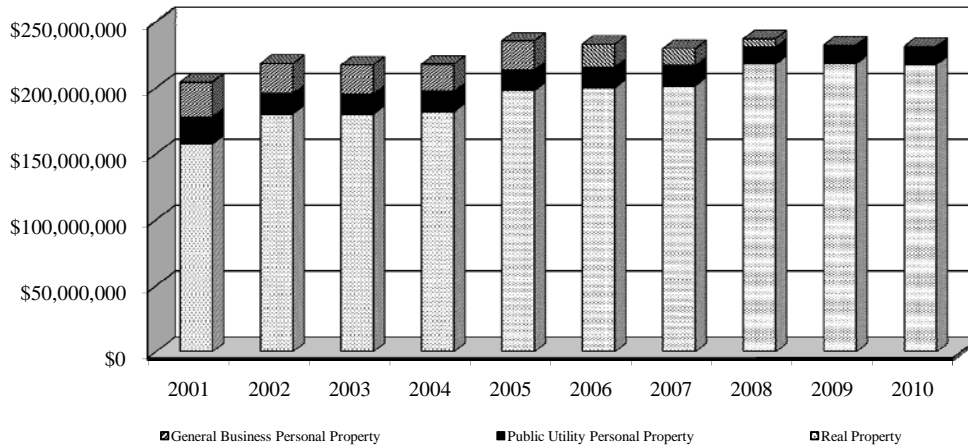
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

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)	
\$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
17,455,515	93,096,080	233,031,145	726,854,931	32.06	24.84
12,786,263	102,290,104	229,650,393	739,488,155	31.06	24.61
5,951,460	95,223,360	237,052,660	770,474,686	30.77	23.90
828,540	8,285,400	232,304,640	684,742,966	33.93	23.65
435,460	8,709,200	231,347,620	683,555,509	33.84	23.63

### Assessed Value of Taxable Property



*Portsmouth City School District  
Principal Property Taxpayers  
Real Property Tax  
2010 and 2001*

Tax Payer	2010		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Southern Ohio Medical Center Title Holding	\$3,834,450	1	1.76%
Hillview Retirement Center	2,842,230	2	1.31%
Neal and Vicky Hatcher	2,660,680	3	1.22%
OSCO Industries, Inc.	1,437,710	4	0.66%
Liberty Nursing Properties of Wheelersburg LTD	1,410,820	5	0.64%
Ashland Hospital (DBA King's Daughters)	1,037,850	6	0.48%
Portsmouth City School District	1,004,580	7	0.46%
Scioto Memorial Hospital	897,160	8	0.41%
Forest Heights	872,980	9	0.40%
PGS Rentals	848,890	10	0.39%
Fifth Third Bank	-		-
Total	16,847,350		7.74%
All Others	200,854,690		92.26%
Total Assessed Valuation	<u>\$217,702,040</u>		<u>100.00%</u>

Source: Scioto County Auditor

(1) For 2001, only the top five principal taxpayers for real property were available.

2001		
Assessed Value	Rank	Percentage of Real Property Assessed Valuation
\$3,242,600	1	2.07%
1,813,110	3	1.15%
2,282,510	2	1.45%
-		-
-		-
-		-
-		-
957,240	5	0.61%
-		-
0		0.00%
<u>1,029,840</u>	4	<u>0.65%</u>
9,325,300		5.92%
<u>148,125,120</u>		<u>94.08%</u>
<u>\$157,450,420</u>		<u>100.00%</u>

*Portsmouth City School District  
Principal Property Taxpayers  
Public Utility Personal Property Tax  
2010 and 2001*

Tax Payer	2010		Percentage of Public Utility Property Assessed Valuation
	Assessed Value	Rank	
Ohio Power	\$10,952,440	1	82.92%
Columbia Gas	1,670,720	2	12.65%
Columbus and Southern Ohio Electric	305,660	3	2.31%
General Electric Capital Co.	209,740	4	1.59%
Tennessee Gas Pipeline Company	69,320	5	0.52%
Columbia Gas Transmission Corporation	2,240	6	0.01%
Verizon North	-		-
N & W Railway	-		-
General Telephone	-		-
Total	13,210,120		100.00%
All Others	0		0.00%
Total Assessed Valuation	<u>\$13,210,120</u>		<u>100.00%</u>

Source: Scioto County Auditor

(1) For 2001, only the top five principal taxpayers for public utility personal property were available.



2001		
Assessed Value	Rank	Percentage of Public Utility Property Assessed Valuation
\$7,667,100	1	37.19%
1,369,210	4	6.64%
-		-
-		-
-		-
-		-
3,083,320	2	14.96%
2,235,590	3	10.84%
<u>876,670</u>	5	<u>4.25%</u>
15,231,890		73.88%
<u>5,385,000</u>		<u>26.12%</u>
<u><u>\$20,616,890</u></u>		<u><u>100.00%</u></u>

*Portsmouth City School District  
Principal Property Taxpayers  
General Business Personal Property Tax  
2010 and 2001*

Tax Payer	2010		Percentage of Tangible Personal Property Assessed Valuation
	Assessed Value	Rank	
Verizon North	\$252,560	1	58.00%
New Cingular Wireless PCS, Inc.	79,000	2	18.14%
Minford Cellular Telephone Co.	27,500	3	6.32%
New Par	26,280	4	6.03%
West Virginia PCS Alliance LLC	14,240	5	3.27%
Chillicothe Telephone Co.	11,990	6	2.75%
Sprint Communications Co.	8,800	7	2.02%
Horizon Personal Communications, Inc.	4,350	8	1.00%
TWC Digital Phone LLC	4,050	9	0.93%
Sprint Nextel Corp.	2,030	10	0.47%
OSCO Industries, Inc.	-		-
Mitchellace, Inc.	-		-
Oberling Ford, Inc.	-		-
KSA Limited Partnership	-		-
Kroger Company	-		-
Siemens Financial Services	-		-
Century Ohio Cable Television Corporation	-		-
B.P. America, Inc.	-		-
Martings Brothers Company	-		-
Lute Plumbing Supply Co.	-		-
Total	430,800		98.93%
All Others	4,660		1.07%
Total Assessed Valuation	<u>\$435,460</u>		<u>100.00%</u>

Source: Scioto County Auditor

2001		
Assessed Value	Rank	Percentage of Tangible Personal Property Assessed Valuation
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
-		-
\$2,985,450	1	11.44%
1,283,450	2	4.91%
1,231,740	3	4.72%
1,005,740	4	3.85%
709,240	5	2.72%
656,860	6	2.52%
515,530	7	1.97%
498,110	8	1.91%
410,750	9	1.57%
377,410	10	1.45%
9,674,280		37.05%
16,440,630		62.95%
<u>\$26,114,910</u>		<u>100.00%</u>

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

	2001	2002	2003
<b>UNVOTED MILLAGE:</b>			
Operating	\$3.66	\$3.66	\$3.66
<b>VOTED MILLAGE - BY LEVY:</b>			
1976 Current Expense			
Residential/Agricultural Real	\$8.16	\$8.48	\$8.49
Commercial/Industrial and Public Utility Real	9.44	8.64	8.66
General Business and Public Utility Personal	18.07	18.07	18.07
1979 Current Expense			
Residential/Agricultural Real	3.26	3.28	3.29
Commercial/Industrial and Public Utility Real	3.45	3.16	3.16
General Business and Public Utility Personal	6.40	6.40	6.40
1988 Current Expense			
Residential/Agricultural Real	4.95	4.57	4.58
Commercial/Industrial and Public Utility Real	5.13	4.69	4.71
General Business and Public Utility Personal	6.40	6.40	6.40
2001 Bond Levy (\$11,550,000)			
Residential/Agricultural Real	0.00	4.00	4.00
Commercial/Industrial and Public Utility Real	0.00	4.00	4.00
General Business and Public Utility Personal	0.00	4.00	4.00
2001 Site Acquisition (\$5,520,000)			
Residential/Agricultural Real	0.00	2.00	2.00
Commercial/Industrial and Public Utility Real	0.00	2.00	2.00
General Business and Public Utility Personal	0.00	2.00	2.00
2001 Classroom Facilities			
Residential/Agricultural Real	0.00	0.43	0.44
Commercial/Industrial and Public Utility Real	0.00	0.46	0.46
General Business and Public Utility Personal	0.00	0.50	0.50
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>			
Residential/Agricultural Real	\$16.37	\$22.76	\$22.80
Commercial/Industrial and Public Utility Real	18.02	22.95	22.99
General Business and Public Utility Personal	30.87	37.37	37.37
<b>TOTAL MILLAGE BY TYPE OF PROPERTY</b>			
Residential/Agricultural Real	\$20.03	\$26.42	\$26.46
Commercial/Industrial and Public Utility Real	21.68	26.61	26.65
General Business and Public Utility Personal	34.53	41.03	41.03
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>			
<b>TOWNSHIPS:</b>			
Residential/Agricultural Real	0.34 - 2.92	0.30 - 2.92	0.30 - 2.92
Commercial/Industrial and Public Utility Real	0.38 - 2.92	0.35 - 2.92	0.37 - 2.92
General Business and Public Utility Personal	0.50 - 2.92	0.50 - 2.92	0.50 - 2.92
<b>CORPORATIONS:</b>			
Residential/Agricultural Real	0.30 - 4.49	0.30 - 4.49	0.30 - 4.29
Commercial/Industrial and Public Utility Real	0.30 - 4.49	0.30 - 4.49	0.30 - 4.29
General Business and Public Utility Personal	0.30 - 4.49	0.30 - 4.49	0.30 - 4.29
<b>SCIOTO COUNTY JOINT VOCATIONAL SCHOOL DISTRICT:</b>			
Residential/Agricultural Real	0.60 - 0.81	0.61 - 0.73	0.61 - 0.73
Commercial/Industrial and Public Utility Real	0.71 - 0.92	0.66 - 0.86	0.66 - 0.86
General Business and Public Utility Personal	1.37 - 1.50	1.37 - 1.50	1.37 - 1.50
<b>COUNTY AND OTHER UNITS:</b>			
Residential/Agricultural Real	0.11 - 2.08	0.10 - 2.08	0.10 - 2.08
Commercial/Industrial and Public Utility Real	0.16 - 2.08	0.15 - 2.08	0.15 - 2.08
General Business and Public Utility Personal	0.20 - 2.08	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.

2004	2005	2006	2007	2008	2009	2010
\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$3.66
\$8.50	\$8.66	\$8.67	\$8.68	\$8.81	\$8.83	\$8.83
8.67	8.69	8.70	8.78	8.75	8.80	8.80
18.07	18.07	18.07	18.07	18.07	18.07	18.07
3.29	3.30	3.30	3.31	3.32	3.32	3.32
3.17	3.16	3.16	3.19	3.18	3.19	3.19
6.40	6.40	6.40	6.40	6.40	6.40	6.40
4.58	4.38	4.39	4.39	4.21	4.22	4.22
4.71	4.49	4.50	4.54	4.42	4.44	4.44
6.40	6.40	6.40	6.40	6.40	6.40	6.40
4.00	4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00
0.44	0.40	0.40	0.40	0.36	0.36	0.36
0.46	0.43	0.43	0.43	0.41	0.41	0.41
0.50	0.50	0.50	0.50	0.50	0.50	0.50
\$22.81	\$22.74	\$22.76	\$22.78	\$22.70	\$22.73	\$22.73
23.01	22.77	22.79	22.94	22.76	22.84	22.84
37.37	37.37	37.37	37.37	37.37	37.37	37.37
\$26.47	\$26.40	\$26.42	\$26.44	\$26.36	\$26.39	\$26.39
26.67	26.43	26.45	26.60	26.42	26.50	26.50
41.03	41.03	41.03	41.03	41.03	41.03	41.03
0.30 - 2.92	0.27 - 2.92	0.27 - 2.92	0.27 - 2.92	0.24 - 2.92	0.24 - 2.92	0.24 - 2.92
0.36 - 2.92	0.35 - 2.92	0.35 - 2.92	0.35 - 2.92	0.34 - 2.92	0.34 - 2.92	0.35 - 2.92
0.50 - 2.92	0.50 - 2.92	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00
0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.61 - 0.73	0.61 - 0.72	0.61 - 0.73	0.61 - 0.72	0.59 - 0.71	0.59 - 0.72	0.59 - 0.72
0.46 - 0.86	0.43 - 0.81	0.43 - 0.74	0.64 - 0.83	0.61 - 0.80	0.67 - 0.80	0.63 - 0.74
0.50 - 1.50	1.37 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50
0.10 - 2.08	0.09 - 2.08	0.09 - 3.30	0.09 - 3.30	0.09 - 3.01	0.09 - 3.02	0.08 - 3.03
0.15 - 2.08	0.14 - 2.08	0.14 - 3.30	0.14 - 3.30	0.13 - 3.17	0.13 - 3.18	0.14 - 3.25
0.20 - 2.08	0.20 - 2.08	0.20 - 3.30	0.20 - 3.30	0.20 - 3.30	0.20 - 3.30	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 (1)	Total Tax Levied (2)	Current Tax Collection (3)	Percent of Current Levy Collected	Delinquent Tax Collection (4)
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
2006	7,176,401	5,498,085	76.61%	334,023
2007	6,453,333	5,540,706	85.86%	277,855
2008	6,538,915	5,317,607	81.32%	291,377
2009	6,331,636	5,087,391	80.35%	331,404

Source: Scioto County Auditor

- (1) The 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) State reimbursements of rollback and homestead exemptions are not included.
- (4) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

<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>
\$3,955,997	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%
5,832,108	81.27%	836,619	11.66%
5,818,561	90.16%	567,644	8.80%
5,608,984	85.78%	687,143	10.51%
5,418,795	85.58%	782,672	12.36%

**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)
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	726,854,931
2007	15,911,027	7,139	2,043	15,920,209	739,488,155
2008	15,476,755	0	0	15,476,755	770,474,686
2009	14,972,234	0	214,963	15,187,197	684,742,966
2010	14,450,128	0	163,534	14,613,662	683,555,509

Source: (1) School District Financial Records  
 (2) Scioto County Auditor  
 (3) Census data for 2000 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>
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
20,909	315,265,902	2.15%	5.05%	761.40
20,909	315,265,902	2.01%	4.91%	740.20
20,909	315,265,902	2.22%	4.82%	726.35
20,909	315,265,902	2.14%	4.64%	698.92

**Portsmouth City School District**  
*Ratio of General Obligation Bonded Debt to  
 Estimated Actual Value and General Obligation Bonded Debt Per Capita  
 Last Nine 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	726,854,931	20,909	2.24%	778.00
2007	15,911,027	739,488,155	20,909	2.15%	760.97
2008	15,476,755	770,474,686	20,909	2.01%	740.20
2009	14,972,234	684,742,966	20,909	2.19%	716.07
2010	14,450,128	683,555,509	20,909	2.11%	691.10

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

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

**Portsmouth City School District**  
*Computation of Direct and Overlapping Debt*  
 June 30, 2010

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
Portsmouth City School District:			
General Obligation Bonds	\$14,450,128	100.00%	\$14,450,128
Capital Lease Obligation	163,534	100.00	163,534
	<u>14,613,662</u>		<u>14,613,662</u>
Total Direct Debt			
	<u>14,613,662</u>		<u>14,613,662</u>
Overlapping:			
Scioto County:			
General Obligation Bonds	11,149,073	26.12	2,912,138
Loan Obligation	35,144	26.12	9,180
Bond Anticipation Notes	942,766	26.12	246,250
Capital Lease Obligation	2,598,138	26.12	678,634
Scioto County Career Technical Center:			
Loan Obligation	131,400	26.32	34,584
Capital Lease Obligation	3,150,000	26.32	829,080
City of Portsmouth:			
General Obligation Bonds	2,385,000	100.00	2,385,000
Capital Lease Obligation	828,223	100.00	828,223
	<u>21,219,744</u>		<u>7,923,089</u>
Total Overlapping Debt			
	<u>21,219,744</u>		<u>7,923,089</u>
Total Direct and Overlapping Debt			
	<u>\$35,833,406</u>		<u>\$22,536,751</u>

Source: Ohio Municipal Advisory Council

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 into 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>2001</u>	<u>2002</u>	<u>2003</u>
Total Assessed Valuation	\$204,182,220	\$218,362,670	\$217,150,954
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 Valuation used to Calculate Legal Debt Margin (1)	204,182,220	218,362,670	217,150,954
Overall debt limitation - 9.0% of assessed valuation (2)	18,376,400	19,652,640	19,543,586
Gross indebtedness authorized by the School District	92,842	17,148,558	16,859,274
Less exempt debt:			
EPA Asbestos Loan	<u>(92,842)</u>	<u>(78,558)</u>	<u>(64,274)</u>
Debt within 9.0% limitation	0	17,070,000	16,795,000
Less amount available in the debt service fund	<u>0</u>	<u>(648,230)</u>	<u>(875,363)</u>
Net debt within 9.0% limitation	<u>0</u>	<u>16,421,770</u>	<u>15,919,637</u>
Legal debt margin within 9.0% limitation	<u>\$18,376,400</u>	<u>\$3,230,870</u>	<u>\$3,623,949</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.0%	16.4%	18.5%
Unvoted debt limitation .10% of assessed valuation (2)	\$204,182	\$218,363	\$217,151
Gross indebtedness authorized by the School District	92,842	78,558	64,274
Less exempt debt:			
EPA Asbestos Loan	<u>(92,842)</u>	<u>(78,558)</u>	<u>(64,274)</u>
Legal debt margin within .10% limitation	<u>\$204,182</u>	<u>\$218,363</u>	<u>\$217,151</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 percent for voted debt and .10 percent for unvoted debt.

2004	2005	2006	2007	2008	2009	2010
\$217,826,651	\$235,450,442	\$233,031,145	\$229,650,393	\$237,052,660	\$232,304,640	\$231,347,620
0	0	(4,636,680)	(3,882,440)	(2,663,890)	(1,832,410)	(828,540)
0	0	(17,455,515)	(12,786,263)	(5,951,460)	(828,540)	(435,460)
217,826,651	235,450,442	210,938,950	212,981,690	228,437,310	229,643,690	230,083,620
19,604,399	21,190,540	18,984,506	19,168,352	20,559,358	20,667,932	20,707,526
16,494,990	16,120,707	15,691,423	15,449,595	15,235,000	14,715,000	14,170,000
(49,990)	(35,707)	(21,423)	(7,139)	0	0	0
16,445,000	16,085,000	15,670,000	15,442,456	15,235,000	14,715,000	14,170,000
(981,047)	(1,270,369)	(1,593,664)	(1,636,739)	(1,951,714)	(2,243,808)	(3,060,637)
15,463,953	14,814,631	14,076,336	13,805,717	13,283,286	12,471,192	11,109,363
<u>\$4,140,446</u>	<u>\$6,375,909</u>	<u>\$4,908,170</u>	<u>\$5,362,635</u>	<u>\$7,276,072</u>	<u>\$8,196,740</u>	<u>\$9,598,163</u>
21.1%	30.1%	25.9%	28.0%	35.4%	39.7%	46.4%
<u>\$217,827</u>	<u>\$235,450</u>	<u>\$210,939</u>	<u>\$212,982</u>	<u>\$228,437</u>	<u>\$229,644</u>	<u>\$230,084</u>
49,990	35,707	21,423	7,139	0	0	0
(49,990)	(35,707)	(21,423)	(7,139)	0	0	0
<u>\$217,827</u>	<u>\$235,450</u>	<u>\$210,939</u>	<u>\$212,982</u>	<u>\$228,437</u>	<u>\$229,644</u>	<u>\$230,084</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)
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
2007	20,909	315,265,902	15,078	23,004	38
2008	20,909	315,265,902	15,078	23,004	38
2009	20,909	315,265,902	15,078	23,004	38
2010	20,909	315,265,902	15,078	23,004	38

Source: (1) U.S. Census Bureau  
(2) Computation of per capita personal income multiplied by population  
(3) School District Records  
(4) Ohio Department of Job 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>
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	233,031,145
12.5	2,119	7.80	6.10	4.70	229,650,393
12.5	2,132	8.30	6.70	5.50	237,052,660
12.5	2,101	12.90	11.20	9.70	232,304,640
12.5	2,163	13.50	10.50	9.50	231,347,620

**Portsmouth City School District**  
*Principal Employers*  
*Fiscal Years 2010 and 2001*

Employer	2010		
	Total Employees	Rank	Percentage of Total Employees
Southern Ohio Medical Center	2,394	1	39.38%
Shawnee State University	1,454	2	23.92
Scioto County	665	3	10.94
Community Action Organization	317	4	5.21
State of Ohio	312	5	5.13
City of Portsmouth	282	6	4.64
Portsmouth City School District	269	7	4.43
Norfolk and Southern Railway	149	8	2.45
OSCO Industries, Inc.	144	9	2.37
United States Enrichment Corporation	93	10	1.53
Sole Choice, Inc. (Formally Mitchellace, Inc.)	-		-
Total Employees	<u>6,079</u>		<u>100.00%</u>

Source: City of Portsmouth



2001		
Total Employees	Rank	Percentage of Total Employees
2,100	1	41.23%
522	3	10.25
725	2	14.23
191	8	3.75
372	4	7.30
300	6	5.89
330	5	6.48
0	-	0.00
250	7	4.90
165	9	3.23
140	10	2.74
<u>5,095</u>		<u>100.00%</u>

**Portsmouth City School District**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2001	2002	2003
<b>Portsmouth Middle/High School (1)</b>			
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)	522	560	529
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	N/A	30	30
Special Instructional Classrooms	4	4	4
Special Instructional Teachers	N/A	6	6
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
<b>Portsmouth High/Junior High School (2)</b>			
Constructed in 2007			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades 7-12	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
<b>East Middle/High School (3)</b>			
Constructed in 1916 with additions in 1937 and 1957			
Total Building Square Footage	59,925	N/A	N/A
Acreage	11.00	N/A	N/A
Enrollment Grades 7-12	343	N/A	N/A
Student Capacity	365	N/A	N/A
Regular Instructional Classrooms	22	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	2	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	7,344	N/A	N/A
Cafeteria Facilities Square Footage	2,520	N/A	N/A
Library/Media Center Square Footage	968	N/A	N/A

2004	2005	2006	2007	2008	2009	2010
177,653	177,653	177,653	N/A	N/A	N/A	N/A
4.00	4.00	4.00	N/A	N/A	N/A	N/A
486	732	N/A	N/A	N/A	N/A	N/A
N/A	N/A	761	N/A	N/A	N/A	N/A
1,064	1,064	1,064	N/A	N/A	N/A	N/A
33	37	37	N/A	N/A	N/A	N/A
29	40	37	N/A	N/A	N/A	N/A
4	4	4	N/A	N/A	N/A	N/A
5	5	4	N/A	N/A	N/A	N/A
18,992	18,992	18,992	N/A	N/A	N/A	N/A
3,500	3,500	3,500	N/A	N/A	N/A	N/A
2,924	2,924	2,924	N/A	N/A	N/A	N/A
N/A	N/A	N/A	182,540	182,540	182,540	182,540
N/A	N/A	N/A	8.26	8.26	8.26	8.26
N/A	N/A	N/A	815	755	759	795
N/A	N/A	N/A	1,150	1,150	1,150	1,150
N/A	N/A	N/A	52	52	52	52
N/A	N/A	N/A	47	40	40	43
N/A	N/A	N/A	11	11	11	11
N/A	N/A	N/A	11	11	11	11
N/A	N/A	N/A	17,847	17,847	17,847	17,847
N/A	N/A	N/A	16,021	16,021	16,021	16,021
N/A	N/A	N/A	4,098	4,098	4,098	4,098
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A

(continued)

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

	2001	2002	2003
<b>U.S. Grant Middle School (4)</b>			
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	312	324	300
Student Capacity	403	403	403
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers	N/A	12	12
Special Instructional Classrooms	5	5	5
Special Instructional Teachers	N/A	5	6
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
<b>East Portsmouth Elementary School (5)</b>			
Constructed in 2005			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades K-7	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
<b>McKinley Elementary School (1)</b>			
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)	N/A	N/A	N/A
Enrollment Grades 4-6 (Beginning in Fiscal Year 2001)	447	426	315
Student Capacity	427	427	427
Regular Instructional Classrooms	22	22	22
Regular Instructional Teachers	N/A	19	19
Special Instructional Classrooms	6	6	6
Special Instructional Teachers	N/A	9	9
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

2004	2005	2006	2007	2008	2009	2010
60,930	N/A	N/A	N/A	N/A	N/A	N/A
1.38	N/A	N/A	N/A	N/A	N/A	N/A
305	N/A	N/A	N/A	N/A	N/A	N/A
403	N/A	N/A	N/A	N/A	N/A	N/A
20	N/A	N/A	N/A	N/A	N/A	N/A
12	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
1	N/A	N/A	N/A	N/A	N/A	N/A
11,163	N/A	N/A	N/A	N/A	N/A	N/A
1,618	N/A	N/A	N/A	N/A	N/A	N/A
1,253	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	45,779	45,779	45,779	45,779	45,779
N/A	N/A	23.29	23.29	23.29	23.29	23.29
N/A	N/A	231	247	255	204	247
N/A	N/A	390	390	390	390	390
N/A	N/A	14	14	14	14	14
N/A	N/A	14	14	14	14	14
N/A	N/A	5	5	5	5	5
N/A	N/A	2	4	4	4	5
N/A	N/A	3,769	3,769	3,769	3,769	3,769
N/A	N/A	3,857	3,857	3,857	3,857	3,857
N/A	N/A	1,106	1,106	1,106	1,106	1,106
64,450	64,450	64,450	N/A	N/A	N/A	N/A
2.02	2.02	2.02	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
448	298	350	N/A	N/A	N/A	N/A
427	427	427	N/A	N/A	N/A	N/A
22	22	22	N/A	N/A	N/A	N/A
19	18	13	N/A	N/A	N/A	N/A
6	6	6	N/A	N/A	N/A	N/A
7	7	4	N/A	N/A	N/A	N/A
6,148	6,148	6,148	N/A	N/A	N/A	N/A
1,904	1,904	1,904	N/A	N/A	N/A	N/A
2,160	2,160	2,160	N/A	N/A	N/A	N/A

(continued)

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

	2001	2002	2003
<b>Wilson Elementary School (1)</b>			
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)	N/A	N/A	N/A
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	359	331	446
Student Capacity	522	522	522
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers	N/A	17	17
Special Instructional Classrooms	8	8	8
Special Instructional Teachers	N/A	5	5
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
<b>Roosevelt Elementary School (1)</b>			
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)	N/A	N/A	N/A
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	289	268	269
Student Capacity	258	258	258
Regular Instructional Classrooms	11	11	11
Regular Instructional Teachers	N/A	15	15
Special Instructional Classrooms	1	1	1
Special Instructional Teachers	N/A	3	3
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
<b>Harding Elementary School (6)</b>			
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	356	348	329
Student Capacity	332	332	332
Regular Instructional Classrooms	17	19	19
Regular Instructional Teachers	N/A	19	19
Special Instructional Classrooms	3	1	1
Special Instructional Teachers	N/A	2	2
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

2004	2005	2006	2007	2008	2009	2010
61,790	61,790	61,790	N/A	N/A	N/A	N/A
2.00	2.00	2.00	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
305	402	320	N/A	N/A	N/A	N/A
522	522	522	N/A	N/A	N/A	N/A
20	20	20	N/A	N/A	N/A	N/A
17	16	14	N/A	N/A	N/A	N/A
8	8	8	N/A	N/A	N/A	N/A
3	2	3	N/A	N/A	N/A	N/A
3,990	3,990	3,990	N/A	N/A	N/A	N/A
3,990	3,990	3,990	N/A	N/A	N/A	N/A
828	828	828	N/A	N/A	N/A	N/A
32,224	32,224	32,224	N/A	N/A	N/A	N/A
3.79	3.79	3.79	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
317	329	320	N/A	N/A	N/A	N/A
258	258	258	N/A	N/A	N/A	N/A
11	11	11	N/A	N/A	N/A	N/A
15	15	14	N/A	N/A	N/A	N/A
1	1	1	N/A	N/A	N/A	N/A
3	3	3	N/A	N/A	N/A	N/A
4,230	4,230	4,230	N/A	N/A	N/A	N/A
4,230	4,230	4,230	N/A	N/A	N/A	N/A
1,280	1,280	1,280	N/A	N/A	N/A	N/A
41,455	41,455	N/A	N/A	N/A	N/A	N/A
2.00	2.00	N/A	N/A	N/A	N/A	N/A
311	318	N/A	N/A	N/A	N/A	N/A
332	332	N/A	N/A	N/A	N/A	N/A
17	17	N/A	N/A	N/A	N/A	N/A
16	17	N/A	N/A	N/A	N/A	N/A
3	3	N/A	N/A	N/A	N/A	N/A
3	2	N/A	N/A	N/A	N/A	N/A
4,600	4,600	N/A	N/A	N/A	N/A	N/A
4,600	4,600	N/A	N/A	N/A	N/A	N/A
1,012	1,012	N/A	N/A	N/A	N/A	N/A

(continued)

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

	2001	2002	2003
<b>Highland Elementary School (7)</b>			
Constructed in 1955			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades K-5	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
<b>Lincoln Elementary School (8)</b>			
Constructed in 1914 with additions in 1930 and 1957			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades PS-5	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
<b>Portsmouth Elementary School (2)</b>			
Constructed in 2007			
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

Source: School District Records

N/A - Not Available

- (1) Portsmouth Middle/High School, McKinley Elementary School, Wilson Elementary School, and Roosevelt Elementary School were demolished in fiscal year 2007.
- (2) Portsmouth High/Junior High School and Portsmouth Elementary School were constructed in fiscal year 2007.
- (3) East Middle/High School was donated for the establishment of the Sciotoville Community School in fiscal year 2002.
- (4) U.S. Grant Middle School was demolished in fiscal year 2005.
- (5) East Portsmouth Elementary School was constructed in fiscal year 2006.
- (6) Harding Elementary School was demolished in fiscal year 2006.
- (7) Highland Elementary School was sold to the Community Action Committee in fiscal year 2001.
- (8) Lincoln Elementary School was demolished in fiscal year 2001.





**Portsmouth City School District**  
*Employees by Function*  
*Last Eight Fiscal Years*

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>								
Instruction:								
Regular	116.00	111.00	107.00	102.00	103.00	105.00	114.50	114.00
Special	34.00	40.00	40.00	39.50	36.00	32.00	31.25	34.00
Vocational	3.00	5.00	5.00	4.00	4.00	4.00	4.25	4.00
Support Services:								
Pupils								
Student Facilitator	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Pupil Personnel Facilitator	0.50	0.50	1.00	1.00	1.00	1.00	0.00	0.00
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Guidance Counselors	5.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Psychologists	3.50	3.50	2.00	3.00	3.00	3.00	3.00	2.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Data Facilitators	1.00	1.00	2.00	10.50	4.00	4.00	4.00	4.00
Test Coordinator	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nurse Aides	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Attendance Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Instructional Staff								
Directors	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Coordinator	1.00	1.00	1.00	0.00	2.00	4.00	1.00	2.00
Secretary	1.00	1.00	1.00	2.00	2.00	1.00	1.00	1.00
Aides/Paraprofessionals	24.00	23.00	26.00	26.00	20.00	22.00	19.00	21.00
Librarians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Supervisor Technical Support	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration								
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00
Executive Assistants	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Principals/Assistant Principals	6.00	5.00	5.00	4.00	5.00	5.00	5.00	4.00
Dean	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Secretaries	11.00	10.00	9.00	8.00	18.00	16.00	8.00	8.00
Fiscal								
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Treasurer	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Secretaries	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Business								
Director	0.50	0.50	0.50	0.50	1.50	1.50	1.50	1.50
Executive Assistant	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Operation and Maintenance of Plant								
Executive Assistant	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Custodians	18.50	16.50	16.50	16.50	18.00	17.00	18.00	18.00
Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Pupil Transportation								
Bus Drivers	7.00	7.00	7.00	7.00	7.00	8.00	7.00	7.00
Operation of Non-Instructional Services:								
Food Service Opoerations								
Director	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cooks	17.00	15.00	16.00	14.00	14.00	15.00	17.00	18.00
Courier	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00
<b>Total Number of Employees</b>	<b>277.00</b>	<b>274.00</b>	<b>273.00</b>	<b>270.00</b>	<b>270.00</b>	<b>276.00</b>	<b>266.00</b>	<b>269.00</b>

Method: Using 1.0 for each full-time employee and either 0.25 or 0.50 for part-time and seasonal employees.

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
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
2007	33,318,973	2,119	15,724	172	12.32
2008	30,872,681	2,132	14,481	175	12.18
2009	31,746,457	2,101	15,110	169	12.43
2010	32,974,724	2,163	15,245	170	12.72

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 Ten Fiscal Years*

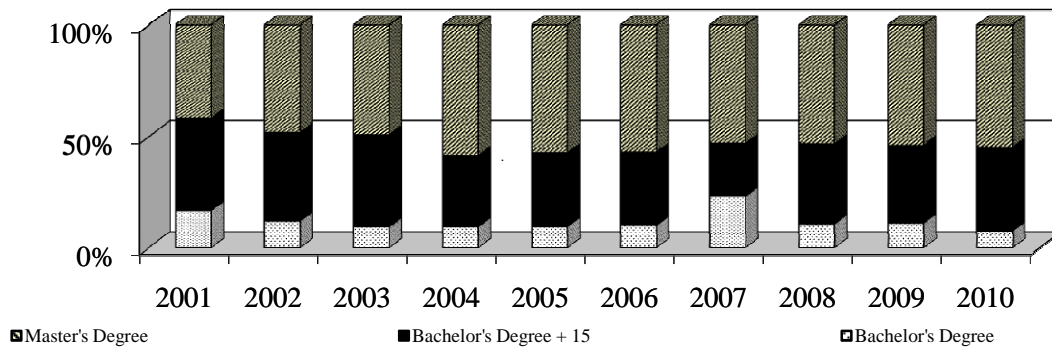
Degree	2001	2002 (1)	2003 (2)
Bachelor's Degree	35	22	16
Bachelor + 15 Years Experience	86	72	69
Master's Degree	<u>86</u>	<u>87</u>	<u>82</u>
Total	<u><u>207</u></u>	<u><u>181</u></u>	<u><u>167</u></u>

Source: School District Records

- (1) 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.
- (2) The decrease in teachers between fiscal year 2002 and fiscal 2003 was related to the School District being placed in fiscal caution. As an attempt to improve financial conditions, the School District reduced staff.

2004	2005	2006	2007	2008	2009	2010
16	16	17	40	19	19	13
53	55	55	41	63	59	64
97	95	95	91	93	91	93
<b>166</b>	<b>166</b>	<b>167</b>	<b>172</b>	<b>175</b>	<b>169</b>	<b>170</b>

### Full-Time Equivalent Teachers by Education



*Portsmouth City School District*  
*Full-Time Equivalent Teachers by Years of Experience*  
*Last Ten Fiscal Years*

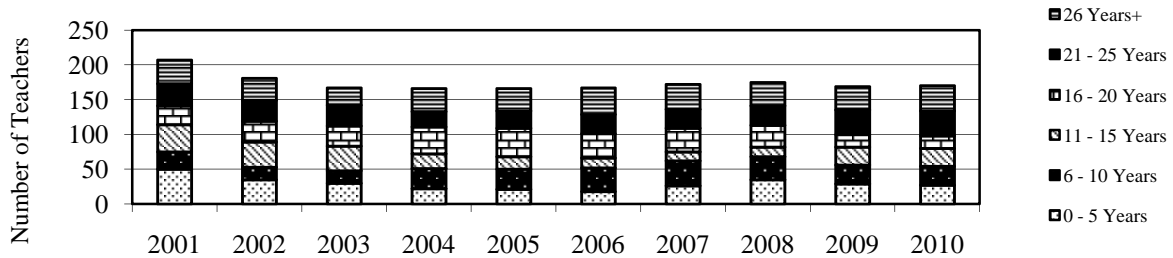
<u>Years of Experience</u>	<u>2001</u>	<u>2002 (1)</u>	<u>2003 (2)</u>
0 - 5	50	35	30
6 - 10	25	18	18
11 - 15	39	36	35
16 - 20	27	30	29
21 - 25	32	30	30
26 and over	<u>34</u>	<u>32</u>	<u>25</u>
Total	<u><u>207</u></u>	<u><u>181</u></u>	<u><u>167</u></u>

Source: School District Records

- (1) 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.
- (2) The decrease in teachers between fiscal year 2002 and fiscal 2003 was related to the School District being placed in fiscal caution. As an attempt to improve financial conditions, the School District reduced staff.

2004	2005	2006	2007	2008	2009	2010
22	21	18	26	35	29	27
29	29	34	36	33	27	27
21	18	14	13	14	26	26
39	41	35	34	31	18	18
22	25	28	27	28	35	36
33	32	38	36	34	34	36
<b>166</b>	<b>166</b>	<b>167</b>	<b>172</b>	<b>175</b>	<b>169</b>	<b>170</b>

**Full-Time Equivalent Teachers by Years of Experience**



*Portsmouth City School District  
Enrollment  
Last Ten Fiscal Years*

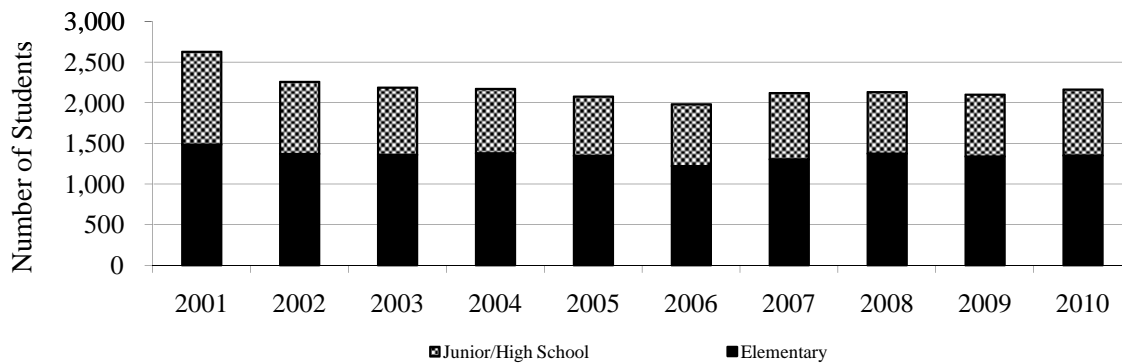
<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
2001	20	204	195	240	209	211	208
2002	22	173	194	169	233	186	204
2003	11	213	200	165	158	233	172
2004	27	209	223	167	166	172	240
2005	37	209	218	183	158	144	158
2006	34	196	201	193	168	158	149
2007	40	212	220	188	200	180	143
2008	37	200	223	211	201	208	159
2009	87	195	206	182	187	159	160
2010	106	208	191	182	170	177	157

Source: School District Records



6	7	8	9	10	11	12	Total
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
121	136	170	147	118	127	117	2,119
138	122	128	156	126	110	113	2,132
166	114	130	136	145	122	112	2,101
162	164	109	141	110	161	125	2,163

### Enrollment



**Portsmouth City School District**  
*Percentage of Students who Receive Free and Reduced Lunches*  
*Last Ten Fiscal Years*

District Buildings	2001	2002	2003
Portsmouth Middle/High School (1)	36.78%	31.25%	34.59%
Portsmouth High/Junior High School (2)	N/A	N/A	N/A
East Middle/High School (3)	43.44%	N/A	N/A
U.S. Grant Middle School (4)	63.78%	64.20%	66.33%
East Portsmouth Elementary School (5)	N/A	N/A	N/A
McKinley Elementary School (1)	70.69%	68.08%	100.00%
Wilson Elementary School (1)	100.00%	100.00%	87.00%
Roosevelt Elementary School (1)	53.98%	61.94%	51.67%
Harding Elementary School (6)	71.63%	77.87%	75.08%
Highland Elementary School (7)	N/A	N/A	N/A
Lincoln Elementary School (8)	N/A	N/A	N/A
Portsmouth Elementary School (2)	N/A	N/A	N/A
District-Wide	61.91%	64.69%	66.45%

Source: Food Service Director Records

N/A - Not Available

(1) Portsmouth Middle/High School, McKinley Elementary School, Wilson Elementary School, and Roosevelt Elementary School were demolished in fiscal year 2007.

(2) Portsmouth High/Junior High School and Portsmouth Elementary School were constructed in fiscal year 2007.

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

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

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

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

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

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

2004	2005	2006	2007	2008	2009	2010
40.95%	51.64%	55.85%	N/A	N/A	N/A	N/A
N/A	N/A	N/A	64.04%	63.31%	63.37%	55.60%
N/A	N/A	N/A	N/A	N/A	N/A	N/A
65.25%	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	84.85%	85.43%	81.96%	89.71%	92.30%
76.12%	100.00%	78.86%	N/A	N/A	N/A	N/A
98.03%	72.89%	100.00%	N/A	N/A	N/A	N/A
53.31%	54.41%	58.44%	N/A	N/A	N/A	N/A
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	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	82.21%	82.17%	80.58%	81.20%
66.99%	67.87%	73.66%	75.60%	75.47%	75.47%	73.00%

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# Dave Yost • 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  
JANUARY 27, 2011**