



**Auditor of State
Betty Montgomery**

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

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**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. Department of Agriculture						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Donation	N/A	10.550	\$ -	\$ 69,994	\$ -	\$ 68,352
School Breakfast Program	05PU 2002	10.553	17,648	-	17,648	-
	05PU 2003		85,767	-	85,767	-
Total School Breakfast Program			103,415	-	103,415	-
National School Lunch Program	LLP1 2002	10.555	941	-	941	-
	LLP1 2003		20,600	-	20,600	-
	LLP4 2002		61,821	-	61,821	-
	LLP4 2003		322,409	-	322,409	-
Total National School Lunch Program			405,771	-	405,771	-
Total U.S. Department of Agriculture- Child Nutrition Cluster			509,186	69,994	509,186	68,352
U.S. Department of Education						
<i>Passed through Ohio Department of Education:</i>						
Title I Grants To Local Educational Agencies	C1S1 2001	84.010	-	-	146,423	-
	C1S1 2002		166,031	-	226,352	-
	C1S1 2003		1,021,529	-	960,012	-
Total Title I Grants to Local Educational Agencies			1,187,560	-	1,332,787	-
Special Education Grants to States	6BSF 2002P	84.027	15,430	-	38,096	-
	6BSF 2002P		231,127	-	198,666	-
Total Special Education Grants to States			246,557	-	236,762	-
Safe and Drug Free Schools and Communities - State Grants	DRS1 2001	84.186	11,988	-	14,514	-
	DRS1 2002		(4,080)	-	6,010	-
	DRS1 2003		24,204	-	20,387	-
Total Safe and Drug Free Schools and Communities - State Grants			32,112	-	40,911	-
Even Start - State Educational Agencies	EVS1 2001	84.213	-	-	517	-
	EVS2 2002		56,026	-	50,015	-
	EVS3 2003		122,679	-	126,802	-
Total Even Start - State Educational Agencies			178,705	-	177,334	-
Eisenhower Professional Development State Grants	MSS1 2000	84.281	-	-	82	-
	MSS1 2001		1,835	-	6,315	-
	MSS1 2002		(22,447)	-	3,905	-
Total Eisenhower Professional Development State Grants			(20,612)	-	10,302	-
Innovative Educational Program Strategies	C2S1 2002	84.298	22,974	-	11,679	-
	C2S1 2003		18,719	-	15,709	-
Total Innovative Educational Program Strategies			41,693	-	27,388	-
Education Technology State Grants	TF53 2001	84.318	(504)	-	19	-
	TJS1 2003		10,266	-	34,355	-
Total Education Technology State Grants			9,762	-	34,374	-
Goals 2000	N/A	84.276	-	-	18,646	-
Comprehensive School Reform Demonstration	RFCC 2003	84.332	47,340	-	19,665	-
	RFS1 2002		100,000	-	82,589	-
Total Comprehensive School Reform Demonstration			147,340	-	102,254	-
Reading Excellence	RNS2 2000	84.338	2,579	-	70,083	-
Class Size Reduction (Title VI-R)	CRS1 2002	84.340	(21,808)	-	38,609	-
School Renovation, IDEA and Technology	ATS1 02	84.352A	-	-	10,359	-
Rural Education	RUS1 2003	84.358	27,279	-	23,263	-
Improving Teacher Quality State Grant	TRS1 2003	84.367	292,427	-	272,088	-
Total Passed Through Ohio Department of Education			2,123,594	-	2,395,160	-

PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. Department of Education (Continued)						
<i>Direct from the U.S. Department of Education</i>						
Impact Aid	PL 81 874	84.041	15,128	-	15,128	-
Twenty-First Century Community Learning Centers	N/A	84.287	891,150	-	888,971	-
Total U.S. Department of Education			<u>3,029,872</u>	<u>-</u>	<u>3,299,259</u>	<u>-</u>
Federal Emergency Management Agency						
<i>Passed through Ohio Emergency Management Agency:</i>						
Public Assistance Grant	145-0C55D	83.544	-	-	75,618	-
Total Federal Emergency Management Agency			<u>-</u>	<u>-</u>	<u>75,618</u>	<u>-</u>
U.S. Department of Labor						
<i>Passed through Ohio Department of Education:</i>						
School To Work	N/A	17.249	-	-	2,720	-
Total U.S. Department of Labor			<u>-</u>	<u>-</u>	<u>2,720</u>	<u>-</u>
U.S. Department of Health and Human Services						
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program	N/A	93.778	67,331	-	67,331	-
Total U.S. Department of Health and Human Services			<u>67,331</u>	<u>-</u>	<u>67,331</u>	<u>-</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 3,606,389</u>	<u>\$ 69,994</u>	<u>\$ 3,954,114</u>	<u>\$ 68,352</u>

The accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE A - BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards Receipts and Expenditures (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 – FOOD DONATION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the School District had no significant food commodities in inventory.

NOTE C – RECLASSIFICATION OF FEDERAL FUNDS

Title II, formerly known as the Eisenhower Professional Development grant, and Title VI-R, formerly known as the Class Size Reduction grant, have been combined with Title II-A, Improving Teacher Quality grant. The \$22,447 remaining in the Title II grant and \$32,351 in the Title VI-R grant were transferred to the Title II-A grant. The transfers are presented as a reduction of Title II and Title VI-R receipts, resulting in negative receipts of (\$22,447) and (\$21,808), respectively. The following table summarizes the transfers:

Program Title	Federal CFDA Number	Transfer In	Transfer Out
Eisenhower Professional Development (Title II)	84.281		\$22,447
Class Size Reduction (Title VI-R)	84.340		32,351
Improving Teacher Quality (Title II-A)	84.367	\$54,798	

NOTE D – NEGATIVE RECEIPTS

Drug Free Schools Grant, CFDA #84.186, funds in the amount of \$6,653 were carried over from 2002 to the next program year, resulting in a negative receipt of (\$4,080).

Raising the Bar Grant, CFDA #84.318, funds in the amount of \$504 were carried over from 2002 to the next program year, resulting in a negative receipt of (\$504).

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Portsmouth City School District
Scioto County
1149 Gallia Street
Portsmouth, Ohio 45662

To the Board of Education:

We have audited the accompanying financial statements of the Portsmouth City School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2003, and have issued our report thereon dated December 23, 2003, wherein we noted the School District is experiencing certain negative financial conditions. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated December 23, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated December 23, 2003.

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Portsmouth City School District
Scioto County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 23, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Portsmouth City School District
Scioto County
1149 Gallia Street
Portsmouth, Ohio 45662

To the Board of Education:

Compliance

We have audited the compliance of the Portsmouth City School District, Scioto County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the School District in a separate letter dated December 23, 2003.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the Portsmouth City School District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 23, 2003, wherein we noted the School District is experiencing certain negative financial conditions. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 23, 2003

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS
--

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

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)**

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

FINDING 2003-001

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Expenditures exceeded appropriations at September 30, 2002 as follows:

<u>Fund</u>	<u>Excess Amount</u>	<u>Percent Excess</u>
New Facilities Maintenance Fund	\$722	No Appropriations
Textbook Subsidy Fund	807	1.10%
Bond Retirement Fund	9,709	67.97%
School Facilities Commission Fund	943,637	31454.57%

Expenditures exceeded appropriations at March 31, 2003 as follows:

<u>Fund</u>	<u>Excess Amount</u>	<u>Percent Excess</u>
New Facilities Maintenance Fund	\$1,982	No Appropriations
EMIS Fund	5,296	40.95%
Schoolnet Summer Training Fund	2,144	18.93%
E-Rate Fund	5,911	42.49%
Title VI-R Fund	187,163	257.58%
Bond Retirement Fund	1,436,379	10056.10%
Permanent Improvement Fund	8,445	76.77%
School Facilities Commission Fund	52,077	2.60%

The Treasurer should deny payment requests exceeding appropriations. The Treasurer may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary and appropriate.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 ¶315(b)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2002-10773-001	Finding for total appropriations from each fund exceeding estimated resources	No	Partially corrected. Reissued as Management Letter comment.
2002-10773-002	Finding for expending money without it being appropriated	No	Not corrected. Reissued as Finding 2003-001.
2002-10773-003	Finding for appropriation amounts approved by the Board not agreeing to amounts posted to the system	Yes	

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315 (c)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2003-001	The Treasurer will not certify expenditures in excess of appropriations	July 1, 2004	Paula Butler, Treasurer

PORTSMOUTH CITY SCHOOL DISTRICT

1149 Gallia Street, Portsmouth, Ohio 45662



Molly Lacy, Portsmouth High School

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

PORTSMOUTH CITY SCHOOL DISTRICT

PORTSMOUTH, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Issued by:

Treasurer's Office

Paula J. Butler, Treasurer

INTRODUCTORY SECTION

**PORTSMOUTH CITY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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December 23, 2003

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, 2003. This Comprehensive Annual Financial Report contains financial statements, supplemental statements and statistical information providing complete and full disclosure of all material financial aspects of the School District for the 2003 fiscal year.

The School District is responsible for the accuracy, completeness, and fairness of the data presented. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. We have included all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities. This report is prepared in conformity with generally accepted accounting principles as set forth by the Governmental Accounting Standard Board (GASB) and other recognized authoritative sources.

The Comprehensive Annual Financial Report is divided into three sections:

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

The **Financial Section** includes the report of independent accountants on the financial statements, management' discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

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

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

FORM OF GOVERNMENT AND REPORTING ENTITY

The Portsmouth City School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The Current Board members, their terms and years on the Board as of June 30, 2003, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Ray Thompson	Jan. 2002 - Dec. 2003	1 1/2
Mrs. Teresa Midkiff	Jan. 2002 - Dec. 2005	3
Dr. Lacey Curtis	Jan. 2000 - Dec. 2003	3 - 1/2
Dr. George P. Pettit	Jan. 2002 - Dec. 2005	2 - 3/4
Mr. Clarence M. Parker	Jan. 2000 - Dec. 2003	3 - 1/2

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

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and custody of all School District funds and assets, and also serves as Secretary to the Board. Mrs. Paula Butler was appointed Treasurer, effective January 1, 2002, through December 31, 2003.

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the organization’s budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

The following activities are included within the reporting entity:

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

The School District is associated with six organizations, four of which are defined as jointly governed organizations, and two of which are defined as insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Boards Association Workers' Compensation Group Rating Plan and the Ohio School Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

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

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

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

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

- Lockheed Marietta Energy Systems
- Southern Ohio Medical Center
- Southern Ohio Correctional Facility
- Norfolk Southern Railroad
- Shawnee State University
- Aristech Chemicals
- Mitchellace, Inc.
- OSCO Industries
- Portsmouth City School District
- City of Portsmouth

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 2,188 students during the 2003 fiscal year. Facilities include one high school, one middle school, and four elementary schools that include preschool. The enrollment per school is as follows:

School	Date Established	Grades	Enrollment
Harding Elementary	1920	K – 6	329
Roosevelt Elementary	1926	PK – 3	269
Wilson Elementary	1925	K – 3	446
McKinley Elementary School	1916	4 – 6	315
U.S. Grant Middle School	1930	7 – 8	300
Portsmouth High School	1912	9 – 12	529

EMPLOYEE RELATIONS

The School District currently employs 277 full-time and part-time employees. Since 2000, the School District's enrollment has decreased from 2,918 to the current enrollment of 2,188, due to open enrollment and the creation of the Sciotoville Community School.

The School District teachers, educational specialist, and counselors are represented by the Portsmouth City Teachers Association (PCTA), one of two organizations representing School District employees. The School District's beginning teacher's salary is \$26,277. The PCTA negotiated and received a two percent salary increase for fiscal year 2003. Currently the PCTA is operating under a contract effective until June 30, 2004.

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 1998-2004 school years. The "me too" clause stipulates that if any bargaining group of employees of the Portsmouth City School District receives an increase in wages or benefits, Local 2684 bargaining unit employees shall receive the same percentage. Therefore, the Local 2684 bargaining unit also received a two percent salary increase for fiscal year 2003. Currently the Local 2684 bargaining unit is operating under a contract effective until August 31, 2004.

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

MAJOR INITIATIVES

On November 6, 2001, the school district voters approved a 6.5 mil levy to build five new school buildings in cooperation with the Ohio School Facilities Commission. Proceeds were first received from the levy during fiscal year 2002. The School District's obligation of \$17,070,000 is 24.5% compared to \$52,600,000 (75.5%) coming from the State of Ohio. However, due to the School District being placed into Fiscal Caution by the Ohio Department of Education on May 23, 2001, the School District chose to participate in the Intercept Program to ease investor's fears in the purchasing of bonds. This additional level of security provides that, should the School District experience a shortfall in the Board of Education's funding of the debt service payment, ODE will pay the debt service payment from School District foundation payments that otherwise would have been paid to the School District. Should a shortfall occur, the Board of Education is to notify ODE fifteen business days in advance of the payment due date. If foundation payments are used for debt service payments, ODE is required to evaluate the Board of Education's ability to meet the debt service payments and recommend corrective actions to be implemented by the Board of Education.

FOR THE YEAR

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

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

The Portsmouth City School District believes that:

All students can learn, given appropriate instruction and sufficient time.

Children are our most valuable assets.

Each person is unique and deserves respect.

Self-discipline is a key element to success.

A safe and healthy environment improves the quality of our lives.

Many values that shape and influence lives are learned in the family.

Change is inevitable and the ability to adapt enhances success.

Life is a learning process and learning is lifelong.

A positive work ethic promotes a higher quality of life.

Individuals are responsible for their actions.

Morality and ethics are the foundation of society.

The School District also instituted the following continuous improvement goals for the 2003 school year:

1. Annual Yearly Progress (AYP) will improve in core curriculum areas. The AYP will improve according to regulations of Elementary and Secondary Education Act (ESEA) “No Child Left Behind”.
2. The School Improvement Plan (SIP) goals for each school building will correlate with the school district Continuous Improvement Plan (CIP) goals.
3. Financially the school district will maintain solvency by ensuring efficient and effective use of resources in order to support an effective learning environment for children.
4. School based decision-making will improve. Various stakeholders will be involved, where appropriate, to facilitate effective, meaningful change that enhances teaching and learning in support of our school district’s goal.

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

Comprehensive School Reform
Ohio Reads
Even Start
Eden Project/Hillview Partnership

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

FOR THE FUTURE

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

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:

Class Size Reduction

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

Early Literacy Intervention

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

Comprehensive School Reform

A grant awarded to schools demonstrating high economic needs, low performance on the report card indicators and the capacity to reform. The purpose of the grant is to encourage comprehensive, research-based reform practices and strengthen linkages between district level and building level improvement initiatives.

Reading Recovery/Arkansas

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

State of Ohio Venture Capital School Program

Provides the School District with a blueprint for continued systemic improvement. Venture schools now have knowledge in creating a Vision Statement, a Mission Statement, Goals, Success Indicators, Strategies, and in using data-driven decision-making techniques to support the achievement of Success Indicators.

Peer Mediation / Conflict Involvement

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

Safe and Drug-Free Schools and Communities

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

Technology

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

Parent and Community Involvement

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

Even Start

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

School Based Head Start

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 at Wilson school.

Preschool Handicapped Unit

This unit is sponsored through the South Central Ohio Educational Service Center and benefits the handicapped preschool child in a public education setting. This program is housed at Roosevelt school.

Ohio Reads

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

21st Century After School Mall

This program is in place in all of the K-6 buildings and provides a safe and secure environment for students to work on homework, proficiency skills and other intervention and/or enrichment opportunities.

High Schools that Work

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

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

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). Cash Basis accounting records revenues when received and expenditures when paid. GAAP basis accounting on a modified accrual basis records revenue sources when they are considered to be both measurable and available, and expenditures are generally recognized when incurred, if measurable. On the accrual basis, revenue resulting from exchange transactions is recorded when the exchange takes place and revenue from non-exchange transactions is recognized in either the fiscal year for which taxes are levied or, for grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been satisfied. Expenses are recognized at the time they are incurred.

Internal Controls

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

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

Federal and State Assistance

As a recipient of federal and state financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at yearend are carried forward to succeeding years and are not re-appropriated.

Financial Reporting

The School District has prepared financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB Statement No. 34 creates new basic financial statements for reporting on the School District’s financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting that is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are business-type. The School District reports no business-type activities.

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the School District finances for 2003.

CASH MANAGEMENT

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, and Federal National Mortgage Association Bonds. The amount of interest income earned in fiscal year 2003 by the governmental funds of the School District was \$584,426. A more detailed description of the School District's investment functions are described in Note 6 to the financial statements.

RISK MANAGEMENT

The School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for this coverage is \$5,000 per loss incurred.

The School District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18).

FISCAL CAUTION

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, for the Portsmouth City School District. 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 has continued to restrict expenditures and its general fund did not end the 2003 fiscal year in a deficit.

In addition, as a result of being placed in fiscal caution, the School District also receives, on a monthly basis, State management assistance through the Ohio Department of Education, Area 5 Coordinator's Office. This assistance provides reviews of finance of the School District, 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. The Ohio Auditor of State's Audit Division conducted the School District's audit for fiscal year 2003. The Auditor's report on the School District's basic financial statements, combining statements and individual fund schedules is included in the financial section of this comprehensive annual financial report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002.

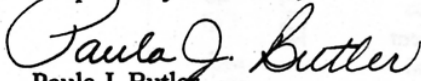
A Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,



Paula J. Butler
Treasurer



Wyonna J. Broughton
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Portsmouth City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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.



Edward Hand

President

Jeffrey R. Enos

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, 2002

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

B. H. Hoyle
President

Barbara W. Keller
Executive Director

Portsmouth City School District

*List of Principal Officials
June 30, 2003*

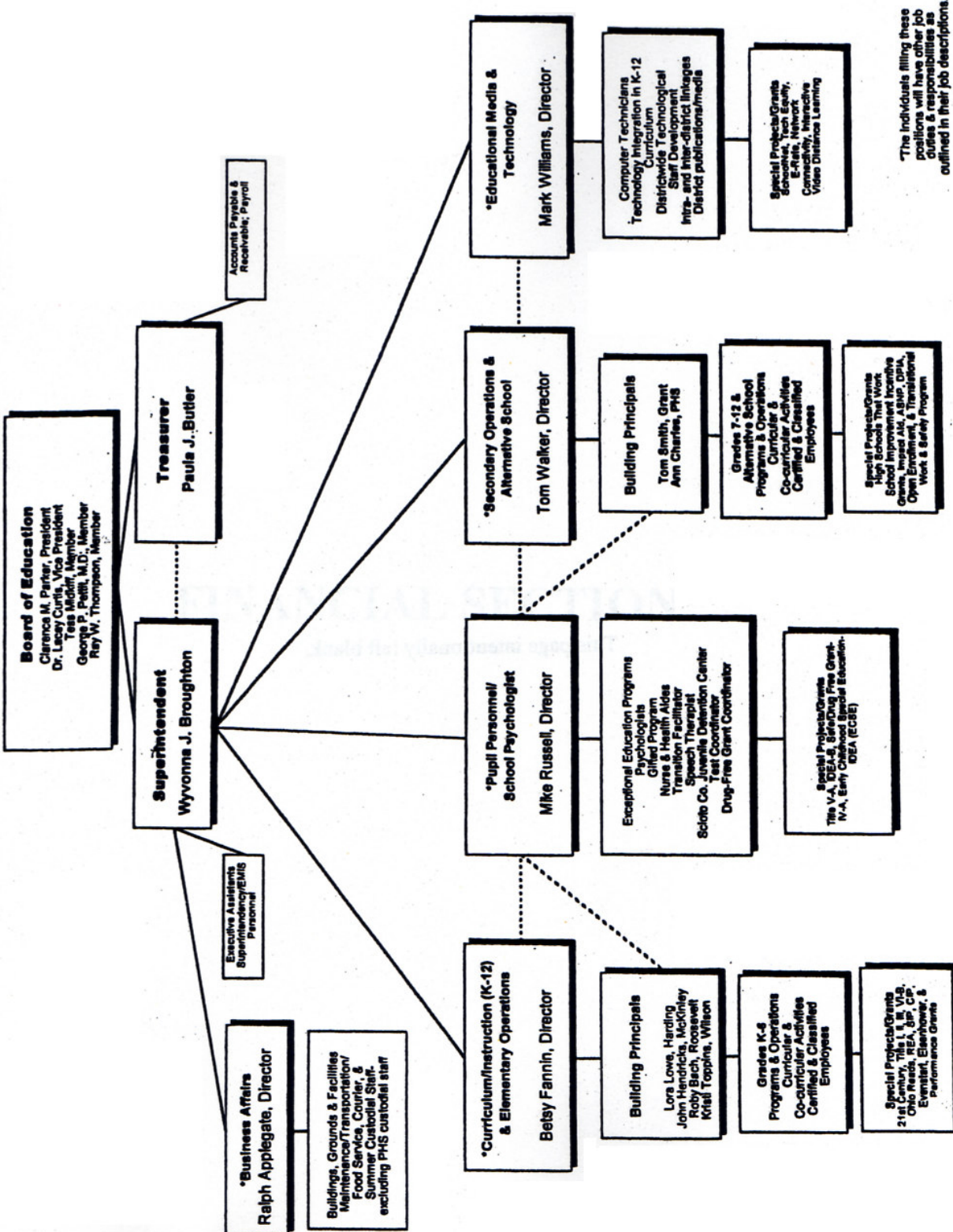
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

2002-2003 Portsmouth City School District Organization Chart



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

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FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Portsmouth City School District
Scioto County
1149 Gallia Street
Portsmouth, Ohio 45662

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 (the School District), as of and for the year ended June 30, 2003, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Portsmouth City School District, Scioto County, as of June 30, 2003, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 23, the School District is experiencing certain negative financial conditions. Note 23 discloses those conditions and management's intended plans.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2003, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to form opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements 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 did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 23, 2003

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

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

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

Financial Highlights

- ‡ Net assets of governmental activities decreased \$789,918 which represents a significant decrease from 2002. This is due to the School District receiving \$1.5 million in fiscal year 2002 from the sale of Anthem stock that was a result of the demutualization of Anthem.
- ‡ General revenues accounted for \$17,290,026 or 70 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$7,295,634 or 30 percent of total revenues of \$24,585,660.
- ‡ Total assets of governmental activities increased by \$235,976. Capital assets increased by \$5,954,968 due to land acquisitions. Equity in pooled cash and cash equivalents decreased \$448,640 while receivables and other current assets decreased by \$5,270,352 due primarily to the spending of classroom facilities monies.
- ‡ The School District had \$25,375,578 in expenses related to governmental activities; only \$7,295,634 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$17,290,026 were used to provide for these programs along with cash balances from the prior year.

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

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during 2003?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for fiscal year 2002 and fiscal year 2003:

(Table 1)
Net Assets
Governmental Activities

	2003	2002
Assets		
Current and Other Assets	\$75,842,060	\$81,561,052
Capital Assets	12,487,606	6,532,638
Total Assets	88,329,666	88,093,690
Liabilities		
Long-Term Liabilities	(18,832,144)	(18,852,291)
Other Liabilities	(8,324,422)	(7,278,381)
Total Liabilities	(27,156,566)	(26,130,672)
Net Assets		
Invested in Capital Assets, Net of Related Debt	7,242,383	5,554,609
Restricted	53,348,214	55,492,747
Unrestricted	582,503	915,662
Total Net Assets	\$61,173,100	\$61,963,018

Total assets increased \$235,976. Equity in pooled cash and cash equivalents decreased \$448,640 and intergovernmental receivables decreased \$5,382,357 due to the receiving of classroom facilities grant monies for the construction of new facilities. Current liabilities increased \$1,046,041 due to an increase in contracts payable associated with the construction of new facilities. Capital Assets increased by \$5,954,968 due primarily to the purchase of land for the Ohio School Facilities Project.

Table 2 shows the changes in net assets for fiscal years 2003 and 2002.

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

(Table 2)
Change in Net Assets
 Governmental Activities

	2003	2002
Revenues		
Program Revenues:		
Charges for Services	\$495,193	\$671,179
Operating Grants and Contributions	6,715,845	5,365,348
Capital Grants and Contributions	84,596	189,745
Total Program Revenues	7,295,634	6,226,272
General Revenues:		
Property Taxes	5,265,292	5,489,946
Grants and Entitlements not Restricted to Specific Programs		
Operating	11,441,919	14,222,706
Capital	0	52,617,286
Investment Earnings	423,898	446,786
Miscellaneous	155,134	1,728,465
Contributions and Donations	3,783	15,159
Total General Revenues	17,290,026	74,520,348
Total Revenues	24,585,660	80,746,620
 Program Expenses		
Instruction		
Regular	9,260,456	10,262,658
Special	5,461,916	5,369,206
Vocational	426,379	421,922
Support Services		
Pupils	1,395,374	1,255,863
Instructional Staff	2,067,428	2,540,087
Board of Education	17,640	19,268
Administration	1,452,144	1,241,456
Fiscal	634,352	660,279
Business	96,448	128,797
Operation and Maintenance of Plant	1,622,828	1,425,756
Pupil Transportation	456,547	441,998
Central	23,119	28,857
Operation of Non-Instructional Services	1,289,142	1,276,862
Extracurricular Activities	270,667	251,505
Interest and Fiscal Charges	861,638	316,956
Intergovernmental	39,500	35,000
Total Expenses	25,375,578	25,676,470
Increase (Decrease) in Net Assets	(\$789,918)	\$55,070,150

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

Grants and Entitlements not Restricted to Specific Programs made up 47 percent of the total revenue for governmental activities of the Portsmouth City School District for fiscal year 2003. Property Tax revenue made up 21 percent of the total revenue for governmental activities for a total of 68 percent of all revenue coming from property taxes and grants and entitlements not Restricted to Specific Programs. Miscellaneous Revenue decreased \$1,573,331 primarily due to the School District receiving \$1.5 million in fiscal year 2002 from the sale of Anthem stock that was a result of the demutualization of Anthem.

Regular instruction makes up 36 percent of governmental program expenses. Support services expenses make up 31 percent of governmental program expenses. Regular instruction and instructional staff support services expenditures decreased \$1,002,202 and \$472,659, respectively, due to a reduction in staff.

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

(Table 3)
Governmental Activities

	Total Cost of Services 2003	Total Cost of Services 2002	Net Cost of Services 2003	Net Cost of Services 2002
Instruction	\$15,148,751	\$16,053,786	\$10,701,831	\$12,641,820
Support Services	7,765,880	7,742,361	6,173,116	6,230,641
Operation of Non-				
Instructional Services	1,289,142	1,276,862	197,596	101,715
Extracurricular Activities	270,667	251,505	145,763	159,066
Interest and Fiscal Charges	861,638	512,777	861,638	512,777
Intergovernmental	39,500	35,000	0	0
Total Expenses	\$25,375,578	\$25,872,291	\$18,079,944	\$19,646,019

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 \$30,416,246 and expenditures of \$31,643,017. The net change in fund balance for the year was most significant in the Site Acquisition and Ohio School Facilities Commission capital projects funds with a decrease of \$3,899,244 and an increase of \$3,240,686, respectively. The Site Acquisition fund balance decreased due to the acquisition of several parcels of land while the Ohio School Facilities Commission fund balance increased due to the receiving of classroom facilities grant monies.

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

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 2003 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

For the general fund, budget basis revenue was \$17,150,954 with original budget estimates of \$17,326,342. The difference of \$175,388 was due primarily to the over-estimate of property taxes. Budget basis expenditures were \$17,390,804 with original budget estimates of \$16,680,196. The difference of \$710,608 was due primarily to increases in open enrollment and instructional staff expenditures that were not budgeted for originally.

The School District's ending unobligated cash balance was \$1,306,845 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003 the School District had \$12,487,606 invested in land, land improvements, buildings, equipment, vehicles, textbooks, and construction in progress. Table 4 shows fiscal year 2003 balances compared to 2002:

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

	2003	2002
Land	\$5,223,183	\$1,685,380
Land Improvements	8,753	8,753
Buildings and Improvements	1,360,783	1,422,554
Furniture and Equipment	1,796,949	1,779,536
Vehicles	239,057	236,181
Textbooks	1,196,234	1,169,042
Construction in Progress	2,662,647	231,192
Totals	\$12,487,606	\$6,532,638

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

The primary increase occurred in land and construction in progress. This is due to the continuing acquisition of land and the ongoing construction of new educational facilities. (see Note 9 in the Notes to the Basic Financial Statements).

Debt

At June 30, 2003 the School District had a \$64,274 EPA Asbestos loan outstanding, in which \$14,284 is due within one year and \$16,894,298 in bonds outstanding, \$350,000 due within one year. The School District also had an outstanding premium on the debt issue of \$215,466 and capital lease obligations outstanding of \$444,038, of which \$171,047 is due with one year. Table 5 summarizes the bonds outstanding:

(Table 5)
Outstanding Debt, at Year End
 Governmental Activities

	2003	Restated 2002
1988 EPA Asbestos Loan	\$64,274	\$78,558
2002 Classroom Facilities Bonds	16,894,298	17,083,279
Premium on Debt Issue	215,466	225,314
Capital Lease	444,038	282,704
Totals	\$17,618,076	\$17,669,855

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

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

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

The School District's overall legal debt margin was \$3,647,200 with an unvoted debt margin of \$153,849 at June 30, 2003. (see Note 15 in the Notes to the Basic Financial Statements).

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

Current Issues

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

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

Most of the land has been acquired and site preparation has begun. The projections for completion of the buildings are as follows:

Portsmouth High / Middle School Complex	July 11, 2006
Portsmouth Elementary School Complex	May 9, 2006
East Portsmouth Elementary School Building	September 12, 2005

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

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 District's accountability for the money it receives. If you have questions about this report or need additional information, contact Paula J. Butler, Treasurer, at Portsmouth City School District, 1149 Gallia Street, Portsmouth, Ohio 45662, or e-mail at butlerp@portsmouth.k12.oh.us.

Portsmouth City School District
Statement of Net Assets
June 30, 2003

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$20,872,039
Materials and Supplies Inventory	53,831
Accrued Interest Receivable	85,014
Accounts Receivable	18,964
Prepaid Items	34,450
Cash and Cash Equivalents With Escrow Agent	155,419
Taxes Receivable	6,039,051
Intergovernmental Receivable	48,367,848
Deferred Charges	215,444
Capital Assets:	
Land and Construction in Progress	7,885,830
Depreciable Capital Assets, Net	<u>4,601,776</u>
<i>Total Assets</i>	<u>88,329,666</u>
<u>Liabilities:</u>	
Accounts Payable	176,787
Contracts Payable	614,239
Accrued Wages and Benefits Payable	1,729,603
Intergovernmental Payable	461,630
Accrued Interest Payable	33,823
Matured Compensated Absences Payable	42,566
Retainage Payable	5,664
Deferred Revenue	5,260,110
Long-Term Liabilities:	
Due Within One Year	717,588
Due in More Than One Year	<u>18,114,556</u>
<i>Total Liabilities</i>	<u>27,156,566</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	7,242,383
Restricted for:	
Debt Service	979,152
Capital Projects	50,687,917
Other Purposes	796,025
Set Asides	885,120
Unrestricted	<u>582,503</u>
<i>Total Net Assets</i>	<u><u>\$61,173,100</u></u>

See accompanying notes to the basic financial statements

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$9,260,456	\$0	\$101,209	\$17,205	(\$9,142,042)
Special	5,461,916	135,408	4,093,732	0	(1,232,776)
Vocational	426,379	0	99,366	0	(327,013)
Support Services:					
Pupils	1,395,374	0	362,025	0	(1,033,349)
Instructional Staff	2,067,428	32,365	648,259	5,606	(1,381,198)
Board of Education	17,640	0	0	0	(17,640)
Administration	1,452,144	0	151,589	9,327	(1,291,228)
Fiscal	634,352	0	0	0	(634,352)
Business	96,448	0	0	0	(96,448)
Operation and Maintenance of Plant	1,622,828	526	0	0	(1,622,302)
Pupil Transportation	456,547	18,068	334,257	22,458	(81,764)
Central	23,119	0	8,284	0	(14,835)
Operation of Non-Instructional Services:					
Food Services	1,024,118	214,639	651,172	0	(158,307)
Other	265,024	0	225,735	0	(39,289)
Extracurricular Activities	270,667	94,187	717	30,000	(145,763)
Interest and Fiscal Charges	861,638	0	0	0	(861,638)
Intergovernmental	39,500	0	39,500	0	0
Total Governmental Activities	\$25,375,578	\$495,193	\$6,715,845	\$84,596	(18,079,944)
General Revenues:					
Property Taxes Levied for:					
					4,107,524
					1,076,457
					81,311
					11,441,919
					423,898
					155,134
					3,783
Total General Revenues					17,290,026
Change in Net Assets					(789,918)
Net Assets Beginning of Year - Restated (See Note 3)					61,963,018
Net Assets End of Year					\$61,173,100

See accompanying notes to the basic financial statements

Portsmouth City School District
Balance Sheet
Governmental Funds
June 30, 2003

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,140,489	\$923,788	\$15,664,127	\$2,258,515	\$19,986,919
Cash and Cash Equivalents with Escrow Agent	0	153,280	0	0	153,280
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	885,120	0	0	0	885,120
Cash and Cash Equivalents with Escrow Agent	0	0	2,139	0	2,139
Receivables:					
Taxes	4,618,908	0	0	1,420,143	6,039,051
Accounts	18,898	0	0	66	18,964
Intergovernmental	173,668	0	47,262,878	931,302	48,367,848
Accrued Interest	3,006	392	79,793	1,823	85,014
Interfund	208,010	0	0	0	208,010
Prepaid Items	30,805	0	0	3,645	34,450
Materials and Supplies Inventory	21,095	0	0	32,736	53,831
<i>Total Assets</i>	<u>\$7,099,999</u>	<u>\$1,077,460</u>	<u>\$63,008,937</u>	<u>\$4,648,230</u>	<u>\$75,834,626</u>
<u>Liabilities:</u>					
Accounts Payable	\$55,021	\$0	\$0	\$121,766	\$176,787
Contracts Payable	0	58,924	555,315	0	614,239
Accrued Wages and Benefits Payable	1,140,612	0	0	588,991	1,729,603
Intergovernmental Payable	229,071	0	0	93,974	323,045
Interfund Payable	0	0	0	208,010	208,010
Retainage Payable	0	0	3,525	0	3,525
Retainage Payable from Restricted Assets	0	0	2,139	0	2,139
Matured Compensated Absences Payable	34,113	0	0	8,453	42,566
Deferred Revenue	4,533,688	0	47,265,768	1,748,296	53,547,752
<i>Total Liabilities</i>	<u>5,992,505</u>	<u>58,924</u>	<u>47,826,747</u>	<u>2,769,490</u>	<u>56,647,666</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	156,623	0	0	258,795	415,418
Reserved for Property Taxes	230,972	0	0	74,179	305,151
Reserved for Textbooks and Instructional Materials	514,377	0	0	0	514,377
Reserved for Capital Improvements	225,481	0	0	0	225,481
Reserved for Bus Purchases	145,262	0	0	0	145,262
Unreserved, Undesignated (Deficit), Reported in:					
General Fund	(165,221)	0	0	0	(165,221)
Special Revenue Funds	0	0	0	492,049	492,049
Debt Service Fund	0	0	0	806,254	806,254
Capital Projects Funds	0	1,018,536	15,182,190	247,463	16,448,189
<i>Total Fund Balances</i>	<u>1,107,494</u>	<u>1,018,536</u>	<u>15,182,190</u>	<u>1,878,740</u>	<u>19,186,960</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,099,999</u>	<u>\$1,077,460</u>	<u>\$63,008,937</u>	<u>\$4,648,230</u>	<u>\$75,834,626</u>

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances \$19,186,960

***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	5,223,183	
Construction in progress	2,662,647	
Other capital assets	12,088,019	
Accumulated depreciation	<u>(7,486,243)</u>	
Total capital assets		12,487,606

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	473,790	
Intergovernmental	47,745,079	
Interest	35,021	
Accounts	3,752	
Miscellaneous	<u>30,000</u>	
		48,287,642

Intergovernmental Payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.

(138,585)

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

215,444

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

Bonds payable	(17,109,764)	
EPA Asbestos loan payable	(64,274)	
Accrued interest on bonds	(33,823)	
Capital leases	(444,038)	
Compensated absences	<u>(1,214,068)</u>	
Total liabilities		<u>(18,865,967)</u>

Net Assets of Governmental Activities

\$61,173,100

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, 2003

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,206,246	\$0	\$0	\$1,168,744	\$5,374,990
Intergovernmental	12,286,830	0	4,949,721	6,677,684	23,914,235
Interest	50,748	33,890	484,717	15,071	584,426
Decrease in Fair Value of Investments	0	0	(117,429)	0	(117,429)
Tuition and Fees	185,829	0	0	0	185,829
Extracurricular Activities	94,187	0	0	0	94,187
Rentals	5,462	0	0	0	5,462
Customer Sales and Service	0	0	0	214,639	214,639
Contributions and Donations	38,400	0	0	0	38,400
Miscellaneous	103,684	0	0	17,823	121,507
Total Revenues	16,971,386	33,890	5,317,009	8,093,961	30,416,246
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	8,567,195	0	0	740,399	9,307,594
Special	1,979,482	0	0	3,463,409	5,442,891
Vocational	363,008	0	0	0	363,008
Support Services:					
Pupils	878,282	0	0	542,565	1,420,847
Instructional Staff	1,180,854	0	0	839,772	2,020,626
Board of Education	15,437	0	0	2,203	17,640
Administration	1,198,268	0	0	165,819	1,364,087
Fiscal	566,963	0	0	40,709	607,672
Business	72,086	0	0	0	72,086
Operation and Maintenance of Plant	1,516,460	0	0	41,509	1,557,969
Pupil Transportation	397,347	0	0	47,006	444,353
Central	3,504	0	0	16,613	20,117
Operation of Non-Instructional Services:					
Food Service Operations	23,722	0	0	926,003	949,725
Other	0	0	0	267,040	267,040
Extracurricular Activities	269,643	0	0	182	269,825
Capital Outlay	237,824	3,933,134	2,076,323	18,922	6,266,203
Debt Service:					
Principal Retirement	93,282	0	0	291,414	384,696
Interest and Fiscal Charges	21,105	0	0	806,033	827,138
Intergovernmental	0	0	0	39,500	39,500
Total Expenditures	17,384,462	3,933,134	2,076,323	8,249,098	31,643,017
Excess of Revenues Over (Under) Expenditures	(413,076)	(3,899,244)	3,240,686	(155,137)	(1,226,771)
<u>Other Financing Sources (Uses):</u>					
Inception of Capital Lease	237,824	0	0	18,922	256,746
Transfers In	0	0	0	36,731	36,731
Transfers Out	(14,284)	0	0	(22,447)	(36,731)
Total Other Financing Sources (Uses)	223,540	0	0	33,206	256,746
Net Change in Fund Balances	(189,536)	(3,899,244)	3,240,686	(121,931)	(970,025)
Fund Balances Beginning of Year	1,297,030	4,917,780	11,941,504	2,000,671	20,156,985
Fund Balances End of Year	\$1,107,494	\$1,018,536	\$15,182,190	\$1,878,740	\$19,186,960

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, 2003*

Net Change in Fund Balances - Total Governmental Funds (\$970,025)

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

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

Capital asset additions	4,102,095	
Construction in progress additions	2,431,455	
Depreciation expense	(497,214)	
Excess of capital outlay over depreciation expense	6,036,336	6,036,336

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

Loss on disposal of capital assets	(81,368)	
------------------------------------	----------	--

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	(109,698)	
Intergovernmental	(5,708,374)	
Interest	(41,217)	
Tuition and Fees	12	
Rent	(4,936)	
Miscellaneous	33,627	
	(5,830,586)	(5,830,586)

Governmental funds report premiums and bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond issuance costs	(9,856)	
Amortization of bond premium	9,848	
	(8)	(8)

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

(256,746)

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

Loan principal retirement	14,284	
Bond payments	275,000	
Capital lease payments	95,412	
Total long-term debt repayment	384,696	384,696

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:

Increase in compensated absences payable	(31,632)	
Decrease in accrued interest	51,527	
Increase in intergovernmental payable	(6,093)	
Accretion on bonds	(86,019)	
Total (increase)/decrease	(72,217)	(72,217)

Change in Net Assets of Governmental Activities (\$789,918)

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, 2003*

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$4,794,229	\$4,446,475	\$4,446,475	\$0
Intergovernmental	12,026,460	12,191,389	12,191,389	0
Interest	47,096	47,742	47,742	0
Tuition and Fees	213,603	216,532	216,532	0
Extracurricular Activities	92,913	94,187	94,187	0
Rentals	5,388	5,462	5,462	0
Contributions and Donations	37,881	38,400	38,400	0
Miscellaneous	108,772	110,762	110,767	5
<i>Total Revenues</i>	<u>17,326,342</u>	<u>17,150,949</u>	<u>17,150,954</u>	<u>5</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,650,168	4,366,801	4,166,333	200,468
Special	1,975,445	2,078,169	1,989,285	88,884
Vocational	316,597	398,402	364,539	33,863
Other	4,266,000	4,634,328	4,510,446	123,882
Support Services:				
Pupils	906,693	1,012,476	885,006	127,470
Instructional Staff	384,461	1,370,131	1,196,310	173,821
Board of Education	19,331	18,649	16,152	2,497
Administration	1,189,835	1,346,699	1,290,492	56,207
Fiscal	567,942	588,301	548,061	40,240
Business	73,956	84,506	72,306	12,200
Operation and Maintenance of Plant	1,609,841	1,743,336	1,520,251	223,085
Pupil Transportation	367,918	578,548	527,724	50,824
Central	11,089	14,422	3,538	10,884
Operation of Non-Instructional Services:				
Food Service	33,483	29,820	26,847	2,973
Extracurricular Activities	307,437	307,678	273,514	34,164
<i>Total Expenditures</i>	<u>16,680,196</u>	<u>18,572,266</u>	<u>17,390,804</u>	<u>1,181,462</u>
Excess of Revenues Over (Under) Expenditures	<u>646,146</u>	<u>(1,421,317)</u>	<u>(239,850)</u>	<u>1,181,467</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	107,753	107,753	107,753	0
Transfers In	0	1,086,330	0	(1,086,330)
Transfers Out	(140,374)	(1,225,992)	(14,284)	1,211,708
Advances In	0	43,405	35,615	(7,790)
Advances Out	(35,000)	(185,800)	(178,010)	7,790
Refund of Prior Year Receipts	0	(7)	(7)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(67,621)</u>	<u>(174,311)</u>	<u>(48,933)</u>	<u>125,378</u>
Net Change in Fund Balance	578,525	(1,595,628)	(288,783)	1,306,845
Fund Balances at Beginning of Year	2,068,266	2,068,266	2,068,266	0
Prior Year Encumbrances Appropriated	69,450	69,450	69,450	0
Fund Balances at End of Year	<u>\$2,716,241</u>	<u>\$542,088</u>	<u>\$1,848,933</u>	<u>\$1,306,845</u>

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2003

Assets:

Equity in Pooled Cash and Cash Equivalents	<u><u>\$8,592</u></u>
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Liabilities:

Undistributed Monies	<u><u>\$8,592</u></u>
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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, 2003

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 96 non-certificated employees, 167 certificated full-time teaching personnel and 14 administrative employees who provide services to 2,188 students and other community members. The School District currently operates six buildings.

Reporting Entity:

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

The following activities are included within the reporting entity:

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements ordinarily distinguish between activities 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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the 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 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.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Site Acquisition Fund – To account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Ohio School Facilities Commission Fund – To account for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

The 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 activity programs.

C. Measurement Focus

Government-wide Financial Statements

The government-wide 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 (i.e., revenues) and decreases (i.e., expenses) in total net assets.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 nonexchange transactions must also be available before it can be recognized.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at 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, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2003, the School District's investments were limited to Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, and Federal National Mortgage Association Bonds, and money market funds. Investments are reported at fair value which is based on quoted market prices.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2003 amounted to \$50,748, which includes \$43,540 from other School District funds.

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

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent unexpended revenues restricted for the purchase of buses and cash and cash equivalents legally required to be set-aside by the School District for the purchase of textbooks and instructional materials, and for the acquisition or construction of capital assets.

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed/expensed when used.

Inventory consists of expendable supplies held for consumption.

H. Capital Assets

All capital assets of the School District are general capital assets associated with governmental activities. General capital assets 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) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

PORTSMOUTH CITY SCHOOL DISTRICT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables” and “Interfund Payables”. These amounts are eliminated in the governmental activities column of the statement of net assets.

J. Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees will be paid.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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 funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Loans, bonds, and capital leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

L. Fund Balance Reserves

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

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

M. Net Assets

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Interfund Transactions

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

O. Estimates

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

P. Budgetary Process

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

The certificate of estimated resources may be amended during the 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 in the final column of the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

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

PORTSMOUTH CITY SCHOOL DISTRICT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Prepaid Items

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

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

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

NOTE 3 – CORRECTION OF ERRORS / CHANGES IN ACCOUNTING PRINCIPLES AND CHANGE IN ACCOUNTING ESTIMATE

A. Change in Accounting Principal

For fiscal year 2003, the School District has implemented GASB Statement No. 41, “*Budgetary Comparison Schedules - Perspective Differences*”.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund. This Statement was not applicable to the School District for fiscal year 2003.

B. Correction of an Error

During fiscal year 2003, errors were discovered that related to the understatement of long-term obligations for fiscal year 2002. This resulted in the following restatement of net assets and change in net assets:

	<u>Activities</u>
Net Assets, June 30, 2002, as reported	\$61,767,197
Restatement of Long-Term Liabilities	\$224,716
Restatement of Bond Issuance Costs	(\$28,895)
Net Assets, June 30, 2002, as restated	<u>\$61,963,018</u>

PORTSMOUTH CITY SCHOOL DISTRICT

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

NOTE 3 – CORRECTION OF ERRORS / CHANGES IN ACCOUNTING PRINCIPLES AND CHANGE IN ACCOUNTING ESTIMATE (continued)

	<u>Activities</u>
Change in Net Assets, June 30, 2002, as reported	\$54,874,329
Restatement of Long-Term Liabilities	\$224,716
Restatement of Bond Issuance Costs	(\$28,895)
Change in Net Assets, June 30, 2002, as restated	<u>\$55,070,150</u>

C. Change in Accounting Estimate

During the fiscal year, the School District re-evaluated the useful lives of their capital assets. It was determined that the useful lives were either shorter or longer than the number of years that the assets are used by and beneficial to the School District. Therefore, for fiscal year 2003, the useful lives of several assets have been changed.

NOTE 4 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2003, the Title VI and E-Rate Funding Special Revenue Funds had deficit fund balances of \$1,128 and \$1,518, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

The following funds had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2003.

<u>Fund / Line Item</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Funds:			
Jobs and Family Services	\$0	\$2,251	(\$2,251)
OhioReads	80,488	80,748	(260)
Miscellaneous State Grants	90,555	137,499	(46,944)
Title I	1,956,976	2,005,863	(48,887)
Continuous Improvement Plan	18,645	20,210	(1,565)
Miscellaneous Federal Grants	996,457	1,088,600	(92,143)

The School District will monitor budgetary controls more closely and ensure that documents are filed with the County Auditor in a timely manner in the future to alleviate such compliance issues.

PORTSMOUTH CITY SCHOOL DISTRICT

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$189,536)
Adjustments:	
Revenue Accruals	49,497
Expenditure Accruals	170,327
Advances	(142,395)
Encumbrances	(176,676)
Budget Basis	<u><u>(\$288,783)</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

Inactive deposits are public deposits 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 accounts, including passbook accounts.

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the School District had \$400 in undeposited cash on hand. This is included in "Equity in Pooled Cash and Cash Equivalents" on the balance sheet in the General Fund.

The following information classifies deposits and investments by categories of risk as defined in *GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements"*.

Deposits: At fiscal year-end, the carrying amount of the School District's deposits was \$11,370,182 and the bank balance was \$11,639,349. Of the bank balance, \$202,139 was covered by federal depository insurance and \$11,437,210 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities:		
Federal Home Loan Mortgage Corporation Bonds	\$4,534,955	\$4,534,955
Federal Home Loan Bank Bonds	1,504,380	1,504,380
Federal National Mortgage Association Bonds	3,626,133	3,626,133
Total Investments	<u>\$9,665,468</u>	<u>\$9,665,468</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in *GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."*

PORTSMOUTH CITY SCHOOL DISTRICT

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classification of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	<u>Cash and Cash Equivalents / Deposits</u>	<u>Investments</u>
<i>GASB Statements No. 9</i>	\$21,036,050	\$0
Cash on Hand	(400)	
Investments:		
Federal Home Loan Mortgage Corporation Bonds	(4,534,955)	4,534,955
Federal Home Loan Bank Bonds	(1,504,380)	1,504,380
Federal National Mortgage Associtation Bonds	(3,626,133)	3,626,133
<i>GASB Statements No. 3</i>	<u>\$11,370,182</u>	<u>\$9,665,468</u>

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 7 - PROPERTY TAXES (continued)

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 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 to deferred revenue.

The amount available as an advance at June 30, 2003 was \$230,972 in the General Fund and \$74,179 in Other Governmental Funds. The amount available as an advance at June 30, 2002, was \$471,201 in the General Fund and \$151,077 in 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, 2003

NOTE 7 - PROPERTY TAXES (continued)

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

	2002 Second- Half Collections		2003 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$180,207,160	81.31%	\$179,959,540	82.50%
Public Utility	15,320,670	6.91%	15,329,070	7.03%
Tangible Personal Property	26,114,910	11.78%	22,834,840	10.47%
Total Assessed Value	<u>\$221,642,740</u>	<u>100.00%</u>	<u>\$218,123,450</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$41.03		\$41.03	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2003, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year with the exception of the Ohio School Facilities Commission grant. These grant monies will be collected over the life of the construction of the new facilities. A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Excess Cost Reimbursements	\$90,260
Federal Emergency Management Association funds	83,408
Ohio School Facilities Commission	47,262,878
Food Service	81,864
Miscellaneous State Grants	3,750
Title VI-B	138,862
Title I	452,225
Title VI	1,711
Drug Free Schools	12,556
Title II-A	95,298
Miscellaneous Federal Grants	145,036
Total Intergovernmental Receivables	<u>\$48,367,848</u>

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 9 - CAPITAL ASSETS

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

	Balance at 6/30/02	Additions	Deductions	Balance at 6/30/03
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$1,685,380	\$3,537,803	\$0	\$5,223,183
Construction in Progress	231,192	2,431,455	0	2,662,647
Total Capital Assets Not Being Depreciated	1,916,572	5,969,258	0	7,885,830
Capital Assets Being Depreciated:				
Land Improvements	76,500	0	0	76,500
Buildings and Improvements	5,110,290	8,990	37,950	5,081,330
Furniture and Equipment	4,289,697	295,358	467,918	4,117,137
Vehicles	586,490	57,853	25,596	618,747
Textbooks	1,992,214	202,091	0	2,194,305
Totals at Historical Cost	12,055,191	564,292	531,464	12,088,019
Less Accumulated Depreciation:				
Land Improvements	(67,747)	0	0	(67,747)
Building and Improvements	(3,687,736)	(40,559)	(7,748)	(3,720,547)
Furniture and Equipment	(2,510,161)	(243,843)	(433,816)	(2,320,188)
Vehicles	(350,309)	(37,913)	(8,532)	(379,690)
Textbooks	(823,172)	(174,899)	0	(998,071)
Total Accumulated Depreciation	(7,439,125)	(497,214) *	(450,096)	(7,486,243)
Total Capital Assets Being Depreciated, Net	4,616,066	67,078	81,368	4,601,776
Governmental Activities Capital Assets, Net	\$6,532,638	\$6,036,336	\$81,368	\$12,487,606

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 9 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$145,206
Special	26,434
Vocational	70,277
Support Services:	
Pupils	14,232
Instructional Staff	85,487
Administration	77,106
Fiscal	11,071
Business	15,439
Operation and Maintenance of Plant	14,026
Pupil Transportation	21,901
Central	3,002
Operation of Non-Instructional Services	8,122
Extracurricular Activities	4,911
Total Depreciation Expense	<u><u>\$497,214</u></u>

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2003, the School District contracted with the Philadelphia Insurance Company for property and inland marine coverage. Coverage provided by the Philadelphia Insurance Company is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) – replacement cost (\$5,000 deductible)	\$34,500,000
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During fiscal year 2003, the School District participated in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The District pays this annual premium to the OSP. (See Note 18)

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 10 - RISK MANAGEMENT (continued)

The types and amounts of coverage provided by the Ohio School Plan during fiscal year 2003 are as follows:

Auto Liability:	
Liability - Any Auto	\$1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	50,000
Comprehensive - Bus (\$1,000 deductible)	Actual Cash Value
Comprehensive - All Other (\$250 deductible)	Actual Cash Value
Collision - Bus (\$1,000 deductible)	Actual Cash Value
Collision - All Other (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	50,000
Comprehensive (\$250 deductible)	Actual Cash Value
Collision (\$500 deductible)	Actual Cash Value
Excess Auto Liability:	
Auto Liability Limit - each accident	1,000,000
Auto Liability Policy Aggregate	1,000,000
Auto Liability - Each Accident Limit	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been a significant decrease in building insurance coverage from last year due to the elimination of four buildings and contents. There has been a significant decrease in general liability insurance coverage from last year due to an oversight which entailed the general liability insurance premium not being paid in a timely manner. This oversight resulted in the cancellation of the general liability insurance policy.

For fiscal year 2003, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover costs of administering the program.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$237,808, \$146,840, and \$95,675, respectively; 56.55 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$103,318 represents the unpaid contribution for fiscal year 2003.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,175,279, \$875,695, \$972,111, respectively; 84.30 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$3,501 made by the plan members.

C. Social Security System

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$90,406 for fiscal year 2003.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay was established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$194,659.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance

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

C. Deferred Compensation

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2003 and in prior years, the School District has entered into capitalized leases for a vehicle, office equipment, and exercise equipment. All leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

The assets acquired through capital leases as of June 30, 2003, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Copier Equipment	\$414,476	\$203,633	\$210,843
Exercise Equipment	218,901	3,649	215,252
Food Service Truck	37,845	1,577	36,268
Totals	<u>\$671,222</u>	<u>\$208,859</u>	<u>\$462,363</u>

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, 2003.

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2004	\$191,982
2005	178,933
2006	107,089
Total	<u>478,004</u>
Less: Amount Representing Interest	<u>(33,966)</u>
Present Value of Net Minimum Lease Payments	<u>\$444,038</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 15 - LONG-TERM OBLIGATIONS

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

	Restated Principal Outstanding 6/30/02	Additions	Deductions	Principal Outstanding 6/30/03	Amounts Due in One Year
<u>Governmental Activities:</u>					
1988 EPA Asbestos					
Loan 0.00%	\$78,558	\$0	\$14,284	\$64,274	\$14,284
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	16,645,000	0	275,000	16,370,000	350,000
Capital Appreciation					
Bonds 3.9 to 4.6%	425,000	0	0	425,000	0
Accretion on Capital					
Appreciation Bonds	13,279	86,019	0	99,298	0
Premium on Debt Issue	225,314	0	9,848	215,466	0
Capital Leases	282,704	256,746	95,412	444,038	171,047
Compensated Absences	1,182,436	72,440	40,808	1,214,068	182,257
Total Governmental Activities					
Long-Term Obligations	<u>\$18,852,291</u>	<u>\$415,205</u>	<u>\$435,352</u>	<u>\$18,832,144</u>	<u>\$717,588</u>

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

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

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

The capital appreciation bonds, issued at \$425,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2007 and 2008. The maturity amounts of the capital appreciation bonds are \$435,000 in fiscal year 2007 and \$435,014 in fiscal year 2008. Accretion on the capital appreciation bonds for fiscal year 2003 was \$86,019.

As of June 30, 2003, \$4,801,185 of the bond proceeds had been spent toward the project.

Compensated absences will be paid from the General Fund and the Disadvantaged Pupil Impact Aid Special Revenue Fund. Capital lease obligations will be paid from the General Fund and the Food Service Special Revenue Fund.

The School District's overall legal debt margin was \$3,647,200 with an unvoted debt margin of \$153,849 at June 30, 2003.

Principal and interest requirements to retire Classroom Facilities General Obligation Bonds outstanding at June 30, 2003, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2004	\$350,000	\$746,323	\$0	\$0	\$1,096,323
2005	360,000	737,358	0	0	1,097,358
2006	415,000	726,647	0	0	1,141,647
2007	0	720,526	227,544	207,456	1,155,526
2008	0	720,526	197,456	237,558	1,155,540
2009-2013	2,580,000	3,364,655	0	0	5,944,655
2014-2018	3,755,000	2,692,550	0	0	6,447,550
2019-2023	5,955,000	1,536,667	0	0	7,491,667
2024-2025	2,955,000	151,896	0	0	3,106,896
Total	<u>\$16,370,000</u>	<u>\$11,397,148</u>	<u>\$425,000</u>	<u>\$445,014</u>	<u>\$28,637,162</u>

PORTSMOUTH CITY SCHOOL DISTRICT

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

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Principal requirements to retire EPA Asbestos Loan outstanding at June 30, 2003, are as follows:

EPA Asbestos Loan - 1988	
Fiscal year	
Ending June 30,	Principal
2004	\$14,284
2005	14,284
2006	14,284
2007	14,284
2008	7,138
Total	<u>\$64,274</u>

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2003, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		General
Payable	All Other	
	Nonmajor Funds	<u>\$208,010</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 year ended June 30, 2003 were as follows:

		Transfers From		
		General	All Other Nonmajor Funds	Total
Transfers To	All Other			
	Nonmajor Funds	<u>\$14,284</u>	<u>\$22,447</u>	<u>\$36,731</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 16 - INTERFUND ACTIVITY (continued)

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

NOTE 17 - 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 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 \$6,675 for services provided during the 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 Joint Vocational School - The Scioto County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of two representatives from Portsmouth City School District and three representatives from the South Central Ohio Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Joint Vocational School at P.O. Box 766, Lucasville, Ohio 45648.

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (continued)

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

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

NOTE 18 - INSURANCE PURCHASING POOLS

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

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

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 19 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

	Textbooks	Capital Acquisition	Totals
Set-aside Reserve Balance as of June 30, 2002	\$322,268	\$220,199	\$542,467
Current Year Set-aside Requirement	310,587	310,587	621,174
Current Year Offsets	0	(104,610)	(104,610)
Qualifying Disbursements	(118,478)	(200,695)	(319,173)
Set-aside Reserve Balance as of June 30, 2003	<u>\$514,377</u>	<u>\$225,481</u>	<u>\$739,858</u>

NOTE 20 – CONTRACTUAL COMMITMENTS

The School District contracted for the design and construction of new high school, middle school, and elementary school buildings. The outstanding construction commitments at June 30, 2003 are:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/03
BBL Construction	\$3,516,180	\$316,038	\$3,200,142
Boone Coleman Construction	396,500	361,840	34,660
C.R.M. Land Surveying	22,024	17,094	4,930
J & H Reinforcing and Structural Erectors	1,112,752	209,907	902,845
Peck, Shaffer, and Williams	28,000	7,631	20,369
Shawnee Forestry Products and Land Development	181,000	10,986	170,014
Tanner, Stone Architects	3,261,998	1,696,510	1,565,488
Total	<u>\$8,518,454</u>	<u>\$2,620,006</u>	<u>\$5,898,448</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 21 – STATE SCHOOL FUNDING DECISION

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

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 22 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 23 - 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% and 8% of the general fund's prior year revenue. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education. The School District will be required to update their recovery plan if the School District experiences a significant change of events. A performance audit was conducted on the School District by the Auditor of State of Ohio dated June 26, 2002 to evaluate ways to improve operations within the School District. As of June 30, 2003, the School District was still in Fiscal Caution.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

NOTE 24 – SUBSEQUENT EVENT

On August 27, 2003, the School District contracted with Lickdyke Insurance Association to provide general liability, property and inland marine, fleet, and employee bonding insurance.

PORTSMOUTH CITY SCHOOL DISTRICT
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Jobs and Family Services

To account for local monies received from the Scioto County Auditor to be used for school programs that will help keep students in school and aid in their learning.

New Facilities Maintenance

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

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.

Disadvantaged Pupil Impact Aid

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

SchoolNet Praise

To account for state grant monies used for Ohio Educational Computer Network Connections.

SchoolNet Summer Training

To account for state grant monies used for technology training.

Textbook Subsidy

To account for state grant monies to be used for instructional materials, including textbooks.

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds

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.

Extended Learning Opportunities

To account for the staff development of intervention reading strategies.

Miscellaneous State Grants

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

Dwight D. Eisenhower

To account for federal funds used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning. These funds are also used for staff development and the purchase of materials and supplies.

IDEA-B

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

Title I

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

Title VI

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

Drug Free Schools

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

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds

E-Rate Funding

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

Continuous Improvement Plan

To account for federal monies used to support a broad range of education improvement goals. Grants are used to support partnerships between school districts and colleges of education to improve teacher education and school instruction simultaneously.

Title II-A

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

Miscellaneous Federal Grants

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

NONMAJOR DEBT SERVICE FUND

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

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

Permanent Improvement

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

SchoolNet

To account for state grant monies used for the installation of wiring and the purchase of a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Technology Equity

To account for state monies used for technology equity funding to low-wealth school districts.

Interactive Video Distance Learning

To account for state monies used to finance the interactive video distance learning project.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,193,480	\$804,687	\$260,348	\$2,258,515
Receivables:				
Taxes	99,361	1,320,782	0	1,420,143
Accounts	66	0	0	66
Intergovernmental	931,302	0	0	931,302
Accrued Interest	256	1,567	0	1,823
Prepaid Items	3,645	0	0	3,645
Materials and Supplies Inventory	32,736	0	0	32,736
<i>Total Assets</i>	<u>\$2,260,846</u>	<u>\$2,127,036</u>	<u>\$260,348</u>	<u>\$4,648,230</u>
<u>Liabilities:</u>				
Accounts Payable	\$118,945	\$0	\$2,821	\$121,766
Accrued Wages and Benefits Payable	588,991	0	0	588,991
Intergovernmental Payable	93,974	0	0	93,974
Interfund Payable	208,010	0	0	208,010
Matured Compensated Absences Payable	8,453	0	0	8,453
Deferred Revenue	496,623	1,251,673	0	1,748,296
<i>Total Liabilities</i>	<u>1,514,996</u>	<u>1,251,673</u>	<u>2,821</u>	<u>2,769,490</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	248,731	0	10,064	258,795
Reserved for Property Taxes	5,070	69,109	0	74,179
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	492,049	0	0	492,049
Debt Service Fund	0	806,254	0	806,254
Capital Project Funds	0	0	247,463	247,463
<i>Total Fund Balances</i>	<u>745,850</u>	<u>875,363</u>	<u>257,527</u>	<u>1,878,740</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,260,846</u>	<u>\$2,127,036</u>	<u>\$260,348</u>	<u>\$4,648,230</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$82,289	\$1,086,455	\$0	\$1,168,744
Intergovernmental	6,412,893	232,653	32,138	6,677,684
Interest	3,829	11,242	0	15,071
Customer Sales and Service	214,639	0	0	214,639
Miscellaneous	13,470	4,353	0	17,823
<i>Total Revenues</i>	<u>6,727,120</u>	<u>1,334,703</u>	<u>32,138</u>	<u>8,093,961</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	629,549	0	110,850	740,399
Special	3,463,409	0	0	3,463,409
Support Services:				
Pupils	538,018	0	4,547	542,565
Instructional Staff	812,180	0	27,592	839,772
Board of Education	2,203	0	0	2,203
Administration	151,668	0	14,151	165,819
Fiscal	13,558	27,151	0	40,709
Operation and Maintenance of Plant	22,064	0	19,445	41,509
Pupil Transportation	47,006	0	0	47,006
Central	16,613	0	0	16,613
Operation of Non-Instructional Services:				
Food Service Operations	926,003	0	0	926,003
Other	267,040	0	0	267,040
Extracurricular Activities	182	0	0	182
Capital Outlay	18,922	0	0	18,922
Debt Service:				
Principal Retirement	2,130	289,284	0	291,414
Interest and Fiscal Charges	614	805,419	0	806,033
Intergovernmental	39,500	0	0	39,500
<i>Total Expenditures</i>	<u>6,950,659</u>	<u>1,121,854</u>	<u>176,585</u>	<u>8,249,098</u>
Excess of Revenues Over (Under) Expenditures	<u>(223,539)</u>	<u>212,849</u>	<u>(144,447)</u>	<u>(155,137)</u>
<u>Other Financing Sources (Uses):</u>				
Inception of Capital Lease	18,922	0	0	18,922
Transfers In	22,447	14,284	0	36,731
Transfers Out	(22,447)	0	0	(22,447)
<i>Total Other Financing Sources (Uses)</i>	<u>18,922</u>	<u>14,284</u>	<u>0</u>	<u>33,206</u>
<i>Net Change in Fund Balances</i>	<u>(204,617)</u>	<u>227,133</u>	<u>(144,447)</u>	<u>(121,931)</u>
<i>Fund Balances Beginning of Year</i>	<u>950,467</u>	<u>648,230</u>	<u>401,974</u>	<u>2,000,671</u>
<i>Fund Balances End of Year</i>	<u>\$745,850</u>	<u>\$875,363</u>	<u>\$257,527</u>	<u>\$1,878,740</u>

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

	Food Service	New Facilities Maintenance	Auxiliary Services Non Public	Education Management Information System
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$143,076	\$151,987	\$66,009	\$4,712
Receivables:				
Taxes	0	99,361	0	0
Accounts	0	0	0	0
Intergovernmental	81,864	0	0	0
Accrued Interest	139	0	117	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	15,452	0	11,084	0
<i>Total Assets</i>	<u>\$240,531</u>	<u>\$251,348</u>	<u>\$77,210</u>	<u>\$4,712</u>
<u>Liabilities:</u>				
Accounts Payable	\$386	\$0	\$23,062	\$122
Accrued Wages and Benefits Payable	57,785	0	10,893	0
Intergovernmental Payable	10,046	0	1,321	21
Interfund Payable	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	94,291	0	0
<i>Total Liabilities</i>	<u>68,217</u>	<u>94,291</u>	<u>35,276</u>	<u>143</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	0	28,669	0
Reserved for Property Taxes	0	5,070	0	0
Unreserved, Undesignated (Deficit)	172,314	151,987	13,265	4,569
<i>Total Fund Balances (Deficit)</i>	<u>172,314</u>	<u>157,057</u>	<u>41,934</u>	<u>4,569</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$240,531</u>	<u>\$251,348</u>	<u>\$77,210</u>	<u>\$4,712</u>

Disadvantaged Pupil Impact Aid	SchoolNet Praise	SchoolNet Summer Training	OhioReads	Extended Learning Opportunities	Miscellaneous State Grants
\$391,915	\$32,082	\$2,456	\$16,356	\$263	\$43,615
0	0	0	0	0	0
0	0	0	0	0	66
0	0	0	0	0	3,750
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$391,915</u>	<u>\$32,082</u>	<u>\$2,456</u>	<u>\$16,356</u>	<u>\$263</u>	<u>\$47,431</u>
\$0	\$0	\$0	\$5,691	\$0	\$1,162
257,179	0	0	3,800	0	0
34,199	0	0	816	0	73
0	0	0	0	0	3,750
8,453	0	0	0	0	0
0	0	0	0	0	3,750
<u>299,831</u>	<u>0</u>	<u>0</u>	<u>10,307</u>	<u>0</u>	<u>8,735</u>
0	620	0	7,902	0	3,546
0	0	0	0	0	0
<u>92,084</u>	<u>31,462</u>	<u>2,456</u>	<u>(1,853)</u>	<u>263</u>	<u>35,150</u>
<u>92,084</u>	<u>32,082</u>	<u>2,456</u>	<u>6,049</u>	<u>263</u>	<u>38,696</u>
<u>\$391,915</u>	<u>\$32,082</u>	<u>\$2,456</u>	<u>\$16,356</u>	<u>\$263</u>	<u>\$47,431</u>

(continued)

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

	IDEA-B	Title I	Title VI
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$150,209	\$153,966	\$3,874
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	138,862	452,225	1,711
Accrued Interest	0	0	0
Prepaid Items	425	0	0
Materials and Supplies Inventory	6,200	0	0
	<u>\$295,696</u>	<u>\$606,191</u>	<u>\$5,585</u>
<i>Total Assets</i>	<u>\$295,696</u>	<u>\$606,191</u>	<u>\$5,585</u>
 <u>Liabilities:</u>			
Accounts Payable	\$33,354	\$52,530	\$897
Accrued Wages and Benefits Payable	1,252	201,880	2,916
Intergovernmental Payable	2,190	35,774	397
Interfund Payable	117,748	51,236	792
Matured Compensated Absences Payable	0	0	0
Deferred Revenue	138,862	121,862	1,711
	<u>293,406</u>	<u>463,282</u>	<u>6,713</u>
<i>Total Liabilities</i>	<u>293,406</u>	<u>463,282</u>	<u>6,713</u>
 <u>Fund Balances:</u>			
Reserved for Encumbrances	117,339	87,301	324
Reserved for Property Taxes	0	0	0
Unreserved, Undesignated (Deficit)	(115,049)	55,608	(1,452)
	<u>2,290</u>	<u>142,909</u>	<u>(1,128)</u>
<i>Total Fund Balances (Deficit)</i>	<u>2,290</u>	<u>142,909</u>	<u>(1,128)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$295,696</u>	<u>\$606,191</u>	<u>\$5,585</u>

<u>Drug Free Schools</u>	<u>E-Rate Funding</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$4,036	\$245	\$20,339	\$8,340	\$1,193,480
0	0	0	0	99,361
0	0	0	0	66
12,556	0	95,298	145,036	931,302
0	0	0	0	256
0	3,220	0	0	3,645
0	0	0	0	32,736
<u>\$16,592</u>	<u>\$3,465</u>	<u>\$115,637</u>	<u>\$153,376</u>	<u>\$2,260,846</u>
\$241	\$504	\$0	\$996	\$118,945
2,814	0	46,981	3,491	588,991
354	0	6,161	2,622	93,974
0	4,479	0	30,005	208,010
0	0	0	0	8,453
12,556	0	36,135	87,456	496,623
<u>15,965</u>	<u>4,983</u>	<u>89,277</u>	<u>124,570</u>	<u>1,514,996</u>
0	330	0	2,700	248,731
0	0	0	0	5,070
627	(1,848)	26,360	26,106	492,049
<u>627</u>	<u>(1,518)</u>	<u>26,360</u>	<u>28,806</u>	<u>745,850</u>
<u>\$16,592</u>	<u>\$3,465</u>	<u>\$115,637</u>	<u>\$153,376</u>	<u>\$2,260,846</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, 2003

	Food Service	New Facilities Maintenance	Auxiliary Services Non Public	Education Management Information System
<u>Revenues:</u>				
Property Taxes	\$0	\$82,289	\$0	\$0
Intergovernmental	649,290	17,048	222,707	8,284
Interest	1,882	0	1,947	0
Customer Sales and Service	214,639	0	0	0
Miscellaneous	2,000	0	2,322	0
<i>Total Revenues</i>	<u>867,811</u>	<u>99,337</u>	<u>226,976</u>	<u>8,284</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	1,052	0	0	0
Administration	0	0	0	0
Fiscal	0	2,058	0	0
Operation and Maintenance of Plant	15,381	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	16,613
Operation of Non-Instructional Services:				
Food Service Operations	926,003	0	0	0
Other	0	0	246,096	0
Extracurricular Activities	0	0	0	0
Capital Outlay	18,922	0	0	0
Debt Service:				
Principal	2,130	0	0	0
Interest	614	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>964,102</u>	<u>2,058</u>	<u>246,096</u>	<u>16,613</u>
Excess of Revenues Over (Under) Expenditures	<u>(96,291)</u>	<u>97,279</u>	<u>(19,120)</u>	<u>(8,329)</u>
<u>Other Financing Sources (Uses):</u>				
Inception of Capital Lease	18,922	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>18,922</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(77,369)</u>	<u>97,279</u>	<u>(19,120)</u>	<u>(8,329)</u>
<i>Fund Balances Beginning of Year</i>	<u>249,683</u>	<u>59,778</u>	<u>61,054</u>	<u>12,898</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$172,314</u>	<u>\$157,057</u>	<u>\$41,934</u>	<u>\$4,569</u>

Disadvantaged Pupil Impact Aid	SchoolNet Praise	SchoolNet Summer Training	Textbook Subsidy	OhioReads	Extended Learning Opportunities	Miscellaneous State Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0
2,052,897	21,000	4,600	0	47,000	0	93,524
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	66
<u>2,052,897</u>	<u>21,000</u>	<u>4,600</u>	<u>0</u>	<u>47,000</u>	<u>0</u>	<u>93,590</u>
27,935	6,248	950	73,542	89	0	32,672
1,554,862	0	0	0	0	0	0
135,670	0	0	0	0	0	3,255
203,062	9,919	12,508	0	53,995	0	63,132
0	0	0	0	0	0	0
151,527	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	2,287
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	150
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	39,500
<u>2,073,056</u>	<u>16,167</u>	<u>13,458</u>	<u>73,542</u>	<u>54,084</u>	<u>0</u>	<u>140,996</u>
<u>(20,159)</u>	<u>4,833</u>	<u>(8,858)</u>	<u>(73,542)</u>	<u>(7,084)</u>	<u>0</u>	<u>(47,406)</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(20,159)	4,833	(8,858)	(73,542)	(7,084)	0	(47,406)
112,243	27,249	11,314	73,542	13,133	263	86,102
<u>\$92,084</u>	<u>\$32,082</u>	<u>\$2,456</u>	<u>\$0</u>	<u>\$6,049</u>	<u>\$263</u>	<u>\$38,696</u>

(continued)

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003
(continued)

	Dwight D. Eisenhower	IDEA-B	Title I	Title VI
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	1,835	232,567	1,728,443	18,568
Interest	0	0	0	0
Customer Sales and Service	0	0	0	0
Miscellaneous	0	0	837	0
<i>Total Revenues</i>	<u>1,835</u>	<u>232,567</u>	<u>1,729,280</u>	<u>18,568</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	2,607	0	0	0
Special	0	80,538	1,443,705	23,965
Support Services:				
Pupils	0	113,253	0	0
Instructional Staff	6,392	68,899	215,571	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	1,000	2,000	0
Operation and Maintenance of Plant	0	1,101	0	0
Pupil Transportation	0	0	571	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	12,599	4,229
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>8,999</u>	<u>264,791</u>	<u>1,674,446</u>	<u>28,194</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,164)</u>	<u>(32,224)</u>	<u>54,834</u>	<u>(9,626)</u>
<u>Other Financing Sources (Uses):</u>				
Inception of Capital Lease	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(22,447)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(22,447)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(29,611)	(32,224)	54,834	(9,626)
<i>Fund Balances Beginning of Year</i>	<u>29,611</u>	<u>34,514</u>	<u>88,075</u>	<u>8,498</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$2,290</u>	<u>\$142,909</u>	<u>(\$1,128)</u>

Drug Free Schools	E-Rate Funding	Continous Improvement Plan	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$82,289
32,113	0	0	296,791	986,226	6,412,893
0	0	0	0	0	3,829
0	0	0	0	0	214,639
0	8,196	0	0	49	13,470
<u>32,113</u>	<u>8,196</u>	<u>0</u>	<u>296,791</u>	<u>986,275</u>	<u>6,727,120</u>
0	99	0	1,069	484,338	629,549
0	0	0	323,716	36,623	3,463,409
15,633	0	0	0	270,207	538,018
22,231	13,349	17,505	522	125,095	812,180
0	0	0	0	1,151	2,203
0	0	0	0	141	151,668
0	0	0	0	8,500	13,558
0	0	0	0	5,582	22,064
0	0	0	0	44,148	47,006
0	0	0	0	0	16,613
0	0	0	0	0	926,003
255	0	0	0	3,861	267,040
0	0	0	0	32	182
0	0	0	0	0	18,922
0	0	0	0	0	2,130
0	0	0	0	0	614
0	0	0	0	0	39,500
<u>38,119</u>	<u>13,448</u>	<u>17,505</u>	<u>325,307</u>	<u>979,678</u>	<u>6,950,659</u>
<u>(6,006)</u>	<u>(5,252)</u>	<u>(17,505)</u>	<u>(28,516)</u>	<u>6,597</u>	<u>(223,539)</u>
0	0	0	0	0	18,922
0	0	0	22,447	0	22,447
0	0	0	0	0	(22,447)
<u>0</u>	<u>0</u>	<u>0</u>	<u>22,447</u>	<u>0</u>	<u>18,922</u>
(6,006)	(5,252)	(17,505)	(6,069)	6,597	(204,617)
<u>6,633</u>	<u>3,734</u>	<u>17,505</u>	<u>32,429</u>	<u>22,209</u>	<u>950,467</u>
<u>\$627</u>	<u>(\$1,518)</u>	<u>\$0</u>	<u>\$26,360</u>	<u>\$28,806</u>	<u>\$745,850</u>

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Portsmouth City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	Permanent Improvement	Technology Equity	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$247,463	\$12,885	\$260,348
<u>Liabilities:</u>			
Accounts Payable	\$0	\$2,821	\$2,821
<u>Fund Balances:</u>			
Reserved for Encumbrances	0	10,064	10,064
Unreserved, Undesignated	247,463	0	247,463
<i>Total Fund Balances</i>	247,463	10,064	257,527
<i>Total Liabilities and Fund Balances</i>	\$247,463	\$12,885	\$260,348

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, 2003

	Permanent Improvement	SchoolNet
<u>Revenues:</u>		
Intergovernmental	\$0	\$0
<u>Expenditures:</u>		
Current:		
Instruction:		
Regular	0	84,746
Support Services:		
Pupils	4,547	0
Instructional Staff	0	0
Administration	0	0
Operation and Maintenance of Plant	19,445	0
<i>Total Expenditures</i>	23,992	84,746
<i>Net Change in Fund Balances</i>	(23,992)	(84,746)
<i>Fund Balances Beginning of Year</i>	271,455	84,746
<i>Fund Balances End of Year</i>	\$247,463	\$0

<u>Technology Equity</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>\$32,138</u>	<u>\$0</u>	<u>\$32,138</u>
26,104	0	110,850
0	0	4,547
8,506	19,086	27,592
14,151	0	14,151
<u>0</u>	<u>0</u>	<u>19,445</u>
<u>48,761</u>	<u>19,086</u>	<u>176,585</u>
(16,623)	(19,086)	(144,447)
<u>26,687</u>	<u>19,086</u>	<u>401,974</u>
<u>\$10,064</u>	<u>\$0</u>	<u>\$257,527</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Fiduciary Fund Description

AGENCY FUND

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

Student Managed Activity Fund

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
June 30, 2003

	Balance at 6/30/2002	Additions	Deletions	Balance at 6/30/2003
STUDENT MANAGED ACTIVITY				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$11,380	\$13,569	\$16,357	\$8,592
<i>Liabilities:</i>				
Undistributed Monies	\$11,380	\$13,569	\$16,357	\$8,592

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, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$4,794,229	\$4,446,475	\$4,446,475	\$0
Intergovernmental	12,026,460	12,191,389	12,191,389	0
Interest	47,096	47,742	47,742	0
Tuition and Fees	213,603	216,532	216,532	0
Extracurricular Activities	92,913	94,187	94,187	0
Rentals	5,388	5,462	5,462	0
Contributions and Donations	37,881	38,400	38,400	0
Miscellaneous	108,772	110,762	110,767	5
<i>Total Revenues</i>	<u>17,326,342</u>	<u>17,150,949</u>	<u>17,150,954</u>	<u>5</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	3,408,811	2,894,324	2,848,035	46,289
Fringe Benefits	990,878	1,299,897	1,187,465	112,432
Purchased Services	16,497	8,070	7,123	947
Materials and Supplies	219,239	148,368	116,159	32,209
Capital Outlay	14,743	15,742	7,428	8,314
Other	0	400	123	277
Total Regular	<u>4,650,168</u>	<u>4,366,801</u>	<u>4,166,333</u>	<u>200,468</u>
Special:				
Salaries	1,431,339	1,400,489	1,371,243	29,246
Fringe Benefits	528,707	609,349	565,754	43,595
Purchased Services	4,629	53,754	39,712	14,042
Materials and Supplies	5,270	9,075	7,074	2,001
Capital Outlay	5,500	5,502	5,502	0
Total Special	<u>1,975,445</u>	<u>2,078,169</u>	<u>1,989,285</u>	<u>88,884</u>
Vocational:				
Salaries	235,944	274,292	257,982	16,310
Fringe Benefits	77,053	112,948	96,349	16,599
Purchased Services	100	0	0	0
Materials and Supplies	2,500	7,059	6,458	601
Capital Outlay	1,000	4,103	3,750	353
Total Vocational	<u>316,597</u>	<u>398,402</u>	<u>364,539</u>	<u>33,863</u>
Other:				
Purchased Services	4,266,000	4,634,328	4,510,446	123,882
Total Instruction	<u>\$11,208,210</u>	<u>\$11,477,700</u>	<u>\$11,030,603</u>	<u>\$447,097</u>

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2003
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries	\$639,450	\$637,030	\$602,974	\$34,056
Fringe Benefits	180,594	243,146	217,243	25,903
Purchased Services	31,123	31,125	8,761	22,364
Materials and Supplies	51,826	50,192	46,477	3,715
Capital Outlay	200	749	551	198
Other	3,500	50,234	9,000	41,234
Total Pupils	<u>906,693</u>	<u>1,012,476</u>	<u>885,006</u>	<u>127,470</u>
Instructional Staff:				
Salaries	0	737,181	647,044	90,137
Fringe Benefits	284,065	527,517	463,039	64,478
Purchased Services	41,324	47,899	36,000	11,899
Materials and Supplies	52,712	49,540	42,459	7,081
Capital Outlay	4,810	5,791	5,565	226
Other	1,550	2,203	2,203	0
Total Instructional Staff	<u>384,461</u>	<u>1,370,131</u>	<u>1,196,310</u>	<u>173,821</u>
Board of Education:				
Salaries	4,800	4,800	4,800	0
Fringe Benefits	513	642	573	69
Purchased Services	3,000	1,973	1,973	0
Materials and Supplies	900	739	739	0
Other	10,118	10,495	8,067	2,428
Total Board of Education	<u>19,331</u>	<u>18,649</u>	<u>16,152</u>	<u>2,497</u>
Administration:				
Salaries	622,232	677,642	676,698	944
Fringe Benefits	247,104	324,837	298,859	25,978
Purchased Services	135,750	161,592	141,949	19,643
Materials and Supplies	56,240	39,452	31,114	8,338
Capital Outlay	4,809	2,541	2,441	100
Other	123,700	140,635	139,431	1,204
Total Administration	<u>1,189,835</u>	<u>1,346,699</u>	<u>1,290,492</u>	<u>56,207</u>
Fiscal:				
Salaries	193,929	201,876	199,292	2,584
Fringe Benefits	89,664	101,575	90,681	10,894
Purchased Services	78,600	94,720	88,703	6,017
Materials and Supplies	13,000	3,943	3,858	85
Capital Outlay	9,172	4,219	4,010	209
Other	183,577	181,968	161,517	20,451
Total Fiscal	<u>\$567,942</u>	<u>\$588,301</u>	<u>\$548,061</u>	<u>\$40,240</u>

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2003
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$43,817	\$40,817	\$40,351	\$466
Fringe Benefits	11,189	13,243	12,613	630
Purchased Services	11,300	13,774	7,276	6,498
Materials and Supplies	7,650	15,033	10,807	4,226
Capital Outlay	0	1,537	1,157	380
Other	0	102	102	0
Total Business	73,956	84,506	72,306	12,200
Operation and Maintenance of Plant:				
Salaries	725,272	636,944	630,497	6,447
Fringe Benefits	302,956	412,033	337,370	74,663
Purchased Services	491,713	575,103	476,709	98,394
Materials and Supplies	89,900	114,183	71,003	43,180
Capital Outlay	0	5,073	4,672	401
Total Operation and Maintenance of Plant	1,609,841	1,743,336	1,520,251	223,085
Pupil Transportation:				
Salaries	180,926	176,926	172,051	4,875
Fringe Benefits	81,655	115,420	98,497	16,923
Purchased Services	59,600	77,926	74,300	3,626
Materials and Supplies	40,700	43,006	35,108	7,898
Capital Outlay	5,037	165,270	147,768	17,502
Total Pupil Transportation	367,918	578,548	527,724	50,824
Central:				
Fringe Benefits	1,755	6,102	21	6,081
Purchased Services	9,334	7,486	3,038	4,448
Materials and Supplies	0	834	479	355
Total Central	11,089	14,422	3,538	10,884
Total Support Services	5,131,066	6,757,068	6,059,840	697,228
Operation of Non-Instructional Services:				
Food Service:				
Salaries	18,952	12,952	12,789	163
Fringe Benefits	8,381	10,718	9,173	1,545
Purchased Services	6,150	6,150	4,885	1,265
Total Operation of Non-Instructional Services	\$33,483	\$29,820	\$26,847	\$2,973

(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, 2003
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$15,366	\$19,292	\$12,542	\$6,750
Fringe Benefits	1,108	8,108	2,135	5,973
Purchased Services	9,300	3,759	3,331	428
Materials and Supplies	8,550	1,320	103	1,217
Capital Outlay	0	15,045	14,996	49
Other	350	0	0	0
Total Academic Oriented Activities	34,674	47,524	33,107	14,417
Sports Oriented Activities:				
Salaries and Wages	103,961	106,742	106,059	683
Fringe Benefits	12,478	21,234	19,106	2,128
Purchased Services	56,250	46,034	42,034	4,000
Materials and Supplies	41,700	43,102	42,868	234
Capital Outlay	4,000	1,162	1,162	0
Total Sports Oriented Activities	218,389	218,274	211,229	7,045
School and Public Service:				
Salaries and Wages	3,811	3,871	3,477	394
Fringe Benefits	9,563	9,564	508	9,056
Purchased Services	28,850	20,215	20,215	0
Materials and Supplies	12,150	7,719	4,467	3,252
Capital Outlay	0	511	511	0
Total School and Public Service	54,374	41,880	29,178	12,702
Total Extracurricular Activities	307,437	307,678	273,514	34,164
<i>Total Expenditures</i>	16,680,196	18,572,266	17,390,804	1,181,462
Excess of Revenues Over (Under) Expenditures	646,146	(1,421,317)	(239,850)	1,181,467
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	107,753	107,753	107,753	0
Transfers In	0	1,086,330	0	(1,086,330)
Transfers Out	(140,374)	(1,225,992)	(14,284)	1,211,708
Advances In	0	43,405	35,615	(7,790)
Advances Out	(35,000)	(185,800)	(178,010)	7,790
Refund of Prior Year Receipts	0	(7)	(7)	0
<i>Total Other Financing Sources (Uses)</i>	(67,621)	(174,311)	(48,933)	125,378
Net Change in Fund Balance	578,525	(1,595,628)	(288,783)	1,306,845
Fund Balance at Beginning of Year	2,068,266	2,068,266	2,068,266	0
Prior Year Encumbrances Appropriated	69,450	69,450	69,450	0
Fund Balance at End of Year	\$2,716,241	\$542,088	\$1,848,933	\$1,306,845

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, 2003

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Interest	\$40,000	\$33,498	\$33,498	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	1,000,000	130,542	74,830	55,712
Capital Outlay - New	300,000	3,643,059	2,962,073	680,986
Total Site Acquisition Services	<u>1,300,000</u>	<u>3,773,601</u>	<u>3,036,903</u>	<u>736,698</u>
Site Improvement Services:				
Capital Outlay - New	<u>2,473,554</u>	<u>410,000</u>	<u>309,060</u>	<u>100,940</u>
Educational Specifications Development Services:				
Purchased Services	<u>0</u>	<u>97,616</u>	<u>11,580</u>	<u>86,036</u>
Other Facilities Acquisition and Construction Services:				
Materials and Supplies	<u>0</u>	<u>200</u>	<u>86</u>	<u>114</u>
<i>Total Expenditures</i>	<u>3,773,554</u>	<u>4,281,417</u>	<u>3,357,629</u>	<u>923,788</u>
Net Change in Fund Balance	(3,733,554)	(4,247,919)	(3,324,131)	923,788
Fund Balance at Beginning of Year	<u>4,247,919</u>	<u>4,247,919</u>	<u>4,247,919</u>	<u>0</u>
Fund Balance at End of Year	<u>\$514,365</u>	<u>\$0</u>	<u>\$923,788</u>	<u>\$923,788</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,500,000	\$4,990,460	\$4,981,907	(\$8,553)
Interest	0	518,592	518,592	0
<i>Total Revenues</i>	<u>1,500,000</u>	<u>5,509,052</u>	<u>5,500,499</u>	<u>(8,553)</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	0	72,717	37,834	34,883
Educational Specifications Development Services:				
Purchased Services	0	1,489,015	1,167,153	321,862
Building Acquisition and Construction Services:				
Purchased Services	3,000	1,031,760	423,523	608,237
Materials and Supplies	0	3,000	1,755	1,245
Total Building Acquisition and Construction Services	<u>3,000</u>	<u>1,034,760</u>	<u>425,278</u>	<u>609,482</u>
Other Facilities Acquisition and Construction:				
Purchased Services	0	18,690	4,295	14,395
<i>Total Expenditures</i>	<u>3,000</u>	<u>2,615,182</u>	<u>1,634,560</u>	<u>980,622</u>
Net Change in Fund Balance	1,497,000	2,893,870	3,865,939	972,069
Fund Balance at Beginning of Year	<u>11,832,761</u>	<u>11,832,761</u>	<u>11,832,761</u>	<u>0</u>
Fund Balance at End of Year	<u>\$13,329,761</u>	<u>\$14,726,631</u>	<u>\$15,698,700</u>	<u>\$972,069</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$858,412	\$549,642	\$549,642	\$0
Interest	2,722	1,743	1,743	0
Charge for Services	334,288	214,045	214,045	0
Miscellaneous	3,124	2,000	2,000	0
<i>Total Revenues</i>	<i>1,198,546</i>	<i>767,430</i>	<i>767,430</i>	<i>0</i>
<u>Expenditures:</u>				
Current:				
Support Services:				
Board of Education:				
Other	2,000	1,052	1,052	0
Fiscal:				
Purchased Services	150	150	150	0
Operation and Maintenance of Plant:				
Purchased Services	24,000	15,356	15,356	0
Materials and Supplies	500	24	24	0
Capital Outlay	6,000	0	0	0
Total Operation and Maintenance of Plant	30,500	15,380	15,380	0
Total Support Services	32,650	16,582	16,582	0
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	386,996	353,058	353,058	0
Fringe Benefits	255,800	216,094	216,094	0
Purchased Services	6,100	5,055	5,055	0
Materials and Supplies	509,000	337,068	337,068	0
Capital Outlay	8,000	0	0	0
Total Operation of Non-Instructional Services	1,165,896	911,275	911,275	0
<i>Total Expenditures</i>	<i>1,198,546</i>	<i>927,857</i>	<i>927,857</i>	<i>0</i>
Excess of Revenues Under Expenditures	0	(160,427)	(160,427)	0
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	18	18	0
Net Change in Fund Balance	0	(160,409)	(160,409)	0
Fund Balance at Beginning of Year	303,312	303,312	303,312	0
Fund Balance at End of Year	\$303,312	\$142,903	\$142,903	\$0

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Jobs and Family Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,251	0	0	0
Net Change in Fund Balance	(2,251)	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$2,251)</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)
New Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$1,400	\$87,562	\$87,562	\$0
Intergovernmental	0	17,048	17,048	0
<i>Total Revenues</i>	1,400	104,610	104,610	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	0	2,082	2,058	24
Net Change in Fund Balance	1,400	102,528	102,552	24
Fund Balance at Beginning of Year	49,435	49,435	49,435	0
Fund Balance at End of Year	<u>\$50,835</u>	<u>\$151,963</u>	<u>\$151,987</u>	<u>\$24</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$219,034	\$222,707	\$222,707	\$0
Interest	0	1,830	1,830	0
Miscellaneous	0	183	183	0
<i>Total Revenues</i>	<u>219,034</u>	<u>224,720</u>	<u>224,720</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	87,578	75,458	73,104	2,354
Fringe Benefits	32,911	36,005	32,398	3,607
Purchased Services	95,180	71,695	71,695	0
Materials and Supplies	69,019	58,619	58,616	3
Capital Outlay	4,901	47,315	47,250	65
<i>Total Expenditures</i>	<u>289,589</u>	<u>289,092</u>	<u>283,063</u>	<u>6,029</u>
Excess of Revenues Under Expenditures	(70,555)	(64,372)	(58,343)	6,029
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	2,138	2,138	0
Net Change in Fund Balance	(70,555)	(62,234)	(56,205)	6,029
Fund Balance at Beginning of Year	62,536	62,536	62,536	0
Prior Year Encumbrances Appropriated	8,019	8,019	8,019	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$8,321</u>	<u>\$14,350</u>	<u>\$6,029</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, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$8,284	\$8,284	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Salaries and Wages	9,108	10,277	6,000	4,277
Fringe Benefits	1,275	1,275	840	435
Purchased Services	2,550	9,665	9,665	0
<i>Total Expenditures</i>	<u>12,933</u>	<u>21,217</u>	<u>16,505</u>	<u>4,712</u>
Net Change in Fund Balance	(12,933)	(12,933)	(8,221)	4,712
Fund Balance at Beginning of Year	<u>12,933</u>	<u>12,933</u>	<u>12,933</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$4,712</u></u>	<u><u>\$4,712</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$1,968,296	\$2,052,897	\$2,052,897	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,600	3,600	3,000	600
Fringe Benefits	0	693	515	178
Total Regular	<u>3,600</u>	<u>4,293</u>	<u>3,515</u>	<u>778</u>
Special:				
Salaries and Wages	1,172,845	1,161,342	1,062,233	99,109
Fringe Benefits	624,239	742,510	507,367	235,143
Total Special	<u>1,797,084</u>	<u>1,903,852</u>	<u>1,569,600</u>	<u>334,252</u>
Other:				
Purchased Services	64,269	24,421	24,421	0
Total Instruction	<u>1,864,953</u>	<u>1,932,566</u>	<u>1,597,536</u>	<u>335,030</u>
Support Services:				
Pupils:				
Salaries and Wages	51,717	36,780	32,109	4,671
Fringe Benefits	27,948	25,859	20,339	5,520
Purchased Services	53,785	84,790	83,085	1,705
Materials and Supplies	6,000	0	0	0
Total Pupils	<u>139,450</u>	<u>147,429</u>	<u>135,533</u>	<u>11,896</u>
Instructional Staff:				
Salaries and Wages	103,512	138,389	134,991	3,398
Fringe Benefits	98,993	77,579	70,793	6,786
Purchased Services	229	150	71	79
Total Instructional Staff	<u>202,734</u>	<u>216,118</u>	<u>205,855</u>	<u>10,263</u>
Administration:				
Salaries and Wages	124,475	124,474	105,119	19,355
Fringe Benefits	59,624	59,624	44,253	15,371
Total Administration	<u>184,099</u>	<u>184,098</u>	<u>149,372</u>	<u>34,726</u>
Pupil Transportation:				
Purchased Services	315	0	0	0
Total Support Services	<u>526,598</u>	<u>547,645</u>	<u>490,760</u>	<u>56,885</u>
Total Expenditures	<u>2,391,551</u>	<u>2,480,211</u>	<u>2,088,296</u>	<u>391,915</u>
Net Change in Fund Balance	(423,255)	(427,314)	(35,399)	391,915
Fund Balance at Beginning of Year	427,314	427,314	427,314	0
Fund Balance at End of Year	<u>\$4,059</u>	<u>\$0</u>	<u>\$391,915</u>	<u>\$391,915</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Praise Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$21,000	\$21,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	3,568	3,568	0
Capital Outlay	6,249	2,680	2,680	0
Total Instruction	6,249	6,248	6,248	0
Support Services:				
Instructional Staff:				
Purchased Services	0	9,919	9,919	0
Capital Outlay - New	0	620	620	0
Total Support Services	0	10,539	10,539	0
<i>Total Expenditures</i>	6,249	16,787	16,787	0
Net Change in Fund Balance	(6,249)	4,213	4,213	0
Fund Balance at Beginning of Year	27,249	27,249	27,249	0
Fund Balance at End of Year	<u>\$21,000</u>	<u>\$31,462</u>	<u>\$31,462</u>	<u>\$0</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Summer Training Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$4,600	\$4,600	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	531	950	950	0
Total Instruction	531	950	950	0
Support Services:				
Instructional Staff:				
Salaries and Wages	1,082	2,000	2,000	0
Fringe Benefits	227	322	322	0
Purchased Services	1,431	12,192	9,736	2,456
Materials and Supplies	464	464	464	0
Total Support Services	3,204	14,978	12,522	2,456
<i>Total Expenditures</i>	3,735	15,928	13,472	2,456
Net Change in Fund Balance	(3,735)	(11,328)	(8,872)	2,456
Fund Balance at Beginning of Year	11,154	11,154	11,154	0
Prior Year Encumbrances	174	174	174	0
Fund Balance at End of Year	<u>\$7,593</u>	<u>\$0</u>	<u>\$2,456</u>	<u>\$2,456</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Textbook Subsidy Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>73,542</u>	<u>73,542</u>	<u>73,542</u>	<u>0</u>
Net Change in Fund Balance	(73,542)	(73,542)	(73,542)	0
Fund Balance at Beginning of Year	58,800	58,800	58,800	0
Prior Year Encumbrances	<u>14,742</u>	<u>14,742</u>	<u>14,742</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)*
OhioReads Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$45,000	\$47,000	\$47,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	89	89	89	0
Support Services:				
Instructional Staff:				
Salaries and Wages	5,350	8,735	8,150	585
Fringe Benefits	879	1,293	1,256	37
Purchased Services	36,896	34,949	32,808	2,141
Materials and Supplies	37,534	37,332	37,332	0
Total Support Services	80,659	82,309	79,546	2,763
<i>Total Expenditures</i>	80,748	82,398	79,635	2,763
Excess of Revenues Over (Under) Expenditures	(35,748)	(35,398)	(32,635)	2,763
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(90)	(90)	0
Net Change in Fund Balance	(35,748)	(35,488)	(32,725)	2,763
Fund Balance at Beginning of Year	91	91	91	0
Prior Year Encumbrances	35,397	35,397	35,397	0
Fund Balance (Deficit) at End of Year	(\$260)	\$0	\$2,763	\$2,763

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Extended Learning Opportunities Special Revenue Fund
For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	263	263	0	263
Net Change in Fund Balance	(263)	(263)	0	263
Fund Balance at Beginning of Year	263	263	263	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$263</u>	<u>\$263</u>

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, 2003*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$776	\$54,024	\$54,024	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,637	730	730	0
Fringe Benefits	745	73	73	0
Purchased Services	14,328	1,383	986	397
Materials and Supplies	60,367	34,373	25,912	8,461
Capital Outlay	7,016	7,085	5,237	1,848
Other	7,600	7,836	2,176	5,660
Total Instruction	94,693	51,480	35,114	16,366
Support Services:				
Pupils:				
Purchased Services	3,007	3,255	3,255	0
Instructional Staff:				
Salaries and Wages	11,453	24,438	21,088	3,350
Fringe Benefits	1,135	10,078	9,443	635
Purchased Services	18,712	40,518	27,866	12,652
Materials and Supplies	0	7,333	7,333	0
Capital Outlay	399	499	495	4
Total Instructional Staff	31,699	82,866	66,225	16,641
Administration:				
Capital Outlay	5,000	5,000	0	5,000
Operation and Maintenance of Plant:				
Materials and Supplies	1,000	900	0	900
Pupil Transportation:				
Purchased Services	2,100	2,287	2,287	0
Total Support Services	42,806	94,308	71,767	22,541
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	0	150	150	0
Total Expenditures	137,499	145,938	107,031	38,907
Excess of Revenues Over (Under) Expenditures	(136,723)	(91,914)	(53,007)	38,907
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	0	(1,615)	(1,615)	0
Advances In	0	3,750	3,750	0
Total Other Financing Sources (Uses)	0	2,135	2,135	0
Net Change in Fund Balance	(136,723)	(89,779)	(50,872)	38,907
Fund Balance at Beginning of Year	77,297	77,297	77,297	0
Prior Year Encumbrances	12,482	12,482	12,482	0
Fund Balance (Deficit) at End of Year	(\$46,944)	\$0	\$38,907	\$38,907

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Dwight D. Eisenhower Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$1,835	\$1,835	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	82	2,607	2,607	0
Support Services:				
Instructional Staff:				
Salaries and Wages	8,570	225	225	0
Fringe Benefits	1,882	220	220	0
Purchased Services	7,522	0	0	0
Materials and Supplies	12,858	7,250	7,250	0
Total Support Services	30,832	7,695	7,695	0
<i>Total Expenditures</i>	30,914	10,302	10,302	0
Excess of Revenues Under Expenditures	(30,914)	(8,467)	(8,467)	0
<u>Other Financing Uses:</u>				
Transfers Out	0	(22,447)	(22,447)	0
Net Change in Fund Balance	(30,914)	(30,914)	(30,914)	0
Fund Balance at Beginning of Year	28,676	28,676	28,676	0
Prior Year Encumbrances	2,238	2,238	2,238	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)
IDEA-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$383,979	\$246,557	\$246,557	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	10,000	1,540	1,540	0
Fringe Benefits	1,707	246	246	0
Purchased Services	4,244	2,485	2,485	0
Materials and Supplies	33,891	35,218	35,218	0
Capital Outlay	77,186	132,719	132,719	0
Total Instruction	127,028	172,208	172,208	0
Support Services:				
Pupils:				
Salaries and Wages	50,860	26,388	26,388	0
Fringe Benefits	21,320	11,086	11,086	0
Purchased Services	75,169	45,290	45,290	0
Materials and Supplies	9,829	12,577	12,577	0
Capital Outlay	600	26,562	26,562	0
Total Pupils	157,778	121,903	121,903	0
Instructional Staff:				
Salaries and Wages	37,190	29,365	29,365	0
Fringe Benefits	21,159	18,526	18,526	0
Purchased Services	9,315	7,303	7,303	0
Materials and Supplies	3,040	4,440	4,440	0
Capital Outlay	36,972	27,798	27,798	0
Other	0	50	50	0
Total Instructional Staff	107,676	87,482	87,482	0
Fiscal:				
Materials and Supplies	2,000	2,000	2,000	0
Operation and Maintenance of Plant:				
Purchased Services	3,979	2,305	2,305	0
Capital Outlay	8,106	1,073	1,073	0
Total Operation and Maintenance of Plant	12,085	3,378	3,378	0
Total Support Services	279,539	214,763	214,763	0
Total Expenditures	406,567	386,971	386,971	0
Excess of Revenues Under Expenditures	(22,588)	(140,414)	(140,414)	0
<u>Other Financing Sources:</u>				
Advances In	0	117,748	117,748	0
Net Change in Fund Balance	(22,588)	(22,666)	(22,666)	0
Fund Balance at Beginning of Year	22,589	22,589	22,589	0
Prior Year Encumbrances Appropriated	77	77	77	0
Fund Balance at End of Year	\$78	\$0	\$0	\$0

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, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,749,855	\$1,513,605	\$1,513,605	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	864,688	906,151	906,151	0
Fringe Benefits	453,189	384,628	384,593	35
Purchased Services	261,632	57,747	57,031	716
Materials and Supplies	70,251	95,485	94,218	1,267
Capital Outlay	1,577	877	877	0
Other	150	0	0	0
Total Instruction	1,651,487	1,444,888	1,442,870	2,018
Support Services:				
Instructional Staff:				
Salaries and Wages	64,950	100,559	100,559	0
Fringe Benefits	54,721	31,089	30,447	642
Purchased Services	44,053	110,966	109,170	1,796
Materials and Supplies	30,164	41,919	41,844	75
Capital Outlay	14,782	19,712	9,929	9,783
Total Instructional Staff	208,670	304,245	291,949	12,296
Fiscal:				
Materials and Supplies	4,000	4,000	4,000	0
Pupil Transportation:				
Salaries and Wages	45,000	0	0	0
Fringe Benefits	30,000	0	0	0
Purchased Services	60,422	571	571	0
Total Pupil Transportation	135,422	571	571	0
Total Support Services	\$348,092	\$308,816	\$296,520	\$12,296

(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, 2003
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	\$4,894	\$9,485	\$9,485	\$0
Fringe Benefits	890	1,520	1,520	0
Purchased Services	500	0	0	0
Materials and Supplies	0	1,593	1,593	0
Total Operation of Non-Instructional Services	<u>6,284</u>	<u>12,598</u>	<u>12,598</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,005,863</u>	<u>1,766,302</u>	<u>1,751,988</u>	<u>14,314</u>
Excess of Revenues Over (Under) Expenditures	<u>(256,008)</u>	<u>(252,697)</u>	<u>(238,383)</u>	<u>14,314</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	837	837	0
Advances In	0	51,236	51,236	0
Advances Out	0	(6,497)	(6,497)	0
Transfers In	0	38	0	(38)
Transfers Out	0	(38)	0	38
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>45,576</u>	<u>45,576</u>	<u>0</u>
Net Change in Fund Balance	(256,008)	(207,121)	(192,807)	14,314
Fund Balance at Beginning of Year	206,543	206,543	206,543	0
Prior Year Encumbrances	<u>578</u>	<u>578</u>	<u>578</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$48,887)</u></u>	<u><u>\$0</u></u>	<u><u>\$14,314</u></u>	<u><u>\$14,314</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$43,529	\$41,693	\$41,693	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	21,277	14,095	14,095	0
Fringe Benefits	4,171	4,295	3,807	488
Purchased Services	21	21	21	0
Materials and Supplies	4	43	43	0
Capital Outlay	2,052	5,938	5,938	0
Total Instruction	27,525	24,392	23,904	488
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	1,213	316	251	65
Capital Outlay	3,386	4,229	4,229	0
Total Operation of Non-Instructional Services	4,599	4,545	4,480	65
<i>Total Expenditures</i>	32,124	28,937	28,384	553
Excess of Revenues Over Expenditures	11,405	12,756	13,309	553
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	0	(73)	(73)	0
Advances In	0	792	792	0
Advances Out	0	(16,240)	(16,240)	0
Transfers In	0	151	0	(151)
Transfers Out	0	(151)	0	151
<i>Total Other Financing Sources (Uses)</i>	0	(15,521)	(15,521)	0
Net Change in Fund Balance	11,405	(2,765)	(2,212)	553
Fund Balance at Beginning of Year	73	73	73	0
Prior Year Encumbrances	4,792	4,792	4,792	0
Fund Balance at End of Year	\$16,270	\$2,100	\$2,653	\$553

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, 2003*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$73,215	\$32,112	\$32,112	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	0	1,350	1,350	0
Fringe Benefits	314	218	218	0
Purchased Services	10,561	11,526	11,525	1
Materials and Supplies	2,364	2,863	2,565	298
Total Pupils	13,239	15,957	15,658	299
Instructional Staff:				
Salaries and Wages	517	12,898	12,898	0
Fringe Benefits	1,202	6,739	5,733	1,006
Purchased Services	3,702	1,988	1,209	779
Materials and Supplies	7,062	0	0	0
Capital Outlay	5,490	3,490	2,250	1,240
Total Instructional Staff	17,973	25,115	22,090	3,025
Total Support Services	31,212	41,072	37,748	3,324
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	224	243	243	0
Other	3,246	3,246	3,246	0
Total Operation of Non-Instructional Services	3,470	3,489	3,489	0
Total Expenditures	34,682	44,561	41,237	3,324
Excess of Revenues Over (Under) Expenditures	\$38,533	(\$12,449)	(\$9,125)	\$3,324

(continued)

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, 2003
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Other Financing Sources (Uses):</u>				
Transfers In	\$0	\$6,654	\$0	(\$6,654)
Transfers Out	0	(6,654)	0	6,654
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
Net Change in Fund Balance	38,533	(12,449)	(9,125)	3,324
Fund Balance at Beginning of Year	7,747	7,747	7,747	0
Prior Year Encumbrances	5,089	5,089	5,089	0
Fund Balance at End of Year	<u>\$51,369</u>	<u>\$387</u>	<u>\$3,711</u>	<u>\$3,324</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
E-Rate Funding Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Miscellaneous	\$3,500	\$8,196	\$8,196	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	99	99	0
Support Services:				
Instructional Staff:				
Purchased Services	7,850	13,025	13,025	0
Materials and Supplies	904	4,234	4,234	0
Capital Outlay	110	1,033	1,033	0
Total Support Services	8,864	18,292	18,292	0
<i>Total Expenditures</i>	8,864	18,391	18,391	0
Excess of Revenues Under Expenditures	(5,364)	(10,195)	(10,195)	0
<u>Other Financing Sources:</u>				
Advances In	0	4,479	4,479	0
Net Change in Fund Balance	(5,364)	(5,716)	(5,716)	0
Fund Balance at Beginning of Year	3,213	3,213	3,213	0
Prior Year Encumbrances	2,503	2,503	2,503	0
Fund Balance at End of Year	<u>\$352</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)
Continuous Improvement Plan Special Revenue Fund
For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff				
Salaries and Wages	12,993	14,149	14,149	0
Fringe Benefits	1,819	689	689	0
Purchased Services	4,760	2,477	2,477	0
Materials and Supplies	638	312	312	0
<i>Total Expenditures</i>	<u>20,210</u>	<u>17,627</u>	<u>17,627</u>	<u>0</u>
Excess of Revenues Under Expenditures	(20,210)	(17,627)	(17,627)	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	<u>0</u>	<u>(1,018)</u>	<u>(1,018)</u>	<u>0</u>
Net Change in Fund Balance	(20,210)	(18,645)	(18,645)	0
Fund Balance at Beginning of Year	18,021	18,021	18,021	0
Prior Year Encumbrances Appropriated	<u>624</u>	<u>624</u>	<u>624</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$1,565)</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)*
Title II-A Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$415,498	\$248,172	\$248,172	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	56,866	217,861	217,861	0
Fringe Benefits	15,796	95,696	92,313	3,383
Total Instruction	72,662	313,557	310,174	3,383
Support Services:				
Instructional Staff:				
Salaries and Wages	0	75	75	0
Fringe Benefits	0	140	43	97
Purchased Services	0	404	404	0
Materials and Supplies	0	8,530	0	8,530
Total Support Services	0	9,149	522	8,627
<i>Total Expenditures</i>	72,662	322,706	310,696	12,010
Excess of Revenues Over (Under) Expenditures	342,836	(74,534)	(62,524)	12,010
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	54,799	22,447	(32,352)
Transfers Out	0	(32,352)	0	32,352
<i>Total Other Financing Sources (Uses)</i>	0	22,447	22,447	0
Net Change in Fund Balance	342,836	(52,087)	(40,077)	12,010
Fund Balance at Beginning of Year	60,416	60,416	60,416	0
Fund Balance at End of Year	\$403,252	\$8,329	\$20,339	\$12,010

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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$875,244	\$932,543	\$931,225	(\$1,318)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	266,978	327,014	327,014	0
Fringe Benefits	58,796	56,690	56,690	0
Purchased Services	24,905	31,688	30,728	960
Materials and Supplies	71,210	74,804	74,257	547
Capital Outlay	52,432	48,462	48,462	0
Other	5,629	2,747	2,747	0
Total Regular	479,950	541,405	539,898	1,507
Special:				
Salaries and Wages	0	12,597	12,597	0
Fringe Benefits	0	5,859	4,868	991
Purchased Services	0	3,120	3,120	0
Materials and Supplies	2,638	3,832	3,219	613
Capital Outlay	10,569	10,569	10,359	210
Total Special	13,206	35,977	34,163	1,814
Total Instruction	493,156	577,382	574,061	3,321
Support Services:				
Pupils:				
Salaries and Wages	199,237	204,002	204,002	0
Fringe Benefits	13,910	31,987	31,987	0
Materials and Supplies	51,405	52,474	52,474	0
Total Pupils	264,553	288,463	288,463	0
Instructional Staff:				
Salaries and Wages	61,165	53,702	53,702	0
Fringe Benefits	21,853	13,462	13,462	0
Purchased Services	99,494	61,277	61,277	0
Total Instructional Staff	182,512	128,441	128,441	0
Board of Education:				
Other	1,151	1,151	1,151	0
Administration:				
Salaries and Wages	0	461	461	0
Fringe Benefits	0	358	358	0
Total Administration	\$0	\$819	\$819	\$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, 2003
(continued)*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fiscal:				
Purchased Services	\$8,500	\$8,500	\$8,500	\$0
Operation and Maintenance of Plant:				
Salaries and Wages	35,075	4,301	4,301	0
Fringe Benefits	6,671	1,357	1,357	0
Total Operation and Maintenance of Plant	41,746	5,658	5,658	0
Pupil Transportation:				
Salaries and Wages	26,166	14,571	14,571	0
Fringe Benefits	5,840	5,378	5,378	0
Purchased Services	44,472	232	232	0
Total Pupil Transportation	76,478	20,181	20,181	0
Total Support Services	574,939	453,213	453,213	0
Operation of Non-Instructional Services:				
Other Operations:				
Purchased Services	10,000	0	0	0
Materials and Supplies	10,000	5,003	5,003	0
Total Operation of Non-Instructional Services	20,000	5,003	5,003	0
<i>Total Expenditures</i>	<u>1,088,096</u>	<u>1,035,598</u>	<u>1,032,277</u>	<u>3,321</u>
Excess of Revenues Over (Under) Expenditures	<u>(212,852)</u>	<u>(103,055)</u>	<u>(101,052)</u>	<u>2,003</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	49	49	0
Refund of Prior Year Receipts	(504)	(1,792)	(1,792)	0
Advances In	0	5	5	0
Advances Out	0	(12,878)	(12,878)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(504)</u>	<u>(14,616)</u>	<u>(14,616)</u>	<u>0</u>
Net Change in Fund Balance	(213,356)	(117,671)	(115,668)	2,003
Fund Balance at Beginning of Year	30,440	30,440	30,440	0
Prior Year Encumbrances Appropriated	90,773	90,773	90,773	0
Fund Balance (Deficit) at End of Year	<u>(\$92,143)</u>	<u>\$3,542</u>	<u>\$5,545</u>	<u>\$2,003</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$583,802	\$1,158,079	\$1,158,079	\$0
Intergovernmental	3,000	232,652	232,652	0
Interest	0	9,675	9,675	0
Miscellaneous	0	4,353	4,353	0
<i>Total Revenues</i>	586,802	1,404,759	1,404,759	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal				
Other	0	27,151	27,151	0
Debt Service:				
Principal Retirement	14,284	289,284	289,284	0
Interest and Fiscal Charges	0	805,419	805,419	0
Total Debt Service	14,284	1,094,703	1,094,703	0
<i>Total Expenditures</i>	14,284	1,121,854	1,121,854	0
Excess of Revenues Over Expenditures	572,518	282,905	282,905	0
<u>Other Financing Sources:</u>				
Transfers In	0	14,284	14,284	0
Net Change in Fund Balance	572,518	297,189	297,189	0
Fund Balance at Beginning of Year	507,498	507,498	507,498	0
Fund Balance at End of Year	\$1,080,016	\$804,687	\$804,687	\$0

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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Capital Outlay	0	4,547	4,547	0
Operation and Maintenance of Plant:				
Capital Outlay	<u>0</u>	<u>19,445</u>	<u>19,445</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>23,992</u>	<u>23,992</u>	<u>0</u>
Net Change in Fund Balance	0	(23,992)	(23,992)	0
Fund Balance at Beginning of Year	<u>271,455</u>	<u>271,455</u>	<u>271,455</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$271,455</u></u>	<u><u>\$247,463</u></u>	<u><u>\$247,463</u></u>	<u><u>\$0</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	660	660	0
Fringe Benefits	0	92	92	0
Purchased Services	10,000	9,404	9,404	0
Materials and Supplies	10,001	9,691	9,691	0
Capital Outlay	64,745	64,899	64,899	0
<i>Total Expenditures</i>	84,746	84,746	84,746	0
Net Change in Fund Balance	(84,746)	(84,746)	(84,746)	0
Fund Balance at Beginning of Year	84,746	84,746	84,746	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)
Technology Equity Capital Projects Fund
For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$28,336	\$32,138	\$32,138	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	6,063	9,707	9,707	0
Materials and Supplies	5,702	6,269	6,269	0
Capital Outlay	10,479	10,131	10,131	0
Total Instruction	22,244	26,107	26,107	0
Support Services:				
Instructional Staff:				
Salaries and Wages	915	971	971	0
Fringe Benefits	161	116	116	0
Purchased Services	3,397	11,338	11,338	0
Total Instructional Staff	4,473	12,425	12,425	0
Administration:				
Materials and Supplies	0	9,920	9,920	0
Capital Outlay	0	10,403	10,403	0
Total Administration	0	20,323	20,323	0
Total Support Services	4,473	32,748	32,748	0
<i>Total Expenditures</i>	26,717	58,855	58,855	0
Net Change in Fund Balance	1,619	(26,717)	(26,717)	0
Fund Balance at Beginning of Year	26,717	26,717	26,717	0
Fund Balance at End of Year	\$28,336	\$0	\$0	\$0

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Interactive Video Distance Learning Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$19,000	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	3,850	675	675	0
Fringe Benefits	650	102	102	0
Purchased Services	7,389	7,351	7,351	0
Materials and Supplies	3,200	3,200	3,200	0
Capital Outlay	4,772	8,533	8,533	0
<i>Total Expenditures</i>	<u>19,861</u>	<u>19,861</u>	<u>19,861</u>	<u>0</u>
Net Change in Fund Balance	(861)	(19,861)	(19,861)	0
Fund Balance at Beginning of Year	19,000	19,000	19,000	0
Prior Year Encumbrances	<u>861</u>	<u>861</u>	<u>861</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$19,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

STATISTICAL SECTION

PORTSMOUTH CITY SCHOOL DISTRICT

STATISTICAL SECTION

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

PORTSMOUTH CITY SCHOOL DISTRICT

*General Government Expenditures by Function
Last Ten Fiscal Years*

Fiscal Year (1)	1994	1995	1996	1997
Current:				
Instruction:				
Regular	\$7,027,985	\$7,162,433	\$7,486,322	\$8,898,991
Special	3,017,411	3,394,561	3,467,054	4,010,240
Vocational	557,395	554,939	612,204	591,248
Adult/Continuing	34,553	37,417	37,810	34,520
Support Services:				
Pupils	763,140	882,767	906,913	962,974
Instructional Staff	836,259	798,981	866,564	939,430
Board of Education	97,849	179,990	216,995	50,077
Administration	1,479,068	1,329,850	1,448,231	1,506,813
Fiscal	329,414	322,568	306,135	369,277
Business	199,727	107,474	90,862	107,831
Operation and Maintenance of Plant	1,554,817	1,674,598	1,692,744	1,730,510
Pupil Transportation	279,309	278,821	288,126	349,928
Central	65,814	66,708	110,674	75,363
Non-Instructional Services	1,019,867	1,020,912	1,096,727	1,222,273
Extracurricular Activities	336,181	327,790	363,805	349,848
Capital Outlay	1,000	2,016	8,800	21,112
Debt Service	14,284	14,284	73,950	50,694
Intergovernmental	0	0	267,956	55,167
Total Expenditures	<u>\$17,614,073</u>	<u>\$18,156,109</u>	<u>\$19,341,872</u>	<u>\$21,326,296</u>

Source: Portsmouth City School District records.

(1) Fiscal Year 1996 is the first year reported on a GAAP basis.
All prior fiscal years are reported on a cash basis.

TABLE 1

1998	1999	2000	2001	2002	2003
\$7,830,717	\$8,188,229	\$8,373,454	\$8,964,698	\$9,789,456	\$9,307,594
3,705,898	4,407,544	4,358,619	4,855,621	5,338,568	5,442,891
592,689	599,697	581,967	309,130	400,072	363,008
34,953	9,373	0	0	0	0
1,016,706	1,018,108	1,083,640	1,156,875	1,249,195	1,420,847
988,939	1,202,427	1,343,213	1,483,167	2,488,248	2,020,626
17,910	23,605	21,922	20,021	19,134	17,640
1,378,777	1,429,757	1,706,539	1,544,596	1,213,258	1,364,087
385,867	443,856	448,584	493,869	675,353	607,672
96,869	105,837	45,146	69,677	69,701	72,086
1,821,551	1,904,219	1,653,162	1,922,523	1,529,814	1,557,969
350,333	462,206	340,371	407,401	446,885	444,353
76,980	77,371	66,516	67,066	24,932	20,117
1,140,687	1,100,295	1,167,485	1,226,995	1,246,882	1,216,765
394,367	349,163	414,548	394,193	261,428	269,825
37,043	656,734	102,108	399,435	917,141	6,266,203
112,688	466,026	407,103	114,079	777,984	1,211,834
449,800	450,300	62,370	70,000	35,000	39,500
<u>\$20,432,774</u>	<u>\$22,894,747</u>	<u>\$22,176,747</u>	<u>\$23,499,346</u>	<u>\$26,483,051</u>	<u>\$31,643,017</u>

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

Fiscal Year (1)	1994	1995	1996	1997
General Revenues				
Property Taxes	\$4,149,660	\$4,164,018	\$4,334,825	\$3,935,262
Intergovernmental	12,419,682	12,556,883	14,495,018	15,453,959
Interest	57,151	128,598	158,690	151,716
Increase (Decrease) in Fair Value of Investments	0	0	0	0
Tuition and Fees	66,712	73,458	64,724	49,110
Extracurricular Activities	147,615	153,188	145,855	150,650
Rentals	0	0	39,774	56,448
Customer Sales and Service	256,957	278,080	336,471	377,193
Contributions and Donations	0	0	0	29,175
Miscellaneous	166,303	257,734	254,621	77,135
Total Revenues	<u>\$17,264,080</u>	<u>\$17,611,959</u>	<u>\$19,829,978</u>	<u>\$20,280,648</u>

Source:

Portsmouth City School District records.

(1)

Fiscal Year 1996 is the first year reported on a GAAP basis.
All prior fiscal years are reported on a cash basis.

TABLE 2

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$4,128,605	\$4,154,222	\$4,236,890	\$4,218,468	\$5,365,498	\$5,374,990
16,268,367	16,920,946	16,748,801	18,053,967	19,723,492	23,914,235
169,199	205,031	195,052	170,912	292,402	584,426
0	0	0	0	82,856	(117,429)
31,966	4,370	102,917	44,146	312,936	185,829
160,805	175,251	140,454	136,602	91,939	94,187
17,826	11,358	2,814	5,472	39,801	5,462
494,153	289,602	299,970	338,477	218,602	214,639
51,494	33,237	26,434	50,488	52,885	38,400
<u>270,584</u>	<u>139,055</u>	<u>149,179</u>	<u>287,358</u>	<u>1,745,779</u>	<u>121,507</u>
<u><u>\$21,592,999</u></u>	<u><u>\$21,933,072</u></u>	<u><u>\$21,902,511</u></u>	<u><u>\$23,305,890</u></u>	<u><u>\$27,926,190</u></u>	<u><u>\$30,416,246</u></u>

TABLE 3

PORTSMOUTH CITY SCHOOL DISTRICT
Governmental Activities Expenses by Function (1)
Last Two Fiscal Years

Fiscal Year (2)	2002	2003
Current		
Instruction:		
Regular	\$10,262,658	\$9,260,456
Special	5,369,206	5,461,916
Vocational	421,922	426,379
Support Services:		
Pupils	1,255,863	1,395,374
Instructional Staff	2,540,087	2,067,428
Board of Education	19,268	17,640
Administration	1,241,456	1,452,144
Fiscal	660,279	634,352
Business	128,797	96,448
Operation and Maintenance of Plant	1,425,756	1,622,828
Pupil Transportation	441,998	456,547
Central	28,857	23,119
Operation of Non-Instructional Services:		
Food Services	1,031,547	1,024,118
Other	245,315	265,024
Extracurricular Activities	251,505	270,667
Debt Service:		
Interest and Fiscal Charges	512,777	861,638
Intergovernmental	35,000	39,500
Totals	<u>\$25,872,291</u>	<u>\$25,375,578</u>

Source: Portsmouth City School District records.

(1) Includes all governmental activities.

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

TABLE 4

PORTSMOUTH CITY SCHOOL DISTRICT
Governmental Activities Revenue by Source (1)
Last Two Fiscal Years

Fiscal Year	2002	2003
Program Revenues		
Charges for Services	\$671,179	\$495,193
Operating Grants and Contributions and Interest	5,365,348	6,715,845
Capital Grants and Contributions	189,745	84,596
General Revenues:		
Property Taxes	5,489,946	5,265,292
Intergovernmental	66,839,992	11,441,919
Investment Earnings	446,786	423,898
Miscellaneous	1,728,468	155,134
Contributions and Donations	<u>15,159</u>	<u>3,783</u>
Totals	<u><u>\$80,746,623</u></u>	<u><u>\$24,585,660</u></u>

Source: Portsmouth City School District records.

(1) Includes all governmental activities.

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

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

Collection Year	Current Tax Levied (1)	Current Taxes Collected (2)	Percent Collected
1994	\$4,450,554	\$3,542,521	79.60%
1995	4,602,238	3,638,579	79.06%
1996	4,676,999	3,474,352	74.29%
1997	4,814,798	3,566,948	74.08%
1998	4,899,332	3,544,707	72.35%
1999	4,680,066	3,343,290	71.44%
2000	5,084,471	3,776,181	74.27%
2001	4,469,364	3,657,368	81.83%
2002	5,978,480	5,130,633	85.82%
2003	6,152,078	4,275,122	69.49%

Source: Scioto County Auditor

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

TABLE 5

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Tax Levied</u>
\$179,988	\$3,722,509	83.64%	\$401,907	9.03%
158,968	3,797,547	82.52%	432,648	9.40%
246,619	3,720,971	79.56%	515,154	11.01%
148,623	3,715,571	77.17%	578,103	12.01%
183,734	3,728,441	76.10%	585,343	11.95%
152,646	3,495,936	74.70%	377,524	8.07%
179,816	3,955,997	77.81%	287,126	5.65%
191,726	3,849,094	86.12%	548,323	12.27%
219,892	5,350,525	89.50%	756,705	12.66%
251,084	4,526,206	73.57%	529,657	8.61%

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	\$137,513,020	\$392,894,343	\$19,672,615	\$78,690,460
1995	141,353,390	403,866,829	20,931,560	83,726,240
1996	141,850,170	405,286,200	22,090,230	88,360,920
1997	141,026,710	402,933,457	21,516,880	86,067,520
1998	141,235,420	403,529,771	22,090,230	88,360,920
1999	158,735,190	453,529,114	22,661,750	90,647,000
2000	157,272,420	449,349,771	23,413,060	93,652,240
2001	157,450,420	449,858,343	23,567,270	94,269,080
2002	180,207,160	514,877,600	26,114,910	104,459,640
2003	179,959,540	514,170,114	22,834,840	91,339,360

Source: Scioto County Auditor

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

TABLE 6

Public Utilities Personal		Total		Ratio (2)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$24,845,280	\$70,986,514	\$182,030,915	\$542,571,317	33.55%
23,087,510	65,964,314	185,372,460	553,557,383	33.49%
22,362,290	63,892,257	186,302,690	557,539,377	33.42%
21,558,640	61,596,114	184,102,230	550,597,091	33.44%
22,979,800	65,656,571	186,305,450	557,547,263	33.42%
22,045,820	62,988,057	203,442,760	607,164,171	33.51%
20,295,220	57,986,343	200,980,700	600,988,354	33.44%
20,616,890	58,905,400	201,634,580	603,032,823	33.44%
15,320,670	43,773,343	221,642,740	663,110,583	33.42%
15,329,070	43,797,343	218,123,450	649,306,817	33.59%

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

Collection Year	1994	1995	1996	1997
Portsmouth City School District	\$34.53	\$34.53	\$34.53	\$34.53
Scioto County	7.68	7.98	7.98	7.98
City of Portsmouth	12.35	12.35	12.35	12.35
Scioto County Joint Vocational School	4.37	5.37	5.37	5.37

Source: Scioto County Auditor

TABLE 7

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$34.53	\$34.53	\$34.53	\$34.53	\$41.03	\$41.03
7.98	7.98	7.98	7.98	7.98	7.98
12.35	12.35	12.25	12.25	12.25	9.55
5.37	5.37	5.37	5.37	5.37	5.37

TABLE 8

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Legal Debt Margin

June 30, 2003

Assessed Valuation of District		<u><u>\$218,123,450</u></u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$19,631,111
Amount available in Debt Service Fund		875,363
Gross indebtedness	<u>16,859,274</u>	
Net indebtedness		<u>(16,859,274)</u>
Legal debt margin within 9% limitation		<u><u>\$3,647,200</u></u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$218,123
Gross indebtedness	<u>64,274</u>	
Net indebtedness		<u>(64,274)</u>
Legal debt margin within 0.1% limitation		<u><u>\$153,849</u></u>

Source: Portsmouth City School District records.

TABLE 9

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

<u>Year (1)</u>	<u>General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
2002	\$17,070,000	\$221,642,740	20,909	7.70%	\$816.39
2003	16,795,000	218,123,450	20,909	7.70%	803.24

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

TABLE 10

PORTSMOUTH CITY SCHOOL DISTRICT
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Government Expenditures
Current Fiscal Year

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures (2)</u>	<u>Ratio of Debt Service to General Expenditures (%)</u>
2003	\$275,000	\$805,419	\$1,080,419	\$31,643,017	3.41%

Source: Portsmouth City School District records.

Note: Fiscal Year 2003 was the first year debt service expenditures were required.

TABLE 11

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

As of June 30, 2003

Governmental Unit	Gross General Obligation Bonded Debt	Percent Applicable to District	Amount Applicable to District
Direct:			
Portsmouth City School District	<u>\$16,795,000</u>	100.00%	<u>\$16,795,000</u>
Overlapping:			
Scioto County	7,577,344	27.62%	2,092,862
City of Portsmouth	<u>2,050,000</u>	100.00%	<u>2,050,000</u>
Total overlapping:	<u>9,627,344</u>		<u>4,142,862</u>
Total direct and overlapping debt:	<u><u>\$26,422,344</u></u>		<u><u>\$20,937,862</u></u>

Source: Ohio Municipal Advisory Council

TABLE 12

PORTSMOUTH CITY SCHOOL DISTRICT

*Construction, Bank Deposits and Property Values
Last Ten Calendar Years*

Year	Construction (1)		County Bank Deposits (2) (in thousands)	Property Values (3)
	Residential and Commercial Number of Permits	Property Values		
1994	374	\$11,979,873	\$202,693	\$392,894,343
1995	352	5,021,936	199,554	403,866,829
1996	366	12,324,500	197,797	405,286,200
1997	345	24,623,057	0	402,933,457
1998	302	8,477,714	0	403,529,771
1999	199	4,320,294	0	453,529,114
2000	209	2,734,850	0	449,349,771
2001	272	5,254,757	0	449,858,343
2002	219	4,731,467	0	514,877,600
2003	225	3,729,549	0	514,170,114

- Sources:
- (1) City of Portsmouth Building Department
2003 information is based on January through July only.
 - (2) Federal Reserve Bank of Cleveland
For 1997 through 2003 this information was not applicable.
Effective May 1997, Bank One Portsmouth became a branch
office of Bank One National Association of Columbus.
 - (3) Scioto County Auditor, calendar year basis - estimated actual
value of real property only.

TABLE 13

PORTSMOUTH CITY SCHOOL DISTRICT

*Demographic Statistics
Last Ten Calendar Years*

<u>Year</u>	<u>Scioto County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Scioto County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A (3)</u>
1994	80,919	22,705	3,751	10.00%	5.50%	6.10%
1995	81,097	22,694	3,466	9.70%	4.80%	5.60%
1996	80,905	22,625	3,406	9.90%	4.90%	5.40%
1997	80,756	22,676	3,307	9.90%	4.60%	4.90%
1998	80,756	22,676	3,180	10.70%	4.40%	4.70%
1999	80,756	22,676	3,059	9.16%	4.35%	4.42%
2000	80,756	22,676	2,918	8.30%	3.90%	4.10%
2001	79,195	20,909	2,628	6.30%	4.00%	4.90%
2002	78,435	20,909	2,257	8.50%	5.60%	5.90%
2003	79,195	20,909	2,188	8.10%	5.50%	5.80%

Sources: (1) Census data from the 2000 census.

(2) Portsmouth City School District

(3) Ohio Department of Jobs and Family Services
Prior Years based on annual averages.

TABLE 14

PORTSMOUTH CITY SCHOOL DISTRICT

Top Ten Principal Taxpayers

<u>Name of Taxpayer</u>	<u>Total Assessed Valuation</u>	<u>% of Total School District Assessed Valuation</u>
Ohio Power	\$7,868,280	3.55%
SOMC Title Holding Company	3,322,120	1.50%
OSCO Industries	3,087,930	1.39%
Verizon North	3,033,670	1.37%
N & S Railway Company	2,036,570	0.92%
Hatcher, Neal & Vicky	1,905,160	0.86%
Hillview Retirement Center	1,813,110	0.82%
Columbia Gas of Ohio	1,370,710	0.62%
Mitchellace	1,178,960	0.53%
Fifth Third Bank	<u>1,029,840</u>	<u>0.46%</u>
Total Principal Taxpayers	<u><u>26,646,350</u></u>	<u><u>12.02%</u></u>
Total School District	<u><u>\$221,642,740</u></u>	<u><u>100.00%</u></u>

Source: Scioto County Auditor.

Latest information available is for calendar year 2002.

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PORTSMOUTH CITY SCHOOL DISTRICT

*Enrollment
Last Ten Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1994	3	324	317	276	286	261	253
1995	15	296	278	263	251	271	239
1996	12	309	268	269	252	258	267
1997	15	289	274	238	251	249	243
1998	15	262	259	240	218	239	243
1999	12	276	244	235	225	215	241
2000	27	191	292	223	224	218	200
2001	20	204	195	240	209	211	208
2002	22	173	194	169	233	186	204
2003	11	213	200	165	158	233	172

Source: Portsmouth City School District records.

TABLE 15

<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
304	326	294	337	252	266	252	3,751
260	276	291	313	248	224	241	3,466
240	267	271	362	241	196	194	3,406
261	259	263	325	249	212	183	3,311
235	243	251	306	234	231	204	3,180
234	240	231	289	211	201	205	3,059
239	226	225	295	171	190	197	2,918
198	236	206	194	208	174	125	2,628
192	156	168	144	130	172	114	2,257
207	156	144	134	135	132	128	2,188

TABLE 16

PORTSMOUTH CITY SCHOOL DISTRICT

Miscellaneous Statistical Data

June 30, 2003

Original Charter:	April 21, 1857
Form of Government:	Public School District
Area of District:	20 square miles
Number of Miles Traveled by Transportation Fleet for the Fiscal 2003 School Year:	19,110
Number of Meals Served by Food Service Department for the Fiscal 2003 School Year:	269,838

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Harding Elementary	K - 6	329
Roosevelt Elementary	PK - 3	269
Wilson Elementary	K - 3	446
McKinley Elementary School	4 - 6	315
U.S. Grant Middle School	7 - 8	300
Portsmouth High School	9 - 12	529
Total		<u>2,188</u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	16	9.57%
Bachelor +15	69	41.32%
Masters	82	49.10%
Total	<u>167</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	30	17.96%
6 - 10	18	10.78%
11 - 15	35	20.96%
16 - 20	29	17.37%
21 - 25	30	17.96%
26 and over	25	14.97%
Total	<u>167</u>	<u>100.00%</u>

Source: Portsmouth City School records

TABLE 17

PORTSMOUTH CITY SCHOOL DISTRICT
Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Portsmouth City All Funds</u>	<u>State Average</u>	<u>Difference + (-)</u>
1994	\$5,975	\$5,043	\$932
1995	5,962	5,218	744
1996	6,089	5,545	544
1997	6,741	5,932	809
1998	6,326	6,285	41
1999	6,615	6,642	(27)
2000	6,791	7,094	(303)
2001	7,037	6,891	146
2002	9,258	8,057	1,201
2003	9,267	8,073	1,194

Source: Portsmouth City School District records.

TABLE 18

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO
Levy History

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

Source: Portsmouth City School District Records.

TABLE 19

PORTSMOUTH CITY SCHOOL DISTRICT

Statistical Data

June 30, 2003

Average Income	\$21,646	Proficiency Tests:	
Average Teacher Salary	\$39,662	Percentage of Students	
Average Number of Students to a Teacher	17	Required to Take the Test	
Percentage of 4th graders promoted to 5th	89.5%	Who Demonstrated Proficiency	
Percentage of 6th graders promoted to 7th	100%		
High School Graduation Rate	55.7%	Grade 4:	
Student Attendance Rate	92.2%	Math	45%
Staff Attendance Rate	95.1%	Reading	49%
		Writing	67%
Revenue Received by District		Citizenship	40%
Revenue Per Pupil (all funds)	\$11,428	Science	36%
Expenditure Per Pupil (all funds)	\$9,267		
		Grade 6:	
Student Demographics		Math	29%
Racial Ethnic Data Percentage		Reading	49%
White	88.0%	Writing	83%
Black	8.5%	Citizenship	48%
Hispanic	0.5%	Science	31%
Asian	0.5%		
American Indian, Alaskan	NC	Grade 9:	
Multi-Racial	2.2%	Math	47%
		Reading	81%
Disability Condition		Writing	88%
Number of Students with Disabilities	319	Citizenship	71%
		Science	62%
		Grade 12:	
		Math	68%
		Reading	84%
		Writing	92%
		Citizenship	79%
		Science	77%

Source: Ohio Department of Education, EMIS District Trend Report



**Auditor of State
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PORTSMOUTH CITY SCHOOL DISTRICT

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 3, 2004**