

Port Clinton City School District

* * * *

Report Letters

June 30, 2005



**Auditor of State
Betty Montgomery**

Board of Trustees
Port Clinton City School District
431 Portage Drive
Port Clinton, Ohio 43452

We have reviewed the *Independent Auditor's Report* of the Port Clinton City School District, Ottawa County, prepared by Rea & Associates, Inc. for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY
Auditor of State

April 25, 2006

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PORT CLINTON CITY SCHOOL DISTRICT

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January 4, 2006

To the Board of Education
Port Clinton City School District
Ottawa County, Ohio

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Port Clinton City School District as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Port Clinton City School'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 reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Port Clinton City School District in a separate letter dated January 4, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Port Clinton City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Port Clinton City School District in a separate letter dated January 4, 2006.

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

Hea & Associates, Inc.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 4, 2006

To the Board of Education
Port Clinton City School District
Ottawa County, Ohio

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

Compliance

We have audited the compliance of Port Clinton City Schools 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 the School District's major program for the year ended June 30, 2005. The School District's major Federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Port Clinton City School District's management. Our responsibility is to express an opinion on Port Clinton City School'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 the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Port Clinton City School'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 of Port Clinton City School's compliance with those requirements.

In our opinion, Port Clinton City School District complied, in all material respects, with the requirements referred to above that are applicable to its major program for the year ended June 30, 2005. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the 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.

Schedule of Expenditures of Federal Awards – Non GAAP Budgetary Basis

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Port Clinton City Schools as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 4, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Rea & Associates, Inc.

PORT CLINTON CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
U. S. Department of Education (Passed Through Ohio Department of Education):					
Title I	84.010	C1-S1-2005	\$ 295,297	\$ 286,166	\$ 0
Title I	84.010	C1-S1-2004	2,007	2,029	0
Total Title I			<u>297,304</u>	<u>288,195</u>	<u>0</u>
IDEA - B	84.027	6B-SF-2005	460,043	447,637	0
IDEA - B	84.027	6B-SF-2004	154,985	38,481	0
Total IDEA - B			<u>615,028</u>	<u>486,118</u>	<u>0</u>
Safe and Drug-Free Schools and Communities	84.186	DR-S1-2005	9,626	9,276	0
Safe and Drug-Free Schools and Communities	84.186	DR-S1-2004	5,283	5,554	0
Total Safe and Drug-Free Schools and Communities			<u>14,908</u>	<u>14,830</u>	<u>0</u>
Title V	84.298	C2-S1-2005	8,746	4,032	0
Title V	84.298	C2-S1-2004	655	15,084	0
Total Title V			<u>9,402</u>	<u>19,116</u>	<u>0</u>
Title II-D	84.318	TJ-S1-2005	10,228	3,906	0
Title II-D	84.318	TJ-S1-2004	0	3,247	0
Total Title II-D			<u>10,228</u>	<u>7,153</u>	<u>0</u>
Title II-A	84.367	TR-S1-2005	108,620	106,919	0
Title II-A	84.367	TR-S1-2004	3,043	46,956	0
Total Title II-A			<u>111,662</u>	<u>153,875</u>	<u>0</u>
Total Department of Education			<u>1,058,532</u>	<u>969,286</u>	<u>0</u>
U. S. Department of Health and Human Services (Passed Through Ohio Department of Mental Retardation and Developmental Disabilities):					
Community Alternative Funding System	93.778		106,275	106,275	0
State Children's Health Insurance Program	93.767		20,451	20,451	0
Total Department of Health and Human Services			<u>126,726</u>	<u>126,726</u>	<u>0</u>
U. S. Department of Agriculture (Passed Through Ohio Department of Education):					
Nutrition Cluster:					
Food Distribution Program (A) (B)	10.550		52,805	0	52,805
National School Lunch Program (A)	10.555		224,238	224,238	0
National School Breakfast Program	10.553		31,445	31,445	0
Total Department of Agriculture: Nutrition Cluster			<u>308,489</u>	<u>255,684</u>	<u>52,805</u>
Total Federal Assistance			<u>\$ 1,493,746</u>	<u>\$ 1,351,695</u>	<u>\$ 52,805</u>

(A) Government commodities are reported at the fair market value of the commodities received and disbursed.

(B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

**PORT CLINTON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 2005**

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) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(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 Section .510?	No
(d) (1) (vii)	Major Programs (list):	Special Education Cluster CFDA # 84.027 & 84.173 Lunch/Breakfast Program CFDA #10.550, 10.553, 10.550 Community Alternative Funding System CFDA #93.778
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None were noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted

Port Clinton City School District

Ottawa County, Ohio

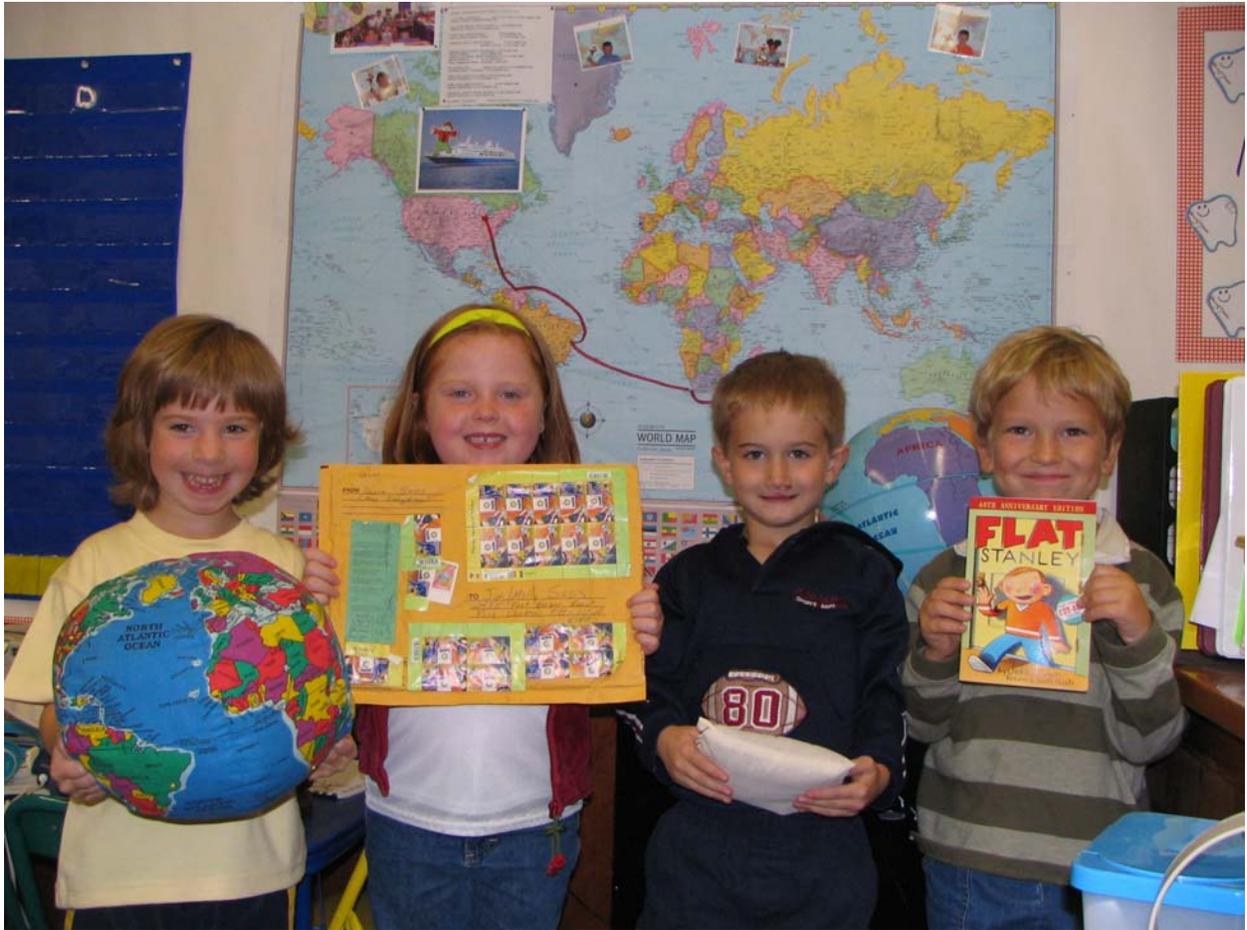
**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2005**



Issued by:

Dr. Paul Lockwood, Treasurer
Treasurer's Office

Introductory Section



PORT CLINTON CITY SCHOOL DISTRICT
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2005
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PORT CLINTON CITY SCHOOL DISTRICT

Comprehensive Annual Financial Report

For the Year Ended June 30, 2005

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Board of Education

431 Portage Drive
Port Clinton, OH 43452
419.732.2102
419.734.4527 fax

January 4 , 2006

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

As the Superintendent and Treasurer of the Port Clinton City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2005 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) statement Number 34 using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

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

GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT

The School District

Port Clinton is located in Ottawa County in north central Ohio on the South shore of Lake Erie, approximately 70 miles west of the City of Cleveland. The District encompasses 47.93 square miles and includes the City of Port Clinton, the Townships of Catawba, Portage, and parts of Erie and Bay.

Valuation of real property indicates that 80.57% of the District is Residential/Agricultural, 19.41% is Commercial/Industrial and 0.02% is Public Utility.

The School District's 2005 population was 18,804. The District is the center of the Lake Erie vacation area and the hosts significant tourist activity in the summer months. These activities include swimming, boating, and fishing.

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

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

Today the District, one of the 613 public school districts in the State and seven in the county, provides education to nearly 1,900 students in grades K through 12. The District consists of one high school, one middle school, four elementary schools, one administrative building, and a transportation center.

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

The Reporting Entity and Services Provided

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

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

The School District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are the Northern Ohio Educational Computer Association, the Bay Area Council of Governments, the Vanguard-Sentinel Joint Vocational School, and the Ohio School Boards Association Worker's Compensation Group Rating Program. These organizations are presented in Notes 13 and 14 to the basic financial statements.

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

Economic Condition and Outlook

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

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

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

The District is currently experiencing growth in its tax base as more and more land is developed for homes and summer get- a-ways. For calendar year 2003, the District's assessed valuation was \$446,665,568 and for calendar year 2004 it was \$508,483,171.

Contrary to popular belief, the District does not benefit financially in comparison to the percentage increases to assessed valuation from year to year. Rather, the District benefits significantly less due to House Bill 920, which was passed in 1976. House Bill 920 prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of existing property values. Thus, a District must obtain approval of voters for additional revenue through tax levies. Fortunately for the Port Clinton School District, voters have been extremely supportive of operating levies. This was evident in August of 2003, as voters approved an emergency operating levy of 3.89 mills. In March, 2004 the voters approved the renewal of a five-year 2.3 mill current expense levy and in February 1994 a 6.9 mill current expense levy was passed.

Of the District's general fund operations, 69.2 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 28.3 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings and other revenues account for 2.5 percent.

The District maintains a strategic fiscal plan, which incorporates the State required five-year plan. The current long-term fiscal plan reflects a negative cash balance of \$165,453 during the 2010 fiscal year. The School District has a long history of local support. Continued voter support, and a healthy tax base are crucial to the long-term financial health of the District.

Major Initiatives

The Port Clinton City Schools is excited about future. In August 2003, voters approved a 3.89 mill emergency operating levy. With the success of this issue, the District will be able to accomplish a number of initiatives in the area of curriculum development, programming, and student services. The school community has recently put in action the "Agenda for Excellence" strategic plan. This blue print will be used to guide the District over the next several years. The Agenda for Excellence contains a brand new mission statement for the District.

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

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

Strategies identified include:

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

Outlook for the Future

For the future, the School District's overall focus will be to continue to improve the educational program for the benefit of student, parents, and community residents. The process will involve the evaluation of current programs the implementation of new programs. Over 200 people including; administrators, teachers, classified staff members, students, parents, community members and representatives from business and industry have been involved in this strategic planning effort. Specific initiatives to be implemented in 2005-06 include:

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

- Update course content in the Technology Department to reflect current technology.
- Rewrite the high school Registration Guide.
- Implement a technology curriculum that involves keyboarding at grade 4, productivity at grade 5, and multi-media instruction at grade 6.
- Establish a District process to coordinate and implement immediate professional development with the District's technology efforts.
- Continue to offer local technology grant writing opportunities to District teachers.
- Establish an active Health and Wellness Advisory Council.
- To develop and implement an enrichment non-athletic program for 1-12.
- Implement a debit card system for the cafeteria.
- Establish a scheduling system at the high school that will provide greater flexibility for all students and make more efficient use of personnel.
- Reduce our transportation costs by 10% while maintaining safety considerations and environmental citizenship.
- Facilities Master Plan – The “Agenda for Excellence” identified the evaluation and assessment of our current facilities as one of our most important issues facing the district the next five years. Our community facilities team has made the following draft recommendations regarding this plan.
 - Reduce the number of elementary schools from four to two.
 - Create a new middle school with a 6-8 grade configuration.
 - Renovate the existing high school including facilities that would be available for community use.
 - All vacated buildings should be razed and not sold.

The projected cost of the plan as proposed is approximately \$35 million.

FINANCIAL INFORMATION

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

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

The Management Discussion and Analysis follows the independent auditor’s report, and provides an assessment of the District’s finances and outlook for the future.

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) Investment Pool, certificates of deposit and in

repurchase agreements. The amount of investment income in fiscal year 2005 for all District funds was \$184,809. A more detailed description of the District's investment functions is described in Note 2 to the financial statements.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2005, the District contracted with various insurance companies for general liability insurance with a \$2,000,000 single occurrence limit and a \$6,000,000 aggregate. Buildings and contents are covered under a Commercial Property Comprehensive Building Insurance policy with a \$1,000 deductible.

The District's vehicles are covered under a business auto policy with various insurance companies for primary coverage. This policy carries a \$1000 deductible and a \$1,000,000 limit for bodily injury and property damage and a \$1,000,000 limit for uninsured motorist.

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

USE OF REPORT

This report is published to provide the Board of Education, the citizens of the Port Clinton City School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during Fiscal Year 2005. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

PENSION PLANS

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

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent accountants. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2005, Rea & Associates completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

AWARDS

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the District for its fiscal years ended June 30, 2003 and 2004 CAFR. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

ACKNOWLEDGMENTS

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

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



Patrick D. Adkins
Superintendent



Dr. Paul R. Lockwood II
Treasurer

Port Clinton City School District, Ohio

Members of the Board of Education

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

<i>Member</i>	<i>Present Term Expires</i>
<i>David Belden, President</i>	December 31, 2007
<i>Barbara Drusbacky, Vice-President</i>	December 31, 2005
<i>Walter Wehenkel, Member</i>	December 31, 2005
<i>Mark May, Member</i>	December 31, 2005
<i>Michael Bassett Jr., Member</i>	December 31, 2007

Superintendent of Schools

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the District. The Board appointed Patrick D. Adkins, Superintendent of the Port Clinton City School District effective August 25, 2004. His employment contract expires on July 31, 2007.

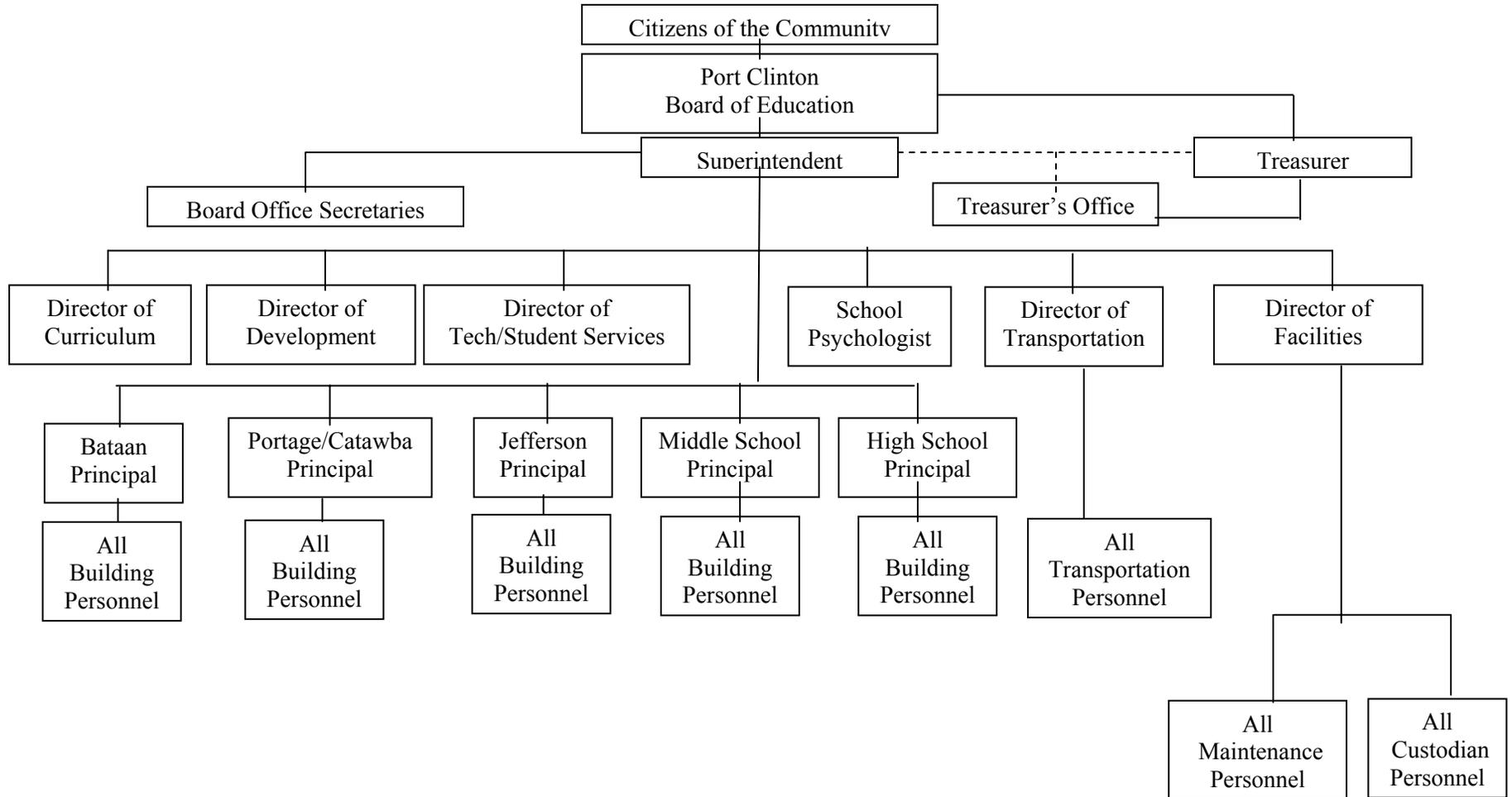
Treasurer/Chief Financial Officer

The Treasurer/Chief financial Officer serves as the fiscal officer of the District and, with the board president, executes all conveyances made by the Board of Education. The Treasurer, Dr. Paul R. Lockwood II, has held the position since January 15, 2003. His employment contract expires on January 11, 2009.

PORT CLINTON CITY SCHOOL DISTRICT, OHIO
Management Team

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

**PORT CLINTON CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART**



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Port Clinton City
School District, Ohio

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

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



Nancy L. Ziehl
President

Jeffrey R. Erwin
Executive Director

Financial Section



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 4, 2006

The Board of Education
Port Clinton City School District
431 Portage Drive
Port Clinton, OH 43452

INDEPENDENT AUDITOR'S REPORT

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2006 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Hea & Associates, Inc.

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

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

Financial Highlights

Key financial highlights for 2005 are as follows:

Overall:

- For governmental activities, net assets increased \$1.6 million, which represents a 29.5 percent increase from 2004.
- General revenues accounted for \$20.2 million in revenue or 91.9 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$ 1.8 million or 8.1 percent of total governmental revenues of \$22 million.
- The District had \$20.4 million in expenses related to governmental activities; only \$1.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$20.2 million were adequate to provide for these programs.
- Among major funds, the general fund had \$18.4 million in revenues and \$17.9 million in expenditures. The general fund's fund balance increased to \$3.9 million from \$3.4 million. The District is in the early cycle of a recently passed tax levy, which will contribute to the stabilizing of the general fund.

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

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Port Clinton City School District, the general fund and debt service fund are by far the most significant funds.

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

In the Statement of Net Assets and the Statement of Activities, the District only had one type of activity:

- Governmental Activities - All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 15. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions, however, these financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and debt service fund.

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

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

The District as a Whole

Governmental Activities

Table 1 shows net assets for fiscal year 2005 compared to 2004 (restated).

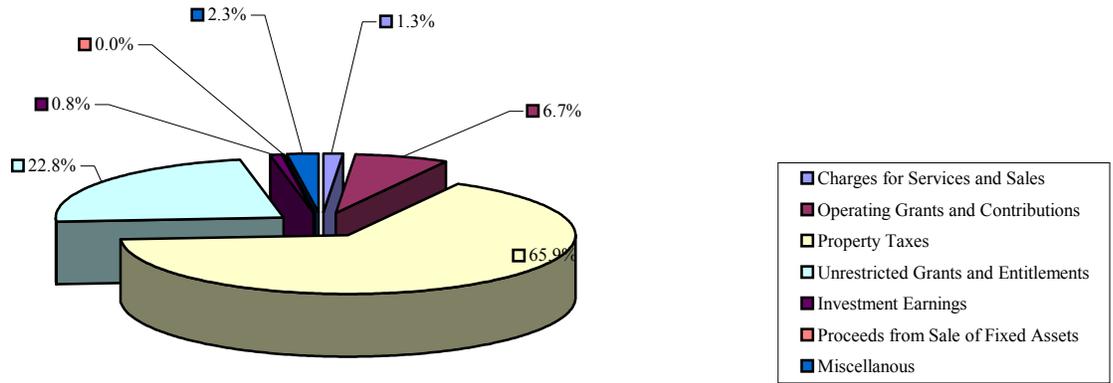
	<u>2005</u>	<u>2004</u>
Assets:		
Current and Other Assets	\$ 22.93	\$ 18.15
Capital Assets	<u>4.49</u>	<u>4.73</u>
 Total Assets	 <u>27.42</u>	 <u>22.88</u>
Liabilities:		
Current Liabilities	14.95	11.24
Long-term Liabilities	<u>5.49</u>	<u>6.25</u>
 Total Liabilities	 <u>20.44</u>	 <u>17.49</u>
Net Assets:		
Invested in Capital Assets	0.20	(0.70)
Restricted	3.31	3.05
Unrestricted	<u>3.47</u>	<u>3.04</u>
 Total Net Assets	 <u><u>\$ 6.98</u></u>	 <u><u>\$ 5.39</u></u>

What are the District's Revenue Sources?

The following pie graph provides a summary of the District's Governmental Activities revenue sources for 2005.

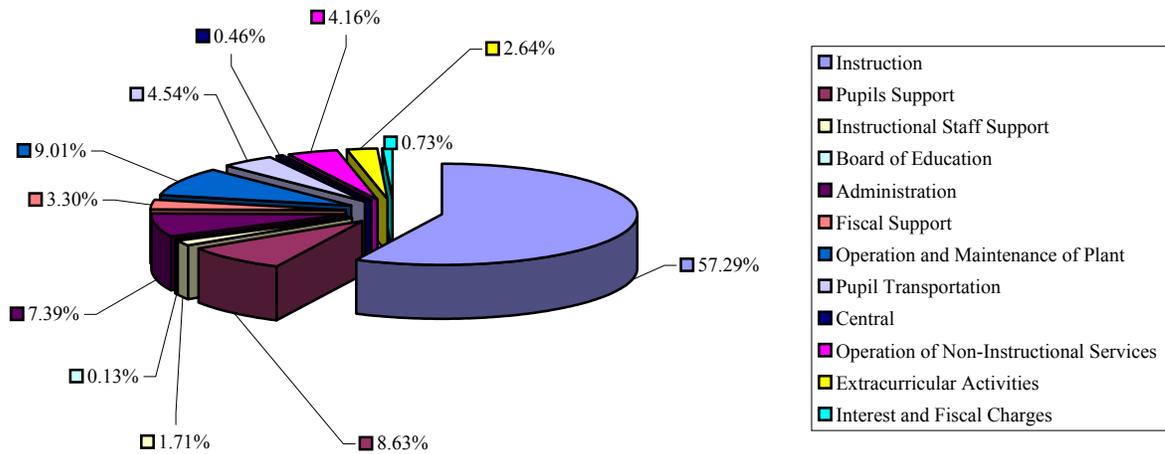
Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Revenues - Percentage View



Where does the District spend its revenues?

Expenditures - Percentage View



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

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 65.9 percent of revenue for governmental activities for Port Clinton City School District in fiscal year 2005, a slight decrease from prior years.

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

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

Table 2

**Changes in Net Assets
Governmental Activities**

	2005	2004
Revenue:		
Program Revenues:		
Charges for Services and Sales	\$ 294,600	\$ 207,362
Operating Grants and Contributions	1,481,665	1,316,134
General Revenues:		
Property Taxes	14,498,022	12,937,094
Grants and Entitlements not Restricted to Specific Programs	5,019,349	4,550,036
Investment Earnings	184,809	85,058
Premium on Bonds	-	292,847
Gain from Sale of Capital Assets	4,022	-
Miscellaneous	508,794	-
Transfers	480	188,920
Total Revenues	21,991,741	19,577,451
Expenses:		
Instruction:		
Regular	8,920,104	8,537,145
Special	2,038,648	1,888,795
Vocational	153,591	96,417
Other	574,941	430,006
Support Services		
Pupils	1,761,180	1,576,735
Instructional Staff	348,950	396,087
Board of Education	26,399	12,079
Administration	1,507,848	1,571,627
Fiscal	672,995	265,342
Operation and Maintenance of Plant	1,837,266	1,720,125
Pupil Transportation	927,084	1,007,086
Central	94,644	67,736
Operation of Non-Instructional Services	847,633	206,807
Extracurricular Activities	538,827	527,975
Interest and Fiscal Charges	149,207	865,248
Total Expenses	20,399,317	19,169,210
Changes in Net Assets	1,592,424	408,241
Beginning Net Assets	5,389,095	4,980,854
Ending Net Assets	\$ 6,981,519	\$ 5,389,095

The dependence upon general tax revenues for governmental activities is apparent. Over 89 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 92 percent as shown in the above table. The community, as a whole, is by far the primary support for Port Clinton City School District students.

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

The District's Funds

Information about the District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$22.4 million and expenditures of \$21.5 million. The net change in fund balance for the year was most significant in the General Fund, where the General Fund balance increased by \$585,807 for fiscal year 2005. This is due to the increase in tax revenues.

General Fund Budgeting Highlights

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

During the course of fiscal year 2005 the District amended its General Fund budget numerous times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

During the course of fiscal year 2005, the General Fund, budget revenue was inline with the original budget estimate. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were also in line with projections.

Capital Assets and Debt Administration

At the end of fiscal year 2005, the District had \$4.5 million (net) invested in land, buildings, equipment and vehicles.

Table 3 shows fiscal 2005 net capital asset balances for governmental type activities compared to the prior fiscal year.

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

Table 3

**Capital Assets
(Net of Accumulated Depreciation)**

	Governmental Type Activities	
	2005	2004
Land	\$ 58,517	\$ 58,517
Buildings and Improvements	2,743,538	2,854,524
Equipment and Vehicles	<u>1,687,198</u>	<u>1,813,628</u>
Totals	<u>\$ 4,489,253</u>	<u>\$ 4,726,669</u>

The decrease in capital assets is due to the District recognizing \$237,416 in depreciation expense for 2005, and the transfer of \$4,467 of business-type activities assets to governmental activities. The District continued its ongoing commitment to maintaining and improving its capital assets. For additional detail, see Note 7.

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

Debt

Currently, the District has \$4,696,394 of Notes/Bonds Payable at June 30, 2005, which compares to \$5,430,394 for June 30, 2004. For the 2005 amount, \$744,000 is due within one year, and \$3,952,394 is due in more than one year. For additional detail, see Note 12.

Current Financial Related Activities

Port Clinton City School District is strong financially. As the preceding information shows, the District heavily depends on its property taxpayers. With the passage of a 3.89-mill operating levy and collection beginning in January 2005, the District has been able to continue its education programs. However, financially the future is not without challenges.

While the District was successful in increasing its tax revenue base in 2005, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain

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

nearly constant. Thus management must diligently plan expenses, staying carefully within the District's five-year forecast.

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

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

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

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Paul Lockwood, Treasurer at Port Clinton City School District, 431 Portage Drive, Port Clinton, OH 43452.

Port Clinton City School District
Statement of Net Assets
June 30, 2005

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 7,408,384
Cash and Cash Equivalents in Segregated Accounts	
In Segregated Accounts	8,850
Receivables:	
Taxes	15,416,397
Intergovernmental	39,264
Prepaid Assets	9,124
Inventory Held for Resale	6,692
Materials and Supplies Inventory	40,629
Nondepreciable Capital Assets	58,517
Depreciable Capital Assets, Net	4,430,736
 <i>Total Assets</i>	 27,418,593
Liabilities	
Accounts Payable	132,013
Accrued Wages and Benefits	1,386,122
Intergovernmental Payable	105,183
Pension Obligation Payable	392,852
Unearned Revenue	12,921,501
Accrued Interest Payable	10,744
Long-Term Liabilities:	
Due Within One Year	852,644
Due Within More Than One Year	4,636,015
 <i>Total Liabilities</i>	 20,437,074
Net Assets	
Invested in Capital Assets, Net of Related Debt	203,024
Restricted for:	
Capital Projects	167,724
Debt Service	2,593,378
Other Purposes	545,586
Unrestricted (Deficit)	3,471,807
 <i>Total Net Assets</i>	 \$ 6,981,519

See accompanying notes to the basic financial statements

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

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
Instruction:				
Regular	\$ 8,920,104	\$ 169,031	\$ 297,023	\$ (8,454,050)
Special	2,038,648	-	755,339	(1,283,309)
Vocational	153,591	-	-	(153,591)
Other	574,941	-	-	(574,941)
Support Services:				
Pupils	1,761,180	-	101,796	(1,659,384)
Instructional Staff	348,950	-	-	(348,950)
Board of Education	26,399	-	5,896	(20,503)
Administration	1,507,848	-	-	(1,507,848)
Fiscal	672,995	-	-	(672,995)
Operation and Maintenance of Plant	1,837,266	-	2,072	(1,835,194)
Pupil Transportation	927,084	-	-	(927,084)
Central	94,644	-	-	(94,644)
Operation of Non-Instructional Services	847,633	-	319,539	(528,094)
Extracurricular Activities	538,827	125,569	-	(413,258)
Interest and Fiscal Charges	149,207	-	-	(149,207)
<i>Total Governmental Activities</i>	<u>\$ 20,399,317</u>	<u>\$ 294,600</u>	<u>\$ 1,481,665</u>	<u>(18,623,052)</u>
 General Revenues				
Property Taxes Levied for:				
General Purposes				13,431,484
Debt Service				812,422
Capital Purposes				254,116
Grants and Entitlements not Restricted to Specific Programs				5,019,349
Investment Earnings				184,809
Gain from the Sale of Capital Assets				4,022
Miscellaneous				508,794
Transfers				480
<i>Total General Revenues</i>				<u>20,215,476</u>
Changes in Net Assets				1,592,424
<i>Net Assets Beginning of Year - As Restated, See Note 19</i>				<u>5,389,095</u>
<i>Net Assets End of Year</i>				<u>\$ 6,981,519</u>

See accompanying notes to the basic financial statements

Port Clinton City School District
Balance Sheet
Governmental Funds
June 30, 2005

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 4,088,134	\$ 2,457,778	\$ 776,086	\$ 7,321,998
Cash and Cash Equivalents:				
In Segregated Accounts	5,000	-	3,850	8,850
Restricted Assets:				
Cash and Cash Equivalents	86,386	-	-	86,386
Receivables:				
Taxes	14,364,543	802,469	249,385	15,416,397
Intergovernmental	39,264	-	-	39,264
Interfund Receivables	20,192	-	-	20,192
Prepaid Items	8,315	-	809	9,124
Inventory Held for Resale	-	-	6,692	6,692
Materials and Supplies Inventory	-	-	40,629	40,629
Total Assets	\$ 18,611,834	\$ 3,260,247	\$ 1,077,451	\$ 22,949,532
Liabilities				
Accounts Payable	\$ 86,318	\$ -	\$ 45,695	\$ 132,013
Accrued Wages and Benefits	1,351,750	-	34,372	1,386,122
Compensated Absences Payable	41,696	-	1,596	43,292
Pension Obligation Payable	392,852	-	-	392,852
Interfund Payable	-	-	20,192	20,192
Intergovernmental Payable	100,418	-	4,765	105,183
Deferred Revenue	12,691,310	683,756	215,949	13,591,015
Total Liabilities	14,664,344	683,756	322,569	15,670,669
Fund Balances				
Reserved for:				
Encumbrances	334,702	-	134,116	468,818
Prepaid Items	8,315	-	1,474	9,789
Property Taxes	1,673,233	118,713	38,407	1,830,353
Budget Stabilization	86,386	-	-	86,386
Undesignated, Reported in:				
General Fund	1,844,854	-	-	1,844,854
Special Revenue Funds	-	-	518,026	518,026
Debt Service Funds	-	2,457,778	-	2,457,778
Capital Projects Funds	-	-	62,859	62,859
Total Fund Balances	3,947,490	2,576,491	754,882	7,278,863
Total Liabilities and Fund Balances	\$ 18,611,834	\$ 3,260,247	\$ 1,077,451	\$ 22,949,532

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances	\$ 7,278,863
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,489,253
Long-term liabilities, including bonds, notes payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(748,973)
General Obligation Bonds Payable	(3,565,738)
Notes Payable	<u>(1,141,400)</u>
Total	(5,456,111)
Other long-term assets are not available to pay for current period expenditures, and therefore are deferred in the funds.	
Delinquent Property Taxes	<u>669,514</u>
 <i>Net Assets of Governmental Activities</i>	 <u><u>\$ 6,981,519</u></u>

See accompanying notes to the basic financial statements

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

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 13,227,846	\$ 812,865	\$ 254,554	\$ 14,295,265
Intergovernmental	4,872,731	87,446	1,540,837	6,501,014
Interest	182,150	-	2,659	184,809
Tuition	102,967	-	-	102,967
Extracurricular Activities	-	-	125,569	125,569
Classroom Materials and Fees	28,972	-	37,092	66,064
Miscellaneous	18,189	-	490,605	508,794
<i>Total Revenues</i>	<u>18,432,855</u>	<u>900,311</u>	<u>2,451,316</u>	<u>21,784,482</u>
Expenditures				
Current:				
Instruction:				
Regular	7,837,301	-	796,252	8,633,553
Special	1,565,364	-	459,532	2,024,896
Vocational	153,591	-	-	153,591
Other	574,941	-	-	574,941
Support Services:				
Pupils	1,459,815	-	292,303	1,752,118
Instructional Staff	332,165	-	16,704	348,869
Board of Education	26,399	-	-	26,399
Administration	1,440,412	-	66,729	1,507,141
Fiscal	642,024	14,891	12,508	669,423
Operation and Maintenance of Plant	1,929,792	-	41,299	1,971,091
Pupil Transportation	899,788	-	20,203	919,991
Central	74,542	-	20,102	94,644
Operation of Non-Instructional Services	-	-	844,340	844,340
Extracurricular Activities	336,218	-	202,072	538,290
Debt Service:				
Principal Retirement	-	734,000	-	734,000
Interest and Fiscal Charges	-	138,463	-	138,463
<i>Total Expenditures</i>	<u>17,272,352</u>	<u>887,354</u>	<u>2,772,044</u>	<u>20,931,750</u>
<i>Excess of Revenue Over/(Under) Expenditures</i>	<u>1,160,503</u>	<u>12,957</u>	<u>(320,728)</u>	<u>852,732</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4,022	-	-	4,022
Transfer In	-	147,049	432,149	579,198
Transfer Out	(578,718)	-	-	(578,718)
<i>Total Other Financing Sources (Uses)</i>	<u>(574,696)</u>	<u>147,049</u>	<u>432,149</u>	<u>4,502</u>
<i>Net Change in Fund Balances</i>	585,807	160,006	111,421	857,234
<i>Fund Balances Beginning of Year (As Restated, See Note 19)</i>	<u>3,361,683</u>	<u>2,416,485</u>	<u>643,461</u>	<u>6,421,629</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,947,490</u>	<u>\$ 2,576,491</u>	<u>\$ 754,882</u>	<u>\$ 7,278,863</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds \$ 857,234

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

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

Current Year Depreciation	<u>(237,416)</u>	
Total		(237,416)

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

Taxes	<u>202,757</u>	
Total		202,757

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

734,000

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

Compensated Absences Payable	46,593	
Accrued Interest Payable	<u>(10,744)</u>	
Total		<u>35,849</u>

<i>Change in Net Assets of Governmental Activities</i>		<u><u>\$ 1,592,424</u></u>
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See accompanying notes to the basic financial statements

Port Clinton City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 12,435,109	\$ 12,667,552	\$ 12,667,552	\$ -
Intergovernmental	5,062,870	4,811,529	4,833,466	21,937
Interest	100,000	156,380	184,351	27,971
Tuition	88,776	98,678	102,967	4,289
Classroom Materials and Fees	44,850	29,456	28,972	(484)
Miscellaneous	25,072	18,804	25,732	6,928
Total Revenues	17,756,677	17,782,399	17,843,040	60,641
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,136,150	5,550,160	5,537,683	12,477
Fringe Benefits	1,663,200	1,683,768	1,678,910	4,858
Purchased Services	101,955	107,978	74,895	33,083
Materials and Supplies	417,052	393,562	296,277	97,285
Capital Outlay - New	201,067	198,711	135,379	63,332
Total Regular	8,519,424	7,934,179	7,723,144	211,035
Special:				
Salaries and Wages	575,000	733,887	733,887	-
Fringe Benefits	175,000	206,989	203,022	3,967
Purchased Services	5,000	5,000	1,206	3,794
Materials and Supplies	3,440	3,940	2,573	1,367
Other	565,000	666,601	608,490	58,111
Total Special	1,323,440	1,616,417	1,549,178	67,239
Vocational:				
Salaries and Wages	79,825	76,867	76,867	-
Fringe Benefits	17,625	18,676	18,543	133
Purchased Services	7,650	60,594	58,185	2,409
Materials and Supplies	375	375	-	375
Total Vocational	105,475	156,512	153,595	2,917
Adult/Continuing:				
Other:				
Purchased Services	349,673	437,241	381,662	55,579
Other	200,000	260,000	182,561	77,439
Total Other	549,673	697,241	564,223	133,018
Total Instruction	10,498,012	10,404,349	9,990,140	414,209
Support Services:				
Pupils:				
Salaries and Wages	962,450	1,059,272	1,059,272	-
Fringe Benefits	310,850	341,328	338,668	2,660
Purchased Services	47,600	38,896	22,444	16,452
Materials and Supplies	4,600	4,600	6,054	(1,454)
Capital Outlay - New	1,250	1,250	1,110	140
Total Pupils	1,326,750	1,445,346	1,427,548	17,798
Instructional Staff:				
Salaries and Wages	243,925	243,925	231,679	12,246
Fringe Benefits	62,704	65,471	65,153	318
Purchased Services	21,450	21,750	6,150	15,600
Materials and Supplies	35,454	38,454	36,448	2,006
Capital Outlay - New	9,173	15,353	13,828	1,525
Total Instructional Staff	372,706	384,953	353,258	31,695

(continued)

Port Clinton City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board of Education:				
Salaries and Wages	\$ 9,600	\$ 13,361	\$ 13,361	\$ -
Fringe Benefits	1,300	1,763	1,763	-
Purchased Services	7,750	7,750	6,048	1,702
Materials and Supplies	300	300	-	300
Other	3,500	3,500	3,500	-
Total Board of Education	22,450	26,674	24,672	2,002
Administration:				
Salaries and Wages	862,396	855,792	855,792	-
Fringe Benefits	288,120	299,418	295,344	4,074
Purchased Services	300,918	300,418	186,109	114,309
Materials and Supplies	32,500	31,764	20,471	11,293
Capital Outlay - New	17,234	15,234	7,591	7,643
Capital Outlay - Replacement	2,500	2,500	-	2,500
Other	48,000	49,178	43,802	5,376
Total Administration	1,551,668	1,554,304	1,409,109	145,195
Fiscal:				
Salaries and Wages	192,375	188,752	189,252	(500)
Fringe Benefits	59,000	59,000	53,025	5,975
Purchased Services	34,000	26,264	7,699	18,565
Materials and Supplies	6,000	6,000	(348)	6,348
Capital Outlay - New	10,000	10,000	8,295	1,705
Other	47,250	65,986	59,782	6,204
Total Fiscal	348,625	356,002	317,705	38,297
Operation and Maintenance of Plant:				
Salaries and Wages	920,796	899,321	898,946	375
Fringe Benefits	343,100	380,148	345,360	34,788
Purchased Services	745,453	823,941	617,847	206,094
Materials and Supplies	260,086	297,976	242,385	55,591
Capital Outlay - New	50,000	23,150	22,150	1,000
Capital Outlay - Replacement	15,000	15,000	15,457	(457)
Other	4,000	7,500	4,126	3,374
Total Operation and Maintenance of Plant	2,338,435	2,447,036	2,146,271	300,765
Pupil Transportation:				
Salaries and Wages	522,925	466,667	444,420	22,247
Fringe Benefits	187,300	187,800	177,194	10,606
Purchased Services	45,965	52,506	45,960	6,546
Materials and Supplies	94,000	116,000	114,497	1,503
Capital Outlay - New	62,825	7,825	6,000	1,825
Capital Outlay - Replacement	181,000	162,300	113,857	48,443
Total Pupils Transportation	1,094,015	993,098	901,928	91,170
Central:				
Salaries and Wages	49,100	55,191	55,191	-
Fringe Benefits	12,800	20,000	18,901	1,099
Total Central	61,900	75,191	74,092	1,099
Total Support Services	7,116,549	7,282,604	6,654,583	628,021

(continued)

Port Clinton City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$ 15,900	\$ 27,484	\$ 27,484	\$ -
Fringe Benefits	3,100	3,529	3,529	-
Total Academic and Subject Oriented Activities	19,000	31,013	31,013	-
Occupation Oriented Activities:				
Salaries and Wages	-	4,421	4,421	-
Fringe Benefits	250	434	434	-
Total Occupation Oriented Activities	250	4,855	4,855	-
Sports Oriented Activities:				
Salaries and Wages	249,700	245,090	240,404	4,686
Fringe Benefits	36,400	42,570	41,389	1,181
Purchased Services	500	500	411	89
Total Sports Oriented Activities	286,600	288,160	282,204	5,956
Co-Curricular Activities:				
Salaries and Wages	17,000	17,000	15,329	1,671
Fringe Benefits	2,100	2,131	2,131	-
Total Co-Curricular Activities	19,100	19,131	17,460	1,671
Total Extracurricular Activities	324,950	343,159	335,532	7,627
Architectures and Engineering:				
Salaries and Wages	10,000	7,500	7,557	(57)
Total Architectures and Engineering	10,000	7,500	7,557	(57)
Building Acquisition and Construction:				
Salaries and Wages	75,354	77,854	42,612	35,242
Total Building Acquisition and Construction	75,354	77,854	42,612	35,242
Total Capital Outlay	85,354	85,354	50,169	35,185
Total Expenditures	18,024,865	18,115,466	17,030,424	1,085,042
Excess of Revenues Over/(Under) Expenditures	(268,188)	(333,067)	812,616	1,145,683
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	-	-	4,022	4,022
Refund of Prior Year Expenditures	-	-	8,248	8,248
Advances In	-	-	251,754	251,754
Advances Out	(50,000)	(50,000)	(15,000)	35,000
Transfers Out	(443,750)	(595,024)	(578,718)	16,306
Total Other Financing Sources (Uses)	(493,750)	(645,024)	(329,694)	315,330
Net Change in Fund Balance	(761,938)	(978,091)	482,922	1,461,013
Fund Balance at The Beginning of Year	3,972,715	3,972,715	3,972,715	-
Prior Year Encumbrances Appropriated	446,110	446,110	446,110	-
Fund Balance at The End of Year	\$ 3,656,887	\$ 3,440,734	\$ 4,901,747	\$ 1,461,013

See accompanying notes to the basic financial statements

Port Clinton City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 13,877	\$ 104,459
<i>Total Assets</i>	13,877	104,459
Liabilities		
Accounts Payable	-	16,671
Due to Students	-	87,788
<i>Total Liabilities</i>	-	\$ 104,459
Net Assets		
Held in Trust for Scholarships	13,877	
<i>Total Net Assets</i>	\$ 13,877	

See accompanying notes to the basic financial statements

Port Clinton City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2005

	Private Purpose Trust
	Scholarship
Addition	
Interest	\$ 317
Deduction	
Pupils Expense	1,000
<i>Change in Net Assets</i>	(683)
<i>Net Assets Beginning of Year</i>	14,560
<i>Net Assets End of Year</i>	\$ 13,877

See accompanying notes to the basic financial statements

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

Note 1 – Description of the School District and Reporting Entity

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

The School District was established through the consolidation of existing land areas and school districts. The School District serves an area of approximately 44 square miles. It is located in Ottawa County, and includes all of the territory of the City of Port Clinton, Bay Township, Catawba Township, Erie Township, and Portage Township. It is staffed by 106 non-certificated employees and 154 certificated full-time teaching personnel that provide services to 1,929 students and other community members. The School District currently operates 6 instructional buildings, 1 administrative building, and 1 garage.

Reporting Entity:

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

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

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

The following activities are included within the reporting entity:

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued 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. Fund Accounting

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

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

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

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

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

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

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

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

operations. The Agency funds account for student activities.

B. Basis of Presentation

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

The government-wide statements are prepared using the economic resources measurement focus. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relation between the government-wide statements and the statements to governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

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

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary fund also use the accrual basis of accounting.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

D. Budgetary Data

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

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

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

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amount reported as the final budgeted amount in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2005.

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Cash Equivalents

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

During fiscal year 2005, investments were limited to federal securities, STAR Ohio, and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2005. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$182,150.

The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are presented on the balance sheet as "cash in segregated accounts" since they are not required to be deposited into the School District treasury. For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. See Note 17 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

H. Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditure in the governmental fund types when purchased.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the dates received. The School District maintains a capitalization threshold of five 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. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	40 years
Furniture	10 years
Equipment	5 years
Vehicles	10 years

J. Intergovernmental Revenues

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

K. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables” and “interfund payables”. These amounts are eliminated in the governmental columns of the statement of net assets. Interfund services provided and used are not eliminated in the process of consolidation.

L. Compensated Absences

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

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

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

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

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

N. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment as reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

responsible for particular expenditures/expenses to the funds that initially paid from them are not presented on the financial statements.

O. Fund Balance Reserves

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

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

P. Net Assets

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

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2005.

R. Estimates

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

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

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

<u>Net Change in Fund Balance</u>	<u>General Fund</u>
GAAP Basis	\$ 585,807
Net Adjustment for Revenue Accruals	(703,261)
Net Adjustment for Expenditure Accruals	602,722
Adjustments for Encumbrances	<u>(2,343)</u>
Budget Basis	<u>\$ 482,925</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts. Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement.

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. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed 30 days in securities listed above that mature within five years from the date of settlement;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period of 180 days in an amount not to exceed 25% 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.

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

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.

Deposits: At fiscal year end, the carrying amount of the School District's deposits (excluding change funds of \$10,030) was \$7,526,763 and the bank balance was \$ 7,747,804. Of the bank balance, \$200,000 was covered by federal depository insurance and \$ 7,547,804 was uninsured, but collateralized with securities held by the pledging financial institution's trust department or agent not in the District's name.

Investments:

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

Interest Rate Risk- The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. It is the Districts' policy to evaluate market conditions, interest rate forecasts, and cash flow requirements to consider the term of an investment, with the goal being to buy where relative value exists along the maturity spectrum.

Credit Risk- One of the Districts' investments during fiscal year 2005 was in an money market account, with a year ending balance of \$ 1,920,813. The account is not rated. The District also invested in STAR Ohio, with a year ending balance of \$ 1,480,770. This is rated AAA by Moodys.

Concentration of Credit Risk- The Districts' investment policy is to be diversified in its holding of investments by avoiding concentrations of specific users. During the year, the Districts' investments were in federal securities and STAR Ohio. These investments were secured within pledged collateral held and in the name of the pledging institution, in which the investments are held.

Interest is legally required to be placed in the general fund. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$182,150, which includes \$ 54,289 assigned from special revenue fund, \$ 60,352 from debt service fund and \$ 3,856 from capital project fund.

NOTE 5 - PROPERTY TAXES

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

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30, if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate applied to real property for the fiscal year ended June 30, 2005 was \$62.20 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$27.15 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$29.31 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

The rate applied to tangible personal property for the fiscal year ended June 30, 2005 was \$62.20 per \$1,000 of assessed valuation.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

The School District receives property taxes from Ottawa County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005 are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2005. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance at June 30, 2005, was \$1,807,895 for the general fund, \$122,620 for the debt service fund and \$41,181 for the capital project fund.

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

	<u>2005</u>	<u>2004</u>
Real Property		
Residential/Agricultural	\$ 376,925,640	\$ 364,494,560
Other	90,817,920	88,113,900
Public Utilities	91,550	92,260
 Tangible Personal Property		
Personal	34,836,599	37,436,521
Public Utilities	<u>18,393,800</u>	<u>18,345,930</u>
 Total Valuation	<u>\$ 521,065,509</u>	<u>\$ 508,483,171</u>

NOTE 6 - RECEIVABLES

Receivables at June 30, 2005, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. As of June 30, 2005 the District had intergovernmental receivables of \$39,264.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

NOTE 7 - CAPITAL ASSETS

A capital asset restatement was required for the fiscal year ended June 30, 2004, which follows, due to the improper recorded of depreciation in prior years:

	Reported Balance 06/30/04	Restatement	Restated Balance 06/30/04
Governmental Activities			
<i>Capital Asset, being depreciated:</i>			
Furniture, Equipment and Vehicles	\$ 4,464,528	\$ -	\$ 4,464,528
Total Capital Assets, being depreciated:	<u>4,464,528</u>	<u>-</u>	<u>4,464,528</u>
<i>Less Accumulated Depreciation:</i>			
Furniture, Equipment and Vehicles	<u>(1,757,950)</u>	<u>(892,950)</u>	<u>(2,650,900)</u>
Total Accumulated Depreciation Restatement	<u><u>\$(1,757,950)</u></u>	<u><u>\$ (892,950)</u></u>	<u><u>\$(2,650,900)</u></u>

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

	Balance 07/01/04	Addition	Deletion	Balance 06/30/05
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 58,517	\$ -	\$ -	\$ 58,517
Total Capital Assets, not being depreciated:	<u>58,517</u>	<u>-</u>	<u>-</u>	<u>58,517</u>
<i>Capital Asset, being depreciated:</i>				
Buildings and Improvements	9,372,625	-	-	9,372,625
Furniture, Equipment and Vehicles	4,464,528	-	-	4,464,528
Total Capital Assets, being depreciated:	<u>13,837,153</u>	<u>-</u>	<u>-</u>	<u>13,837,153</u>
<i>Less Accumulated Depreciation:</i>				
Building and Improvements	(6,518,101)	(110,986)	-	(6,629,087)
Furniture, Equipment and Vehicles	(2,650,900)	(126,430)	-	(2,777,330)
Total Accumulated Depreciation	<u>(9,169,001)</u>	<u>(237,416)</u>	<u>-</u>	<u>(9,406,417)</u>
Total Capital Assets being depreciated, net	<u>4,668,152</u>	<u>(237,416)</u>	<u>-</u>	<u>4,430,736</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 4,726,669</u></u>	<u><u>\$ (237,416)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,489,253</u></u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 234,976
Operation of Non-Instructional Services	<u>2,440</u>
	<u><u>\$ 237,416</u></u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2005, the District has entered into contracts with various insurance agencies for various insurance.

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

<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Building and Contents	\$ 54,409,376	\$ 1,000
Extra expenses	5,000	-
Valuable papers	5,000	-
Non-bus vehicles		
- liability - bodily injury	(a)	-
- liability - property damage	(a)	-
- uninsured Motorists	1,000,000	-
Physical damage	cash value	-
Bus vehicles		
- liability	2,000,000	-
-uninsured motorists	1,000,000	-

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

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

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$435,960, \$430,368 and \$419,040, respectively; 84 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. \$71,124 representing the unpaid contribution for fiscal year 2005, is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The Port Clinton City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

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

Plan members were required to contribute 10 percent of their annual covered salaries and the School District was required to contribute 14 percent, effective July 1, 2003, the member contribution rate increased to a statutory maximum of 10 percent. 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,175,640, \$1,208,216 and \$1,120,224; 84 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. \$179,480 represents the unpaid contributions for fiscal year 2005 and is recorded as a liability within the respective funds.

C. Social Security System

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

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the year ended June 30, 2005 the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$11,756 for fiscal year 2005.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2005, the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 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 50 percent of the premium.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

For the year ended June 30, 2005 employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credits. For fiscal year ended June 30, 2005, the minimum pay has been established at \$27,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2005, were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has approximately 58,123 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$435,960 during the fiscal year.

NOTE 11 - EMPLOYEE BENEFITS

A. Sick Leave

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

B. Service Retirement

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

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

C. Vacation

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

(12) month administrators:

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

Classified employees:

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

Secretaries:

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

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

NOTE 12 - LONG - TERM OBLIGATIONS

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

	<u>Amount Outstanding 06/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Amount Outstanding 06/30/05</u>	<u>Amount Due in One Year</u>
<i>Governmental Activities</i>					
Bonds - Series 2003 9/15/03 2.886%	\$ 4,194,994	\$ -	\$ (640,000)	\$ 3,554,994	\$ 650,000
Total Long-Term Bonds	<u>4,194,994</u>	<u>-</u>	<u>(640,000)</u>	<u>3,554,994</u>	<u>650,000</u>
House Bill Note 11/28/02 4.250%	<u>1,235,400</u>	<u>-</u>	<u>(94,000)</u>	<u>1,141,400</u>	<u>94,000</u>
Total Long-Term Notes	1,235,400	-	(94,000)	1,141,400	94,000
Compensated Absences	<u>820,711</u>	<u>767,120</u>	<u>(795,566)</u>	<u>792,265</u>	<u>108,644</u>
Total Governmental Activities	<u>\$ 6,251,105</u>	<u>\$ 767,120</u>	<u>\$(1,529,566)</u>	<u>\$ 5,488,659</u>	<u>\$ 852,644</u>

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

The School District's voted legal debt margin was \$44,572,682 with an unvoted debt margin of \$1,832,846 at June 30, 2005.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

On September 15, 2003, the District issued \$4,274,994 Refunding Bonds, and retired the 1989 School Improvement Bonds and 1993 Library Bonds. The refunding bonds with interest rates of 2% to 3% were issued to advance refund \$3,960,000 of 1989 School Improvement Bonds with an interest rate of 5.248% and \$314,994 of 1993 Library Bonds with an interest rate of 5.248%. The 1989 School Improvement Bonds mature on December 1, 2011. The 1993 Library Bonds mature on December 1, 2008. The Refunding Bonds were issued at \$4,274,994 and after paying issuance cost and underwriter's premium of \$292,847, the net proceeds were \$4,567,841. The net proceeds from the issuance of the Refunding Bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments on the refunded bonds. The advance refunding met the requirements of an in-substance debt defeasance and the 1989 School Improvement Bonds and 1993 Library Bonds were removed from the District's government-wide financial statements.

As a result of the advanced refunding, the District reduced its total debt service requirements by \$1,092,628, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$508,300.

In 2002, the District issued \$1,376,400 in House Bill Notes. The Notes mature in May 2017. The purpose of the House Bill 264 Note, was to renovate the high school to produce savings in energy costs.

2003 School Improvement Refunding Bonds			
Year	Principal	Interest	Totals
2006	\$ 650,000	\$ 71,550	\$ 721,550
2007	660,000	58,450	718,450
2008	665,000	45,200	710,200
2009	314,994	393,556	708,550
2010	585,000	30,945	615,945
2011-2012	680,000	16,710	696,710
	<u>\$ 3,554,994</u>	<u>\$ 616,411</u>	<u>\$ 4,171,405</u>

House Bill Note Schedule			
Year	Principal	Interest	Totals
2006	\$ 94,000	\$ 48,655	\$ 142,655
2007	94,000	44,535	138,535
2008	94,000	39,463	133,463
2009	94,000	36,394	130,394
2010	94,000	32,723	126,723
2011-2015	467,400	100,715	568,115
2016-2020	204,000	11,407	215,407
	<u>\$ 1,141,400</u>	<u>\$ 313,892</u>	<u>\$ 1,455,292</u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

NOTE 13 - INSURANCE PURCHASING POOL

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

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

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

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

Bay Area Council of Governments

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

Vanguard-Sentinel Joint Vocational School

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

Northern Ohio Educational Computer Association

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

NOTE 15 - RELATED ORGANIZATION

Ida Rupp Public Library

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

NOTE 16 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

B. Litigation

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

C. State School Funding Decision

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

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

NOTE 17 - SET-ASIDE REQUIREMENTS

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

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>Budget Reserve</u>	<u>Total</u>
Set aside balance as of June 30, 2005	\$ -	\$ -	\$ 86,386	\$ 86,386
Current year set-aside requirement	255,570	255,570	-	511,140
Qualifying expenditures	<u>(473,428)</u>	<u>(406,755)</u>	<u>-</u>	<u>(880,183)</u>
Totals	<u>\$ (217,858)</u>	<u>\$ (151,185)</u>	<u>\$ 86,386</u>	<u>\$ (282,657)</u>
Cash balance carried forward to FY2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,386</u>	<u>\$ 86,386</u>
Amount restricted for budget reserve				<u>\$ 86,386</u>
Total restricted assets				<u>\$ 86,386</u>

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

NOTE 18 – INTERFUND TRANSACTIONS

A. Interfund Receivable/Payable

The interfund receivable/payable consisted of the following at June 30, 2005, as reported on the fund financial statements:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 20,192	
Nonmajor governmental Funds		\$ 20,192

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

B. Interfund Transfers

The interfund transfers consisted of the following at June 30, 2005, as reported on the fund financial statements:

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General	\$ 578,718	\$ -
Food Service		6,670
Public School Support		479
Severance Retirement		425,000
Debt Service		147,049
Total	<u>\$ 578,718</u>	<u>579,198</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Transfers are also used to close funds that are no longer required. The above schedule does not reconcile due to a transfer out of the agency fund in the amount of \$480.

NOTE 19 – RESTATEMENT OF FUND BALANCE/NET ASSETS

Based on guidance issued in GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Post-Employment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers", it was determined that unpaid pension expenditures due at year-end should be recorded as a fund liability on the balance sheet. The effect of this change is reflected in the table below. In fiscal year 2005, the Food Service Fund which previously reported under the Enterprise Funds was reclassified to Special Revenue Funds for not being self-sustaining. An adjustment to net assets due to the improper recording of capital asset depreciation is also presented as a restatement as follows:

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

	Enterprise Fund Food Service	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Fund Balance 6/30/04	\$ (24,773)	\$ 3,722,475	\$ 2,416,485	\$ 668,234	\$ 6,807,194
Pension Liability Restatement		(360,792)			(360,792)
Fund Reclassification	24,773			(24,773)	(24,773)
Fund Balance 7/1/04	\$ -	\$ 3,361,683	\$ 2,416,485	\$ 643,461	\$ 6,421,629

	Enterprise Fund Food Service	Governmental Activities
Net Assets 6/30/04	\$ (20,306)	\$ 6,302,351
Capital Asset Restatement		(892,950)
Fund Reclassification	20,306	(20,306)
Net Assets 7/1/04	\$ -	\$ 5,389,095

NOTE 20 – ACCOUNTABILITY AND COMPLIANCE

As of June 30, 2005, five Special Revenue Funds had negative fund balances, Educational Management Information System Fund, Entry Level Fund, Disadvantaged Pupil Impact Aid Fund, Ohio Reads Grant Fund, and Technology Grants Fund, with deficits of \$38, \$35, \$156, \$70, and \$1,102 respectively. These deficits were caused by the application of generally accepted accounting principles. The general fund provides advances to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

Contrary to ORC 5705.39, the School District had six funds which reported appropriations exceeding certified estimated resources as of June 30, 2005. To prevent future violations, the School District has implemented additional procedures which compare appropriated amounts versus certified estimated resources. The funds reporting these violations are as follows:

Fund	Estimated Resources	Appropriations	Variance
Food Service Fund - Original	\$ 529,069	\$ 593,650	\$ (64,581)
Local Grants Fund - Original	54,730	57,207	(2,477)
Champions for Children Fund - Final	113,360	116,401	(3,041)
Severance/Retirement Payments Fund	93,423	293,422	(199,999)
Auxiliary Services Fund - Final	43,785	77,122	(33,337)
Education Management Information Systems	12,247	12,249	(2)
SchoolNet Professional Development Fund	7,650	7,899	(249)

Port Clinton City School District

Combining Statements and Individual Fund Schedules

Port Clinton City School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

Food Service Fund This fund accounts for the financial transactions related to the food service operations of the School District.

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

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

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

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

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

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

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

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

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

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

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

Entry- Level Fund This Fund accounts for stipends given to the mentor teachers.

Port Clinton City School District

Nonmajor Special Revenue Funds

(continued)

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

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

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

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

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

Reading Intervention Fund This fund accounts for State monies provided to improve reading outcomes for students in first to fourth grades.

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

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

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

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

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

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

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

Port Clinton City School District

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities.

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

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Investments	\$ 619,065	\$ 157,021	\$ 776,086
Cash and Cash Equivalents:			
In Segregated Accounts	3,850	-	3,850
Investments:			
Receivables:			
Taxes	-	249,385	249,385
Prepaid Items	809	-	809
Inventory Held for Resale	6,692	-	6,692
Materials and Supplies			
Inventory	40,629	-	40,629
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 671,045</u>	<u>\$ 406,406</u>	<u>\$ 1,077,451</u>
Liabilities:			
Accounts Payable	10,785	34,910	45,695
Accrued Wages	34,372	-	34,372
Compensated Absences Payable	1,596	-	1,596
Interfund Payable	20,192	-	20,192
Intergovernmental Payable	4,765	-	4,765
Deferred Revenue	4,971	210,978	215,949
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>76,681</u>	<u>245,888</u>	<u>322,569</u>
Fund Balance:			
Reserved for Encumbrances	74,864	59,252	134,116
Reserved for Prepaid Items	1,474	-	1,474
Reserved for Property Taxes	-	38,407	38,407
Unreserved, Undesignated	518,026	62,859	580,885
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balance</i>	<u>594,364</u>	<u>160,518</u>	<u>754,882</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 671,045</u>	<u>\$ 406,406</u>	<u>\$ 1,077,451</u>

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ 254,554	\$ 254,554
Intergovernmental	1,497,615	43,222	1,540,837
Interest	2,305	354	2,659
Extracurricular Activities	125,569	-	125,569
Classroom Materials and Fees	37,092	-	37,092
Miscellaneous	490,605	-	490,605
<i>Total Revenues</i>	<u>2,153,186</u>	<u>298,130</u>	<u>2,451,316</u>
Expenditures:			
Current:			
Instruction:			
Regular	541,718	254,534	796,252
Special	459,532	-	459,532
Support Services:			
Pupils	292,303	-	292,303
Instructional Staff	16,704	-	16,704
Administration	66,729	-	66,729
Fiscal	7,942	4,566	12,508
Operation and Maintenance of Plant	41,299	-	41,299
Pupil Transportation	20,203	-	20,203
Central	20,102	-	20,102
Operation of Non-Instructional Services	844,340	-	844,340
Extracurricular Activities	202,072	-	202,072
<i>Total Expenditures</i>	<u>2,512,944</u>	<u>259,100</u>	<u>2,772,044</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(359,758)	39,030	(320,728)
Other Financing Sources (Uses):			
Operating Transfers In	432,149	-	432,149
<i>Total Other Financing Sources (Uses)</i>	<u>432,149</u>	<u>-</u>	<u>432,149</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	72,391	39,030	111,421
Fund Balance (Deficit) Beginning of Year	521,973	121,488	643,461
Fund Balance (Deficit) End of Year	<u>\$ 594,364</u>	<u>\$ 160,518</u>	<u>\$ 754,882</u>

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

	Food Service Fund	Special Trust Fund	Performing Arts Center Fund	Public School Support Fund
Assets:				
Equity in Pooled Cash and Investments	\$ 10,487	\$ 512	\$ 376	\$ 124,929
Cash and Cash Equivalents:				
In Segregated Accounts	-	-	-	-
Prepaid Items	425	-	-	-
Inventory Held for Resale	6,692	-	-	-
Materials and Supplies				
Inventory	40,629	-	-	-
<i>Total Assets</i>	<u>58,233</u>	<u>512</u>	<u>376</u>	<u>124,929</u>
Liabilities:				
Accounts Payable	278	-	-	1,169
Accrued Wages	34,372	-	-	-
Compensated Absences Payable	16	-	-	-
Interfund Payable	15,000	-	-	-
Intergovernmental Payable	1,626	-	-	-
Deferred Revenue	4,971	-	-	-
<i>Total Liabilities</i>	<u>56,263</u>	<u>-</u>	<u>-</u>	<u>1,169</u>
Fund Balance:				
Reserved for Encumbrances	5,550	-	-	5,033
Reserved for Prepaid Items	425	-	-	-
Unreserved, Undesignated	(4,005)	512	376	118,727
<i>Total Fund Balance</i>	<u>1,970</u>	<u>512</u>	<u>376</u>	<u>123,760</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 58,233</u>	<u>\$ 512</u>	<u>\$ 376</u>	<u>\$ 124,929</u>

Local Grants Fund	Champions for Children Fund	Severance Retirement Fund	Athletic and Music Fund	Auxiliary Services Fund	Teacher Development Fund
\$ 39,616	\$ 89,219	\$ 264,094	\$ 23,484	\$ 12,036	\$ 895
-	-	-	3,850	-	-
-	-	-	384	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,616</u>	<u>89,219</u>	<u>264,094</u>	<u>27,718</u>	<u>12,036</u>	<u>895</u>
-	169	-	400	1,375	-
-	-	-	-	-	-
-	-	-	-	-	-
-	281	989	-	76	2
-	-	-	-	-	-
-	<u>450</u>	<u>989</u>	<u>400</u>	<u>1,451</u>	<u>2</u>
4,860	3,928	-	1,894	10,662	-
-	57	-	384	-	-
<u>34,756</u>	<u>84,784</u>	<u>263,105</u>	<u>25,040</u>	<u>(77)</u>	<u>893</u>
<u>39,616</u>	<u>88,769</u>	<u>263,105</u>	<u>27,318</u>	<u>10,585</u>	<u>893</u>
<u>\$ 39,616</u>	<u>\$ 89,219</u>	<u>\$ 264,094</u>	<u>\$ 27,718</u>	<u>\$ 12,036</u>	<u>\$ 895</u>

(continued)

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

	Educational Management Information System Fund	Public School Pre-school Fund	Entry-Level Fund
Assets:			
Equity in Pooled Cash and Investments	\$ -	\$ 1,716	\$ -
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	-
Prepaid Items	-	-	-
Inventory Held for Resale	-	-	-
Materials and Supplies			
Inventory	-	-	-
	-	-	-
<i>Total Assets</i>	-	1,716	-
Liabilities:			
Accounts Payable	-	-	-
Accrued Wages	-	-	-
Compensated Absences Payable	-	-	-
Interfund Payable	-	-	-
Intergovernmental Payable	38	133	35
Deferred Revenue	-	-	-
	-	-	-
<i>Total Liabilities</i>	38	133	35
Fund Balance:			
Reserved for Encumbrances	-	1,579	-
Reserved for Prepaid Items	-	-	-
Unreserved, Undesignated	(38)	4	(35)
	(38)	4	(35)
<i>Total Fund Balance</i>	(38)	1,583	(35)
<i>Total Liabilities and Fund Balance</i>	\$ -	\$ 1,716	\$ -

Disadvantaged Pupil Impact Aid Fund	Data Communication Fund	SchoolNet Professional Development Fund	Textbook Subsidy Fund	Ohio Reads Grant Fund	Reading Intervention Fund	Extended Learning Fund
\$ -	\$ -	\$ 3,024	\$ -	\$ -	10,821	\$ 5,261
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>3,024</u>	<u>-</u>	<u>-</u>	<u>10,821</u>	<u>5,261</u>
-	-	934	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,935
156	-	-	-	70	62	17
-	-	-	-	-	-	-
<u>156</u>	<u>-</u>	<u>934</u>	<u>-</u>	<u>70</u>	<u>62</u>	<u>2,952</u>
-	-	2,090	-	-	10,821	1,305
-	-	-	-	-	-	-
(156)	-	-	-	(70)	(62)	1,004
<u>(156)</u>	<u>-</u>	<u>2,090</u>	<u>-</u>	<u>(70)</u>	<u>10,759</u>	<u>2,309</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>10,821</u>	<u>\$ 5,261</u>

(continued)

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

	Title VI-B Fund	Title I Fund	Title VI Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Investments	\$ 12,506	\$ 9,134	\$ 4,190
Cash and Cash Equivalents:			
In Segregated Accounts	-	-	-
Prepaid Items	-	-	-
Inventory Held for Resale	-	-	-
Materials and Supplies			
Inventory	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Assets</i>	<u>12,506</u>	<u>9,134</u>	<u>4,190</u>
Liabilities:			
Accounts Payable	1,949	-	111
Accrued Wages	-	-	-
Compensated Absences Payable	1,580	-	-
Interfund Payable	-	-	-
Intergovernmental Payable	473	515	26
Deferred Revenue	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities</i>	<u>4,002</u>	<u>515</u>	<u>137</u>
Fund Balance:			
Reserved for Encumbrances	10,556	9,132	4,080
Reserved for Prepaid Items	551	-	-
Unreserved, Undesignated	<u>(2,603)</u>	<u>(513)</u>	<u>(27)</u>
<i>Total Fund Balance</i>	<u>8,504</u>	<u>8,619</u>	<u>4,053</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 12,506</u>	<u>\$ 9,134</u>	<u>\$ 4,190</u>

Drug Free Schools Grant Fund	Class Size Reduction Fund	Technology Grants Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ 1,201	\$ 5,564	\$ 619,065
-	-	-	3,850
-	-	-	809
-	-	-	6,692
-	-	-	40,629
<u>-</u>	<u>1,201</u>	<u>5,564</u>	<u>671,045</u>
-	-	4,400	10,785
-	-	-	34,372
-	-	-	1,596
-	3	2,254	20,192
-	254	12	4,765
-	-	-	4,971
<u>-</u>	<u>257</u>	<u>6,666</u>	<u>76,681</u>
-	1,200	2,174	74,864
-	-	57	1,474
-	(256)	(3,333)	518,026
<u>-</u>	<u>944</u>	<u>(1,102)</u>	<u>594,364</u>
<u>\$ -</u>	<u>\$ 1,201</u>	<u>\$ 5,564</u>	<u>\$ 671,045</u>

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2005

	Food Service Fund	Special Trust Fund	Performing Arts Center Fund	Public School Support Fund
Revenues:				
Intergovernmental	\$ 319,539	\$ -	\$ -	\$ -
Interest	-	65	-	-
Extracurricular Activities	-	-	-	12,786
Classroom Materials and Fees	-	-	-	37,092
Miscellaneous	341,518	1,241	-	7,370
<i>Total Revenues</i>	661,057	1,306	-	57,248
Expenditures:				
Current:				
Instruction:				
Regular	-	1,679	6,996	34,468
Special	-	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	-	110
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Operation of Non-Instructional Services	640,984	802	20	-
Extracurricular Activities	-	-	-	40,788
<i>Total Expenditures</i>	640,984	2,481	7,016	75,366
<i>Excess of Revenues Over (Under) Expenditures</i>	20,073	(1,175)	(7,016)	(18,118)
Other Financing Sources (Uses):				
Transfers In	6,670	-	-	479
<i>Total Other Financing Sources (Uses)</i>	6,670	-	-	479
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	26,743	(1,175)	(7,016)	(17,639)
Fund Balance (Deficit) Beginning of Year	(24,773)	1,687	7,392	141,399
Fund Balance (Deficit) End of Year	<u>\$ 1,970</u>	<u>\$ 512</u>	<u>\$ 376</u>	<u>\$ 123,760</u>

Local Grants Fund	Champions for Children Fund	Severance Retirement Fund	Athletic and Music Fund	Auxiliary Services Fund	Teacher Development Fund
\$ -	\$ -	\$ -	\$ -	\$ 76,489	\$ -
75	2,072	-	-	93	-
-	-	-	112,783	-	-
-	-	-	-	-	-
18,249	96,198	-	26,029	-	-
<u>18,324</u>	<u>98,270</u>	<u>-</u>	<u>138,812</u>	<u>76,582</u>	<u>-</u>
20,062	212	226,446	-	-	-
467	-	-	-	-	-
-	57	-	-	-	-
7,119	-	-	-	-	781
-	65	-	-	-	-
-	-	-	-	-	-
-	169	28,872	-	-	-
-	4	-	-	-	-
-	-	-	-	-	-
1,250	108,210	-	-	64,549	-
1,500	-	-	159,784	-	-
<u>30,398</u>	<u>108,717</u>	<u>255,318</u>	<u>159,784</u>	<u>64,549</u>	<u>781</u>
(12,074)	(10,447)	(255,318)	(20,972)	12,033	(781)
-	-	425,000	-	-	-
-	-	425,000	-	-	-
(12,074)	(10,447)	169,682	(20,972)	12,033	(781)
51,690	99,216	93,423	48,290	(1,448)	1,674
<u>\$ 39,616</u>	<u>\$ 88,769</u>	<u>\$ 263,105</u>	<u>\$ 27,318</u>	<u>\$ 10,585</u>	<u>\$ 893</u>

(continued)

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2005
(continued)

	Educational Management Information System Fund	Public School Pre-school Fund	Entry-Level Fund	Disadvantaged Pupil Impact Aid Fund
Revenues:				
Intergovernmental	\$ 5,897	\$ 101,796	\$ 5,500	\$ 24,601
Interest	-	-	-	-
Extracurricular Activities	-	-	-	-
Classroom Materials and Fees	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total Revenues</i>	5,897	101,796	5,500	24,601
Expenditures:				
Current:				
Instruction:				
Regular	-	30,404	5,535	-
Special	-	-	-	-
Support Services:				
Pupils	-	16,475	-	24,757
Instructional Staff	-	1,000	-	-
Administration	5,934	4,500	-	-
Fiscal	-	7,942	-	-
Operation and Maintenance of Plant	-	12,258	-	-
Pupil Transportation	-	12,260	-	-
Central	-	20,102	-	-
Operation of Non-Instructional Services	6,805	-	-	-
Extracurricular Activities	-	-	-	-
<i>Total Expenditures</i>	12,739	104,941	5,535	24,757
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,842)	(3,145)	(35)	(156)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-	-
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(6,842)	(3,145)	(35)	(156)
Fund Balance (Deficit) Beginning of Year	6,804	4,728	-	-
Fund Balance (Deficit) End of Year	<u>\$ (38)</u>	<u>\$ 1,583</u>	<u>\$ (35)</u>	<u>\$ (156)</u>

Data Communication Fund	SchoolNet Professional Development Fund	Textbook Subsidy Fund	Ohio Reads Grant Fund	Reading Intervention Fund	Extended Learning Fund
\$ 18,000	\$ 4,140	\$ -	\$ 18,500	34,236	\$ 8,770
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,000	4,140	-	18,500	34,236	8,770
19,323	5,290	-	24,297	36,282	2,122
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,694
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,350
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,323	5,290	-	24,297	36,282	11,166
(1,323)	(1,150)	-	(5,797)	(2,046)	(2,396)
-	-	-	-	-	-
-	-	-	-	-	-
(1,323)	(1,150)	-	(5,797)	(2,046)	(2,396)
1,323	3,240	-	5,727	12,805	4,705
\$ -	\$ 2,090	\$ -	\$ (70)	10,759	\$ 2,309

(continued)

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2005
(continued)

	Title VI-B Fund	Title I Fund	Title VI Fund
Revenues:			
Intergovernmental	\$ 460,042	\$ 295,297	\$ 8,526
Interest	-	-	-
Extracurricular Activities	-	-	-
Classroom Materials and Fees	-	-	-
Miscellaneous	-	-	-
<i>Total Revenues</i>	<u>460,042</u>	<u>295,297</u>	<u>8,526</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	18,598
Special	224,731	234,334	-
Support Services:			
Pupils	183,199	-	-
Instructional Staff	-	-	-
Administration	56,230	-	-
Fiscal	-	-	-
Operation and Maintenance of Plant	-	-	-
Pupil Transportation	6,589	-	-
Central	-	-	-
Operation of Non-Instructional Services	13,000	7,737	523
Extracurricular Activities	-	-	-
<i>Total Expenditures</i>	<u>483,749</u>	<u>242,071</u>	<u>19,121</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(23,707)	53,226	(10,595)
Other Financing Sources (Uses):			
Transfers In	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(23,707)	53,226	(10,595)
Fund Balance (Deficit) Beginning of Year	<u>32,211</u>	<u>(44,607)</u>	<u>14,648</u>
Fund Balance (Deficit) End of Year	<u>\$ 8,504</u>	<u>\$ 8,619</u>	<u>\$ 4,053</u>

Drug Free Schools Grant Fund	Class Size Reduction Fund	Technology Grants Fund	Total Nonmajor Special Revenue Funds
\$ 9,626	\$ 97,555	\$ 9,101	\$ 1,497,615
-	-	-	2,305
-	-	-	125,569
-	-	-	37,092
-	-	-	490,605
9,626	97,555	9,101	2,153,186
-	98,142	11,862	541,718
-	-	-	459,532
11,680	56,135	-	292,303
-	-	-	16,704
-	-	-	66,729
-	-	-	7,942
-	-	-	41,299
-	-	-	20,203
-	-	-	20,102
-	-	460	844,340
-	-	-	202,072
11,680	154,277	12,322	2,512,944
(2,054)	(56,722)	(3,221)	(359,758)
-	-	-	432,149
-	-	-	432,149
(2,054)	(56,722)	(3,221)	72,391
2,054	57,666	2,119	521,973
\$ -	\$ 944	\$ (1,102)	\$ 594,364

Port Clinton City School District
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2005

	<u>Permanent Improvement Fund</u>	<u>SchoolNet Plus Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in Pooled Cash and Investments	\$ 142,112	\$ 14,909	\$ 157,021
Receivables:			
Taxes	<u>249,385</u>	<u>-</u>	<u>249,385</u>
<i>Total Assets</i>	<u><u>\$ 391,497</u></u>	<u><u>\$ 14,909</u></u>	<u><u>\$ 406,406</u></u>
Liabilities:			
Accounts Payable	20,000	14,910	34,910
Deferred Revenue	<u>210,978</u>	<u>-</u>	<u>210,978</u>
<i>Total Liabilities</i>	<u>230,978</u>	<u>14,910</u>	<u>245,888</u>
Fund Balance:			
Fund Balance:			
Reserved for Encumbrances	44,342	14,910	59,252
Reserved for Property Taxes	38,407	-	38,407
Unreserved, Undesignated	<u>77,770</u>	<u>(14,911)</u>	<u>62,859</u>
<i>Total Fund Balance</i>	<u>160,519</u>	<u>(1)</u>	<u>160,518</u>
 <i>Total Liabilities and Fund Balance</i>	 <u><u>\$ 391,497</u></u>	 <u><u>\$ 14,909</u></u>	 <u><u>\$ 406,406</u></u>

Port Clinton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended June 30, 2005

	Permanent Improvement Fund	SchoolNet Plus Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	\$ 254,554	\$ -	\$ 254,554
Intergovernmental	28,312	14,910	43,222
Interest	354	-	354
	<u> </u>	<u> </u>	<u> </u>
<i>Total Revenues</i>	283,220	14,910	298,130
Expenditures:			
Current:			
Instruction:			
Regular	238,140	16,394	254,534
Support Services:			
Fiscal	4,566	-	4,566
	<u> </u>	<u> </u>	<u> </u>
<i>Total Expenditures</i>	<u>\$ 242,706</u>	<u>\$ 16,394</u>	<u>\$ 259,100</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	40,514	(1,484)	39,030
Fund Balance (Deficit) Beginning of Year	<u>120,005</u>	<u>1,483</u>	<u>121,488</u>
Fund Balance (Deficit) End of Year	<u><u>\$ 160,519</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ 160,518</u></u>

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

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Student Activities				
Assets:				
Cash and Cash Equivalents	\$ 85,007	\$ 19,452	\$ -	\$ 104,459
Prepays	<u>23</u>	<u>-</u>	<u>(23)</u>	<u>-</u>
Total Assets	<u><u>85,030</u></u>	<u><u>19,452</u></u>	<u><u>(23)</u></u>	<u><u>104,459</u></u>
Liabilities:				
Accounts Payable	5,886	11,130	(345)	16,671
Due to Students	<u>66,903</u>	<u>-</u>	<u>20,885</u>	<u>87,788</u>
Total Liabilities	<u><u>\$ 72,789</u></u>	<u><u>\$ 11,130</u></u>	<u><u>\$ 20,540</u></u>	<u><u>\$ 104,459</u></u>

Port Clinton City School District

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

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 28,700	\$ 266,716	\$ 266,716	\$ -
Interest	-	18	18	-
Food Services	498,000	341,518	341,518	-
Total Revenues	526,700	608,252	608,252	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	600	340	340	-
Capital Outlay - New	100	1,339	1,339	-
Total Regular	700	1,679	1,679	-
Total Instruction	700	1,679	1,679	-
Operation of Non-Instructional Services:				
Food Services Operation:				
Salaries and Wages	258,697	277,410	277,410	-
Fringe Benefits	92,300	95,233	95,233	-
Purchased Services	5,400	9,761	11,133	(1,372)
Materials and Supplies	199,000	208,620	202,837	5,783
Capital Outlay - New	-	27	27	-
Capital Outlay - Replacement	1,000	-	-	-
Other	750	567	567	-
Total Food Services Operation	557,147	591,618	587,207	4,411
Community Services:				
Other	1,206	1,206	802	404
Total Community Services	1,206	1,206	802	404
Total Operation of Non-Instructional Services	558,353	592,824	588,009	4,815
Total Expenditures	559,053	594,503	589,688	4,815
Excess of Revenues Over/(Under) Expenditures	(32,353)	13,749	18,564	4,815
Other Financing Sources (Uses):				
Advances Out	(34,597)	-	(34,597)	(34,597)
Total Other Financing Sources (Uses)	(34,597)	-	(34,597)	(34,597)
Net Change in Fund Balance	(66,950)	13,749	(16,033)	(29,782)
Fund Balance (Deficit) at The Beginning of Year	2,369	2,369	2,369	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance (Deficit) at The End of Year	\$ (64,581)	\$ 16,118	\$ (13,664)	\$ (29,782)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 150	\$ 65	\$ 66	\$ 1
Miscellaneous	1,206	1,241	1,241	-
Total Revenues	1,356	1,306	1,307	1
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	600	340	340	-
Capital Outlay - New	100	1,339	1,339	-
Total Regular	700	1,679	1,679	-
Total Instruction	700	1,679	1,679	-
Support Services:				
Community Services:				
Other	1,206	1,206	802	404
Total Community Services	1,206	1,206	802	404
Total Operation of Non-Instructional Services	1,206	1,206	802	404
Total Expenditures	1,906	2,885	2,481	404
<i>Excess of Revenues Over/(Under) Expenditures</i>	(550)	(1,579)	(1,175)	404
Net Change in Fund Balance	(550)	(1,579)	(1,175)	404
Fund Balance (Deficit) at The Beginning of Year	1,579	1,579	1,579	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance (Deficit) at The End of Year	\$ 1,029	\$ -	\$ 404	\$ 404

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Performing Arts Center Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Rent	\$ 5,000	\$ -	\$ -	\$ -
Total Revenues	5,000	-	-	-
Expenditures:				
Support Services:				
Instructional Staff:				
Purchased Services	100	20	20	-
Materials and Supplies	300	300	-	300
Capital Outlay - Replacement	-	6,996	6,996	-
Total Instructional Staff	400	7,316	7,016	300
Total Support Services	400	7,316	7,016	300
<i>Total Expenditures</i>	400	7,316	7,016	300
<i>Excess of Revenues Over/(Under) Expenditures</i>	4,600	(7,316)	(7,016)	300
Net Change in Fund Balance	4,600	(7,316)	(7,016)	300
Fund Balance (Deficit) at The Beginning of Year	7,419	7,419	7,419	-
Prior Year Encumbrances Appropriated	28	28	28	-
Fund Balance (Deficit) at The End of Year	<u>\$ 12,047</u>	<u>\$ 131</u>	<u>\$ 431</u>	<u>\$ 300</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Extracurricular Activities	\$ 14,050	\$ 12,721	\$ 12,786	\$ 65
Classroom Materials and Fees	56,700	34,000	37,092	3,091
Miscellaneous	4,050	7,311	7,370	59
Total Revenues	74,800	54,032	57,248	3,216
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	52,000	48,764	34,083	14,681
Other	-	2,236	385	1,851
Total Regular	52,000	51,000	34,468	16,532
Total Instruction	52,000	51,000	34,468	16,532
Support Services:				
Instructional Staff:				
Materials and Supplies	1,300	800	-	800
Capital Outlay - New	1,500	1,250	110	1,140
Total Instructional Staff	2,800	2,050	110	1,940
Total Support Services	2,800	2,050	110	1,940
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	3,700	3,373	1,398	1,975
Materials and Supplies	31,550	30,916	24,393	6,522
Capital Outlay - New	7,440	6,628	2,938	3,690
Other	2,720	3,613	2,785	828
Total Academic and Subject Oriented Activities	45,410	44,530	31,515	13,015
Occupation Oriented Activities:				
Materials and Supplies	22,400	10,448	10,596	(149)
Total Occupation Oriented Activities	22,400	10,448	10,596	(149)
Sports Oriented Activities:				
Materials and Supplies	1,000	-	-	-
Other	1,000	1,000	-	1,000
Total Sports Oriented Activities	2,000	1,000	-	1,000
Total Extracurricular Activities	69,810	55,977	42,111	13,866
Total Expenditures	124,610	109,027	76,689	32,338
<i>Excess of Revenues Over/(Under) Expenditures</i>	(49,810)	(54,995)	(19,441)	35,554
Net Change in Fund Balance	(49,810)	(54,995)	(19,441)	35,554
Fund Balance (Deficit) at The Beginning of Year	140,438	140,438	140,438	-
Prior Year Encumbrances Appropriated	3,234	3,234	3,234	-
Fund Balance (Deficit) at The End of Year	\$ 93,862	\$ 88,677	\$ 124,231	\$ 35,554

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest	\$ 125	\$ 70	\$ 75	\$ 5
Miscellaneous	500	8,249	18,249	10,000
Total Revenues	625	8,319	18,324	10,005
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	1,100	1,200	35	1,165
Materials and Supplies	24,703	12,420	6,198	6,222
Capital Outlay - New	80	2,714	4,907	(2,194)
Other	10,000	10,000	9,578	422
Total Regular	35,883	26,333	20,718	5,615
Special:				
Other	1,000	500	467	33
Total Special	1,000	500	467	33
Total Instruction	36,883	26,833	21,185	5,648
Instructional Staff:				
Materials and Supplies	7,074	7,174	7,354	(180)
Total Instructional Staff	7,074	7,174	7,354	(180)
Pupil Transportation:				
Fringe Benefits	-	(50)	-	(50)
Purchased Services	-	(50)	-	(50)
Total Pupils Transportation	-	(100)	-	(100)
Total Support Services	7,074	7,074	7,354	(280)
Community Services:				
Other	1,250	1,250	2,500	(1,250)
Total Community Services	1,250	1,250	2,500	(1,250)
Total Operation of Non-Instructional Services	1,250	1,250	2,500	(1,250)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	2,000	500	500	-
Other	-	1,000	2,000	(1,000)
Total Academic and Subject Oriented Activities	2,000	1,500	2,500	(1,000)
Total Extracurricular Activities	2,000	1,500	2,500	(1,000)
Other:				
Purchased Services	10,000	10,000	1,797	8,203
Total Other	10,000	10,000	1,797	8,203
Total Capital Outlay	10,000	10,000	1,797	8,203
Total Expenditures	57,207	46,658	35,336	11,321
<i>Excess of Revenues Over/(Under) Expenditures</i>	(56,582)	(38,339)	(17,012)	21,326
Net Change in Fund Balance	(56,582)	(38,339)	(17,012)	21,326
Fund Balance (Deficit) at The Beginning of Year	53,015	53,015	53,015	-
Prior Year Encumbrances Appropriated	1,090	1,090	1,090	-
Fund Balance (Deficit) at The End of Year	\$ (2,477)	\$ 15,766	\$ 37,093	\$ 21,326

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Champions for Children Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest	\$ 1,500	\$ -	\$ -	\$ -
Tuition	12,000	-	-	-
Miscellaneous	91,265	-	-	-
Total Revenues	104,765	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	51,344	50,267	47,838	2,429
Fringe Benefits	6,935	7,362	7,228	134
Purchased Services	4,300	5,468	4,689	780
Materials and Supplies	800	1,511	1,446	65
Capital Outlay - New	150	-	-	-
Total Regular	63,529	64,608	61,200	3,408
Total Instruction	63,529	64,608	61,200	3,408
Support Services:				
Pupils:				
Salaries and Wages	18,152	17,980	15,565	2,415
Fringe Benefits	3,288	2,649	2,341	308
Purchased Services	275	275	110	165
Total Pupils	21,715	20,904	18,016	2,888
Administration:				
Salaries and Wages	15,850	20,069	20,015	54
Fringe Benefits	2,500	3,234	3,015	219
Purchased Services	1,200	1,137	937	201
Materials and Supplies	950	218	227	(9)
Total Administration	20,500	24,658	24,194	464
Operation and Maintenance of Plant:				
Salaries and Wages	515	515	140	375
Fringe Benefits	60	60	25	35
Total Operation and Maintenance of Plant	575	575	164	411
Pupil Transportation:				
Salaries and Wages	1,100	1,390	1,198	192
Fringe Benefits	176	196	96	100
Purchased Services	-	120	-	120
Total Pupils Transportation	1,276	1,706	1,294	412
Total Support Services	44,066	47,843	43,668	4,175
Operation of Non-Instructional Services:				
Food Services Operation:				
Materials and Supplies	4,925	3,950	3,367	583
Total Food Services Operation	4,925	3,950	3,367	583
Total Operation of Non-Instructional Services	4,925	3,950	3,367	583
Total Expenditures	112,520	116,401	108,235	8,166
<i>Excess of Revenues Over/(Under) Expenditures</i>	<i>(7,755)</i>	<i>(116,401)</i>	<i>(108,235)</i>	<i>8,166</i>
Net Change in Fund Balance	(7,755)	(116,401)	(108,235)	8,166
Fund Balance (Deficit) at The Beginning of Year	106,273	106,273	106,273	-
Prior Year Encumbrances Appropriated	7,087	7,087.00	7,087.00	-
Fund Balance (Deficit) at The End of Year	\$ 105,606	\$ (3,041)	\$ 5,125	\$ 8,166

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Severance/Retirement Payments Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	\$ 260,000	\$ 260,000	\$ 225,632	\$ 34,368
Total Regular	260,000	260,000	225,632	34,368
Total Instruction	260,000	260,000	225,632	34,368
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	33,422	33,422	28,697	4,726
Total Operation and Maintenance of Plant	33,422	33,422	28,697	4,726
Total Support Services	33,422	33,422	28,697	4,726
<i>Total Expenditures</i>	293,422	293,422	254,329	39,094
<i>Excess of Revenues Over/(Under) Expenditures</i>	(293,422)	(293,422)	(254,329)	39,094
Other Financing Sources (Uses):				
Transfers In	-	-	425,000	425,000
<i>Total Other Financing Sources (Uses)</i>	-	-	425,000	425,000
Net Change in Fund Balance	(293,422)	(293,422)	170,671	464,094
Fund Balance (Deficit) at The Beginning of Year	93,423	93,423	93,423	-
Fund Balance (Deficit) at The End of Year	\$ (199,999)	\$ (199,999)	\$ 264,094	\$ 464,094

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular Activities	\$ 140,670	\$ 112,092	\$ 112,783	\$ 691
Miscellaneous	42,023	24,993	26,029	1,036
Total Revenues	182,693	137,086	138,812	1,727
Expenditures:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	-	-	841	(841)
Purchased Services	815	425	122	304
Materials and Supplies	1,300	607	401	206
Capital Outlay - New	1,314	194	194	-
Other	200	9	-	9
Total Academic and Subject Oriented Activities	3,629	1,234	1,557	(323)
Sports Oriented Activities:				
Salaries and Wages	1,075	-	-	-
Purchased Services	71,095	57,605	55,831	1,775
Materials and Supplies	33,008	26,987	25,363	1,624
Capital Outlay - New	8,565	6,290	6,091	199
Capital Outlay - Replacement	55,850	33,150	51,298	(18,148)
Other	18,700	19,433	18,536	898
Total Sports Oriented Activities	188,293	143,466	157,118	(13,652)
Co-Curricular Activities:				
Salaries and Wages	-	-	5,856	(5,856)
Purchased Services	4,500	4,967	4,967	-
Materials and Supplies	200	148	222	(75)
Capital Outlay - New	1,200	1,086	667	419
Other	50	-	-	-
Total Co-Curricular Activities	5,950	6,200	11,712	(5,512)
Total Extracurricular Activities	197,871	150,900	170,387	(19,487)
Total Expenditures	197,871	150,900	170,387	(19,487)
Excess of Revenues Over/(Under) Expenditures	(15,178)	(13,815)	(31,575)	(17,760)
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	-	-	1,679	1,679
Total Other Financing Sources (Uses)	-	-	1,679	1,679
Net Change in Fund Balance	(15,178)	(13,815)	(29,896)	(16,081)
Fund Balance (Deficit) at The Beginning of Year	63,475	63,475	63,475	-
Prior Year Encumbrances Appropriated	12,815	12,815	12,815	-
Fund Balance (Deficit) at The End of Year	\$ 61,112	\$ 62,475	\$ 46,394	\$ (16,081)

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ -	\$ 76,489	\$ 76,489
Interest	50	-	93	93
Total Revenues	75,050	-	76,582	76,582
Expenditures:				
Current:				
Support Services:				
Community Services:				
Salaries and Wages	70,000	35,824	35,824	-
Fringe Benefits	5,000	10,965	10,965	-
Purchased Services	293	5,255	5,333	(78)
Materials and Supplies	5,252	18,613	27,092	(8,479)
Capital Outlay - New	-	3,417	-	3,417
Other	32	3,049	3,049	-
Total Expenditures	80,578	77,122	82,262	(5,140)
Excess of Revenues Over/(Under) Expenditures	(5,528)	(77,122)	(5,680)	71,442
Net Change in Fund Balance	(5,528)	(77,122)	(5,680)	71,442
Fund Balance (Deficit) at The Beginning of Year	23,978	23,978	23,978	-
Prior Year Encumbrances Appropriated	19,807	19,807	19,807	-
Fund Balance (Deficit) at The End of Year	\$ 38,257	\$ (33,337)	\$ 38,105	\$ 71,442

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	\$ 181	\$ 804	\$ 648	\$ 156
Fringe Benefits	32	24	11	13
Purchased Services	99	99	72	27
Materials and Supplies	221	10	10	-
Total Instructional Staff	533	937	741	196
Total Support Services	533	937	741	196
<i>Total Expenditures</i>	533	937	741	196
<i>Excess of Revenues Over/(Under) Expenditures</i>	(533)	(937)	(741)	196
Net Change in Fund Balance	(533)	(937)	(741)	196
Fund Balance (Deficit) at The Beginning of Year	1,675	1,675	1,675	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1,142</u>	<u>\$ 738</u>	<u>\$ 934</u>	<u>\$ 196</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Education Management Information Systems
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,444	\$ 5,896	\$ 5,896	\$ -
Total Revenues	5,444	5,896	5,896	-
Expenditures:				
Current:				
Administration:				
Salaries and Wages	5,444	5,896	5,896	-
Total Administration	5,444	5,896	5,896	-
Total Support Services	5,444	5,896	5,896	-
Community Services:				
Capital Outlay - New	6,805	6,805	6,805	-
Total Community Services	6,805	6,805	6,805	-
Total Operation of Non-Instructional Services	6,805	6,805	6,805	-
<i>Total Expenditures</i>	<u>12,249</u>	<u>12,701</u>	<u>12,701</u>	<u>-</u>
<i>Excess of Revenues Over/(Under) Expenditures</i>	(6,805)	(6,805)	(6,805)	-
Net Change in Fund Balance	(6,805)	(6,805)	(6,805)	-
Fund Balance (Deficit) at The Beginning of Year	6,803	6,803	6,803	-
Fund Balance (Deficit) at The End of Year	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ -</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 136,492	\$ 137,042	\$ 137,042	\$ -
Total Revenues	136,492	137,042	137,042	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	21,541	21,541	-
Fringe Benefits	-	6,463	6,463	-
Purchased Services	850	850	850	-
Materials and Supplies	-	1,550	1,550	-
Total Regular	850	30,404	30,404	-
Total Instruction	850	30,404	30,404	-
Support Services:				
Pupils:				
Salaries and Wages	-	8,828	8,828	-
Fringe Benefits	-	1,737	1,737	-
Purchased Services	5,400	5,400	5,400	-
Materials and Supplies	-	510	510	-
Total Pupils	5,400	16,475	16,475	-
Instructional Staff:				
Purchased Services	1,000	1,000	1,000	-
Total Instructional Staff	1,000	1,000	1,000	-
Administration:				
Purchased Services	-	4,500	4,500	-
Total Administration	-	4,500	4,500	-
Fiscal:				
Salaries and Wages	4,575	4,575	4,575	-
Fringe Benefits	1,372	1,372	1,372	-
Purchased Services	4,500	494	494	-
Materials and Supplies	1,500	1,500	1,500	-
Total Fiscal	11,947	7,941	7,941	-
Operation and Maintenance of Plant:				
Salaries and Wages	-	1,320	1,320	-
Fringe Benefits	-	396	396	-
Purchased Services	6,585	6,585	9,622	(3,037)
Materials and Supplies	-	420	420	-
Other	-	500	500	-
Total Operation and Maintenance of Plant	6,585	9,221	12,258	(3,037)
Pupil Transportation:				
Salaries and Wages	-	5,128	5,128	-
Fringe Benefits	-	1,537	1,537	-
Purchased Services	1,850	1,850	1,850	-
Materials and Supplies	-	3,745	3,745	-
Total Pupils Transportation	1,850	12,260	12,260	-
Central:				
Salaries and Wages	-	14,530	14,530	-
Fringe Benefits	-	4,539	4,359	180
Purchased Services	1,050	1,050	1,050	-
Other	550	550	30	520
Total Central	1,600	20,669	19,969	700
Total Support Services	28,382	72,066	74,403	(2,337)
Total Expenditures	29,232	102,470	104,807	(2,337)
Excess of Revenues Over/(Under) Expenditures	107,260	34,572	32,235	(2,337)
Other Financing Sources (Uses):				
Advances Out	(35,246)		(35,246)	(35,246)
Total Other Financing Sources (Uses)	(35,246)	-	(35,246)	(35,246)
Net Change in Fund Balance	72,014	34,572	(3,011)	(37,583)
Fund Balance (Deficit) at The Beginning of Year	6,418	6,418	6,418	-
Prior Year Encumbrances Appropriated	1,691	1,691	1,691	-
Fund Balance (Deficit) at The End of Year	\$ 80,123	\$ 42,681	\$ 5,098	\$ (37,583)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Entry Level Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 5,500	\$ 5,500	\$ -
Total Revenues	-	5,500	5,500	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	5,500	5,500	-
Total Regular	-	5,500	5,500	-
Total Instruction	-	5,500	5,500	-
<i>Total Expenditures</i>	-	5,500	5,500	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) at The Beginning of Year	6,418	6,418	6,418	-
Fund Balance (Deficit) at The End of Year	\$ 6,418	\$ 6,418	\$ 6,418	\$ -

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Disadvantaged Pupil Fund
For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 24,600	\$ 24,601	\$ 24,601	\$ -
Total Revenues	24,600	24,601	24,601	-
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	24,600	24,601	24,601	-
Total Pupils	24,600	24,601	24,601	-
Total Support Services	24,600	24,601	24,601	-
<i>Total Expenditures</i>	24,600	24,601	24,601	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) at The Beginning of Year	-	-	-	-
Fund Balance (Deficit) at The End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Data Communication Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Total Revenues	18,000	18,000	18,000	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	18,000	19,323	19,323	-
Total Regular	18,000	19,323	19,323	-
Total Instruction	18,000	19,323	19,323	-
<i>Total Expenditures</i>	18,000	19,323	19,323	-
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	(1,323)	(1,323)	-
Net Change in Fund Balance	-	(1,323)	(1,323)	-
Fund Balance (Deficit) at The Beginning of Year	2,634	2,634	2,634	-
Prior Year Encumbrances Appropriated	1,311	1,311	1,311	-
Fund Balance (Deficit) at The End of Year	<u>\$ 3,945</u>	<u>\$ 2,622</u>	<u>\$ 2,622</u>	<u>\$ -</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,140	\$ 4,140	\$ 4,140	\$ -
Total Revenues	4,140	4,140	4,140	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	7,899	5,624	4,356	1,268
Total Regular	7,899	5,624	4,356	1,268
Total Instruction	7,899	5,624	4,356	1,268
<i>Total Expenditures</i>	7,899	5,624	4,356	1,268
<i>Excess of Revenues Over/(Under) Expenditures</i>	(3,759)	(1,484)	(216)	1,268
Net Change in Fund Balance	(3,759)	(1,484)	(216)	1,268
Fund Balance (Deficit) at The Beginning of Year	3,375	3,375	3,375	-
Prior Year Encumbrances Appropriated	135	135	135	-
Fund Balance (Deficit) at The End of Year	\$ (249)	\$ 2,026	\$ 3,294	\$ 1,268

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,500	\$ 18,500	\$ 18,500	\$ -
Total Revenues	10,500	18,500	18,500	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,500	11,003	15,003	(4,000)
Fringe Benefits	-	1,140	1,640	(500)
Materials and Supplies	6,000	6,356	8,076	(1,720)
Total Regular	10,500	18,499	24,719	(6,220)
Total Instruction	10,500	18,499	24,719	(6,220)
<i>Total Expenditures</i>	10,500	18,499	24,719	(6,220)
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	1	(6,219)	(6,220)
Net Change in Fund Balance	-	1	(6,219)	(6,220)
Fund Balance (Deficit) at The Beginning of Year	6,634	6,634	6,634	-
Prior Year Encumbrances Appropriated	416	416	416	-
Fund Balance (Deficit) at The End of Year	<u>\$ 7,050</u>	<u>\$ 7,051</u>	<u>\$ 831</u>	<u>\$ (6,220)</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Reading Intervention Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 48,781	\$ 50,719	\$ 50,718	\$ (1)
Total Revenues	48,781	50,719	50,718	(1)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,440	21,440	20,147	1,294
Fringe Benefits	4,087	4,086	4,086	-
Materials and Supplies	12,328	11,897	11,987	(91)
Total Regular	37,855.00	37,423	36,220	1,203
Total Instruction	37,855	37,423	36,220	1,203
<i>Total Expenditures</i>	37,855	37,423	36,220	1,203
<i>Excess of Revenues Over/(Under) Expenditures</i>	10,926	13,296	14,498	1,202
Advances Out	(16,482)	-	(18,420)	(18,420)
<i>Total Other Financing Sources (Uses)</i>	(16,482)	-	(18,420)	(18,420)
Net Change in Fund Balance	(5,557)	13,296	(3,922)	(17,218)
Fund Balance (Deficit) at The Beginning of Year	14,742	14,742	14,742	-
Fund Balance (Deficit) at The End of Year	\$ 9,185	\$ 28,038	\$ 10,820	\$ (17,218)

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Extended Learning Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,670	\$ 8,670	\$ 8,670	\$ -
Total Revenues	8,670	8,670	8,670	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	1,017	179	-	179
Materials and Supplies	3,286	3,286	2,443	843
Total Regular	4,303	3,465	2,443	1,022
Support Services:				
Instructional Staff:				
Salaries and Wages	2,670	2,670	2,670	-
Fringe Benefits	3,000	3,000	3,000	-
Purchased Services	-	-	-	-
Materials and Supplies	2,000	2,000	2,007	(7)
Total Instructional Staff	7,670	7,670	7,677	(7)
Pupil Transportation:				
Purchased Services	1,000	1,000	1,350	(350)
Total Pupils Transportation	1,000	1,000	1,350	(350)
Total Support Services	8,670	8,670	9,027	(357)
<i>Total Expenditures</i>	12,973	12,135	11,469	666
<i>Excess of Revenues Over/(Under) Expenditures</i>	(4,303)	(3,465)	(2,799)	666
Net Change in Fund Balance	(4,303)	(3,465)	(2,799)	666
Fund Balance (Deficit) at The Beginning of Year	8,483	8,483	8,483	-
Prior Year Encumbrances Appropriated	523	523	523	-
Fund Balance (Deficit) at The End of Year	\$ 4,703	\$ 5,541	\$ 6,207	\$ 666

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 615,028	\$ 615,028	\$ 615,028	\$ -
Total Revenues	615,028	615,028	615,028	-
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	52,000	52,000	52,000	-
Fringe Benefits	16,030	16,030	16,030	-
Purchased Services	117,571	117,571	134,465	(16,894)
Materials and Supplies	15,032	15,032	14,017	1,015
Capital Outlay - New	5,000	5,000	6,665	(1,665)
Capital Outlay - Replacement		-	-	-
Total Special	205,633	205,633	223,177	(17,543)
Total Instruction	205,633	205,633	223,177	(17,543)
Support Services:				
Pupils:				
Salaries and Wages	16,625	16,625	16,625	-
Fringe Benefits	5,724	5,724	5,724	-
Purchased Services	165,027	165,147	164,933	214
Capital Outlay - New	1,500	1,500	345	1,155
Total Pupils	188,876	188,996	187,626	1,370
Instructional Staff:				
Salaries and Wages	-	2,670	2,670	-
Fringe Benefits	-	3,000	3,000	-
Materials and Supplies	-	2,000	1,811	189
Total Instructional Staff	-	7,670	7,481	189
Administration:				
Salaries and Wages	35,606	35,486	35,486	-
Fringe Benefits	15,329	15,347	15,227	120
Purchased Services	200	200	200	-
Materials and Supplies	1,500	1,500	2,502	(1,002)
Capital Outlay - New	-	-	2,311	(2,311)
Total Administration	52,635	52,533	55,726	(3,193)
Pupil Transportation:				
Salaries and Wages				-
Fringe Benefits	-	-	6,589	(6,589)
Purchased Services	-	1,000	1,000	-
Total Pupils Transportation	-	1,000	7,589	(6,589)
Total Support Services	241,510	250,199	258,422	(8,222)
Community Services:				
Purchased Services	13,000	13,000	13,000	-
Total Community Services	13,000	13,000	13,000	-
Total Operation of Non-Instructional Services	13,000	13,000	13,000	-
Total Expenditures	460,144	468,833	494,598	(25,766)
<i>Excess of Revenues Over/(Under) Expenditures</i>	154,884	146,195	120,430	(25,766)
Other Financing Sources (Uses):				
Advances Out	(154,986)	-	(154,986)	(154,986)
Total Other Financing Sources (Uses)	(154,986)	-	(154,986)	(154,986)
Net Change in Fund Balance	\$ (102)	\$ 146,195	\$ (34,556)	\$ (180,752)
Fund Balance (Deficit) at The Beginning of Year	79,969	79,969	79,969	-
Prior Year Encumbrances Appropriated	41,389	41,389	41,389	-
Fund Balance (Deficit) at The End of Year	<u>\$ 121,256</u>	<u>\$ 267,553</u>	<u>\$ 86,802</u>	<u>\$ (180,752)</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 296,028	\$ 297,304	\$ 297,304	\$ -
Total Revenues	296,028	297,304	297,304	-
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	233,330	233,330	233,330	-
Fringe Benefits	35,112	35,161	35,161	-
Purchased Services	5,893	5,893	5,893	-
Materials and Supplies	6,000	7,218	3,127	4,090
Capital Outlay - New	6,000	6,000	982	5,018
Total Special	286,335	287,602	278,494	9,108
Total Instruction	286,335	287,602	278,494	9,108
Support Services:				
Community Services:				
Salaries and Wages	6,545	6,545	6,545	-
Fringe Benefits	1,150	1,150	1,150	-
Total Community Services	7,695	7,695	7,695	-
Total Operation of Non-Instructional Services	7,695	7,695	7,695	-
<i>Total Expenditures</i>	294,030	295,297	286,189	9,108
<i>Excess of Revenues Over/(Under) Expenditures</i>	1,997	2,007	11,115	9,108
Other Financing Sources (Uses):				
Advances Out	(2,007)	-	(2,007)	(2,007)
<i>Total Other Financing Sources (Uses)</i>	(2,007)	-	(2,007)	(2,007)
Net Change in Fund Balance	(9)	2,007	9,108	7,101
Fund Balance (Deficit) at The Beginning of Year	65,180	65,180	65,180	-
Prior Year Encumbrances Appropriated	65,115	65,115	65,115	-
Fund Balance (Deficit) at The End of Year	<u>\$ 130,286</u>	<u>\$ 132,302</u>	<u>\$ 139,403</u>	<u>\$ 7,101</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,746	\$ 9,402	\$ 9,402	\$ -
Total Revenues	8,746	9,402	9,402	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,223	8,223	9,108	(884)
Materials and Supplies	-	-	2,095	(2,095)
Capital Outlay - New	-	-	7,258	(7,258)
Total Regular	8,223	8,223	18,461	(10,238)
Total Instruction	8,223	8,223	18,461	(10,238)
Support Services:				
Community Services:				
Purchased Services	523	523	523	-
Total Community Services	523	523	523	-
Total Operation of Non-Instructional Services	523	523	523	-
<i>Total Expenditures</i>	8,746	8,746	18,984	(10,238)
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	655	(9,582)	(10,238)
Other Financing Sources (Uses):				
Advances Out	-	-	(655)	(655)
<i>Total Other Financing Sources (Uses)</i>	-	-	(655)	(655)
Net Change in Fund Balance	-	655	(10,237)	(10,893)
Fund Balance (Deficit) at The Beginning of Year	22,007	22,007	22,007	-
Prior Year Encumbrances Appropriated	7,595	7,595	7,595	-
Fund Balance (Deficit) at The End of Year	<u>\$ 29,602</u>	<u>\$ 30,257</u>	<u>\$ 19,365</u>	<u>\$ (10,893)</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,953	\$ 16,125	\$ 14,909	\$ (1,216)
Total Revenues	13,953	16,125	14,909	(1,216)
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	2,670	9,126	9,126	-
Fringe Benefits	3,000	-	-	-
Purchased Services	900	1,442	1,612	(170)
Materials and Supplies	2,101	942	942	-
Total Pupils	8,671	11,510	11,680	(170)
Pupil Transportation:				
Purchased Services	1,000	-	-	-
Total Pupils Transportation	1,000	-	-	-
Total Support Services	9,671	11,510	11,680	(170)
<i>Total Expenditures</i>	9,671	11,510	11,680	(170)
<i>Excess of Revenues Over/(Under) Expenditures</i>	4,282	4,615	3,229	(1,386)
Other Financing Sources (Uses):				
Advances Out	(3,499)	-	(3,499)	(3,499)
<i>Total Other Financing Sources (Uses)</i>	(3,499)	-	(3,499)	(3,499)
Net Change in Fund Balance	783	4,615	(270)	(4,885)
Fund Balance (Deficit) at The Beginning of Year	2,387	2,387	2,387	-
Prior Year Encumbrances Appropriated	2,117	2,117	2,117	-
Fund Balance (Deficit) at The End of Year	<u>\$ 5,287</u>	<u>\$ 9,119</u>	<u>\$ 4,234</u>	<u>\$ (4,885)</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 110,651	\$ 108,620	\$ 108,620	\$ -
Total Revenues	110,651	108,620	108,620	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	91,888	91,888	91,888	-
Fringe Benefits	6,000	6,000	6,000	-
Total Regular	97,888	97,888	97,888	-
Total Instruction	97,888	97,888	97,888	-
Support Services:				
Pupils:				
Salaries and Wages	-	-	6,160	(6,160)
Purchased Services	12,763	13,774	49,975	(36,200)
Materials and Supplies	-	-	352	(352)
Total Pupils	12,763	13,774	56,487	(42,713)
Total Support Services	12,763	13,774	56,487	(42,713)
Total Expenditures	110,651	111,662	154,375	(42,713)
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	(3,042)	(45,755)	(42,713)
Net Change in Fund Balance	-	(3,042)	(45,755)	(42,713)
Fund Balance (Deficit) at The Beginning of Year	103,461	103,461	103,461	-
Prior Year Encumbrances Appropriated	56,504	56,504	56,504	-
Fund Balance (Deficit) at The End of Year	<u>\$ 159,965</u>	<u>\$ 156,923</u>	<u>\$ 114,210</u>	<u>\$ (42,713)</u>

Port Clinton City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Technology Grant Fund
For the Fiscal Year Ended June 30, 2005*

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,783	\$ 9,101	\$ 9,101	\$ -
Total Revenues	7,783	9,101	9,101	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	1,885	1,885	-
Purchased Services	1,946	-	1,644	(1,644)
Materials and Supplies	1,143	-	1,143	(1,143)
Capital Outlay - New	-	7,216	2,778	4,438
Total Regular	3,089	9,101	7,450	1,651
Total Instruction	3,089	9,101	7,450	1,651
Support Services:				
Community Services:				
Materials and Supplies	-	-	460	(460)
Total Community Services	-	-	460	(460)
Total Operation of Non-Instructional Services	-	-	460	(460)
<i>Total Expenditures</i>	3,089	9,101	7,910	1,191
<i>Excess of Revenues Over/(Under) Expenditures</i>	4,695	-	1,191	1,191
Other Financing Sources (Uses):				
Advances Out	-	-	(1,127)	(1,127)
<i>Total Other Financing Sources (Uses)</i>	-	-	(1,127)	(1,127)
Net Change in Fund Balance	4,695	-	64	64
Fund Balance (Deficit) at The Beginning of Year	5,420	5,420	5,420	-
Prior Year Encumbrances Appropriated	2,174	2,174	2,174	-
Fund Balance (Deficit) at The End of Year	<u>\$ 12,289</u>	<u>\$ 7,594</u>	<u>\$ 7,658</u>	<u>\$ 64</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the fiscal year ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 264,723	\$ 242,179	\$ 242,179	\$ -
Intergovernmental	-	28,312	28,312	-
Interest	-	326	354	28
Total Revenues	264,723	270,817	270,845	28
Expenditures:				
Building Acquisition and Construction:				
Total Building Acquisition and Construction	260,000	260,000	220,697	39,303
Total Capital Outlay	260,000	260,000	220,697	39,303
<i>Total Expenditures</i>	260,000	260,000	220,697	39,303
<i>Excess of Revenues Over/(Under) Expenditures</i>	4,723	10,817	50,148	39,331
Net Change in Fund Balance	4,723	10,817	50,148	39,331
Fund Balance (Deficit) at The Beginning of Year	91,961	91,961	91,961	-
Prior Year Encumbrances Appropriated	45,446	45,446	45,446	-
Fund Balance (Deficit) at The End of Year	<u>\$ 142,130</u>	<u>\$ 148,224</u>	<u>\$ 187,555</u>	<u>\$ 39,331</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Plus Fund
For the fiscal year ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,910	\$ 14,910	\$ 14,910	\$ -
Total Revenues	14,910	14,910	14,910	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	14,910	14,910	1,484	13,426
Total Regular	14,910	14,910	1,484	13,426
Total Instruction	14,910	14,910	1,484	13,426
<i>Total Expenditures</i>	14,910	14,910	1,484	13,426
<i>Excess of Revenues Over/(Under) Expenditures</i>	-	-	13,426	13,426
Net Change in Fund Balance	-	-	13,426	13,426
Fund Balance (Deficit) at The Beginning of Year	1,484	1,484	1,484	-
Fund Balance (Deficit) at The End of Year	<u>\$ 1,484</u>	<u>\$ 1,484</u>	<u>\$ 14,910</u>	<u>\$ 13,426</u>

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

	Budgeted Amount			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 842,269	\$ 773,838	\$ 773,838	\$ -
Intergovernmental	-	87,447	87,447	-
Total Revenues	842,269	861,285	861,285	-
Debt Service:				
Principal Retirement	\$ 734,000	\$ 734,000	734,000	\$ -
Interest and Fiscal Charges	138,462	138,463	138,463	-
Total Debt Service	872,462	872,463	872,463	-
Total Expenditures	872,462	872,463	872,463	-
Excess of Revenues Over/(Under) Expenditures	(30,193)	(11,177)	(11,177)	-
Other Financing Sources (Uses):				
Transfers In	-	-	147,049	147,049
Total Other Financing Sources (Uses)	-	-	147,049	147,049
Net Change in Fund Balance	(30,193)	(11,177)	135,872	147,049
Fund Balance (Deficit) at The Beginning of Year	2,333,599	2,333,599	2,333,599	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance (Deficit) at The End of Year	\$ 2,303,406	\$ 2,322,422	\$ 2,469,471	\$ 147,049

Port Clinton City School District
 Schedule Statement of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Scholarship Trust Fund
 For the Fiscal Year Ended June 30, 2005

	Budgeted Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Interest	\$ 400	\$ 293	\$ 317	\$ 24
<i>Total Operating Revenues</i>	400	293	317	24
Operating Expenses:				
Other:				
Pupils	1,000	1,000	1,000	-
<i>Total Operating Expenses</i>	1,000	1,000	1,000	-
Net Change in Fund Balance	(600)	(707)	(683)	24
Fund Balance (Deficit) at The Beginning of Year	14,560	14,560	14,560	-
Fund Balance (Deficit) at The End of Year	<u>\$ 13,960</u>	<u>\$ 13,853</u>	<u>\$ 13,877</u>	<u>\$ 24</u>

Statistical Section



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

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Program Revenues						
Charges for Services	\$ 294,600	N/A	\$ 207,362	N/A	\$ 109,230	N/A
Operating Grants and Contributions	1,481,665	N/A	1,316,134	N/A	450,173	N/A
General Revenues						
Taxes	14,498,022	14,295,265	12,937,094	13,030,860	10,686,362	10,567,950
Intergovernmental	5,019,349	6,501,013	4,550,036	5,866,170	5,123,349	5,573,522
Interest	184,809	184,809	85,058	85,058	159,821	159,821
Tuition and Fees	-	102,967	-	86,877	-	-
Classroom Materials and Fees	-	66,064	-	81,757	-	77,312
Extracurricular Activities	-	125,569	-	125,605	-	140,403
Refund of Prior Year Expenditure	-	-	-	-	58,462	58,462
Proceeds from Sale of Notes	-	-	-	-	-	700,400
Contributions and Donations	-	-	-	-	-	-
Gain on Sales of Capital Asset	4,022	4,022	-	3,386	4,521	4,521
Miscellaneous	508,794	508,794	188,920	206,412	268,125	190,813
Other Non-operating Revenues	-	-	-	-	31,173	-
Premium on Bonds	-	-	292,847	292,847	-	-
Proceeds of Refunding Debt	-	-	-	4,274,994	-	-
Transfers	480	579,198	-	153,677	-	209,590
Total	\$ 21,991,741	\$ 22,367,701	\$ 19,577,451	\$ 24,207,643	\$ 16,891,216	\$ 17,682,794
Expenses/Expenditures						
Current:						
Instruction:						
Regular	\$ 8,920,104	\$ 8,336,452	\$ 8,537,145	\$ 7,930,519	\$ 8,279,767	\$ 7,784,174
Special	2,038,648	2,024,896	1,888,795	1,839,406	2,044,738	2,033,158
Vocational	153,591	153,591	96,417	96,417	120,003	119,889
Other	574,941	574,941	430,006	430,006	429,752	429,752
Support Services:						
Pupil	1,761,180	1,752,118	1,576,735	1,520,333	1,452,659	1,430,329
Instructional Staff	348,950	348,869	396,087	398,416	376,684	403,463
Board of Education	26,399	26,399	12,079	12,079	15,826	15,826
Administration	1,507,848	1,507,141	1,571,627	1,505,653	1,301,249	1,355,445
Fiscal	672,995	669,422	265,342	273,191	243,313	233,263
Business	-	-	-	-	-	-
Operation and						
Maintenance of Plant	1,837,266	1,971,091	2,060,611	2,007,477	1,873,713	1,902,761
Pupil Transportation	927,084	919,991	1,007,086	899,186	960,795	909,146
Central	94,644	94,644	67,736	67,083	45,870	17,385
Operation of						
Non-instructional Services	847,633	844,340	206,807	207,076	172,005	167,439
Extracurricular Activities	538,827	538,290	527,975	518,665	533,785	528,033
Capital Outlay	-	297,102	-	261,744	-	303,735
Debt Service	149,207	872,463	865,248	1,039,248	718,744	989,960
Payment to Refunded Debt Escrow	-	-	-	4,274,994	-	-
Transfers	-	578,718	-	153,677	-	209,590
Total	\$ 20,399,317	\$ 21,510,468	\$ 19,509,696	\$ 23,435,170	\$ 18,568,903	\$ 18,833,348

Source: School District Financial Records

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

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
	N/A						
	N/A						
\$	10,360,805	\$ 11,760,399	\$ 11,400,256	\$ 11,534,898	\$ 10,951,963	\$ 11,915,484	\$ 10,258,509
	5,353,784	5,346,394	5,087,657	4,895,305	4,667,286	4,646,831	5,480,442
	367,594	687,628	597,920	484,005	460,984	365,452	287,397
	-	-	-	114,796	102,603	117,200	133,385
	87,784	106,639	98,162	298	-	-	-
	141,645	130,155	123,707	111,409	114,247	110,022	122,775
	11,369	60,419	13,468	33,352	73,788	13,407	9,640
	676,000	-	-	-	-	-	-
	-	-	-	-	-	-	-
	375	1,647	230	2,016	864	(92)	502
	45,090	97,734	102,332	117,431	171,509	67,560	90,211
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	117,461	126,015	100,594	896,643	294,847	314,394	313,199
\$	<u>17,161,907</u>	<u>18,317,030</u>	<u>17,524,326</u>	<u>18,190,153</u>	<u>16,838,091</u>	<u>17,550,258</u>	<u>16,696,060</u>
\$	10,183,979	\$ 9,694,652	\$ 9,263,680	\$ 8,777,374	\$ 8,234,243	\$ 8,220,089	\$ 7,592,819
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,338,307	1,274,601	1,217,897	1,124,746	1,032,561	944,142	874,705
	365,488	351,656	370,326	398,127	419,926	332,486	308,967
	15,884	9,854	8,931	12,543	11,204	9,323	16,769
	1,825,825	1,592,781	1,426,513	1,430,375	1,235,441	1,155,351	1,011,458
	332,001	254,763	246,822	249,303	216,817	418,575	430,506
	-	-	184	618	-	-	-
	1,907,033	1,833,685	1,768,328	1,613,084	1,522,640	1,647,388	1,489,424
	1,014,587	951,757	748,557	766,120	671,007	789,154	586,349
	1,749	2,055	2,055	27,505	2,174	4,209	2,154
	98,973	81,139	87,253	106,501	61,819	240,578	9,584
	1,670,745	415,283	333,786	380,389	364,887	327,984	344,684
	21,533	193,925	116,312	433,930	183,623	83,643	212,639
	868,973	886,741	867,098	863,841	883,129	880,800	877,710
	-	-	-	-	-	-	-
	167,481	167,104	160,594	952,218	340,922	352,394	301,808
\$	<u>19,812,558</u>	<u>17,709,996</u>	<u>16,618,336</u>	<u>17,136,674</u>	<u>15,180,393</u>	<u>15,406,116</u>	<u>14,059,576</u>

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

Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2004	\$ 13,220,423	\$ 871,328	\$ 14,091,751	\$ 11,814,114	89.36%	n/a	\$ 11,814,114	89.36%
2003	12,046,711	1,249,452	13,296,163	10,978,643	91.13%	n/a	10,978,643	91.13%
2002	14,900,844	466,758	15,367,602	13,088,976	87.84%	n/a	13,088,976	87.84%
2001	15,811,841	595,708	16,407,549	13,037,365	82.45	n/a	13,037,365	82.45%

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

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

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

Collection Year	Real Property		Personal Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	
	Value	Actual Value(1)	Value	Actual Value(1)	Value	Actual Value(1)	Value	Actual Value(1)	
2005	\$467,835,110	\$1,336,717,429	\$18,393,820	\$20,902,045	\$34,836,599	\$143,346,396	\$521,065,509	\$1,500,965,870	35%
2004	452,700,720	1,293,430,629	18,345,930	20,847,648	37,436,521	149,746,084	508,483,171	1,452,809,060	35%
2003	387,411,300	1,106,689,428	19,373,720	22,015,591	39,880,548	159,442,192	446,665,568	1,276,187,337	35%
2002	380,852,500	1,088,150,000	18,992,240	21,582,091	40,122,425	160,489,700	439,967,165	1,257,049,043	35%
2001	375,200,140	1,072,000,400	23,807,370	27,053,830	42,362,220	169,448,880	441,369,730	1,261,056,371	35%
2000	324,814,930	928,042,657	24,043,690	27,322,375	44,570,971	178,283,884	393,429,591	1,124,084,546	35%
1999	320,827,330	916,649,514	25,955,520	29,494,909	43,687,877	174,751,508	390,470,727	1,115,630,649	35%
1998	317,069,370	905,912,486	25,699,310	29,203,761	39,246,903	156,987,612	382,015,583	1,091,473,094	35%
1997	263,973,680	754,210,514	26,503,600	30,117,727	34,828,328	139,313,312	325,305,608	929,444,594	35%
1996	260,249,840	743,570,971	27,606,620	31,371,159	34,927,312	139,709,248	322,983,772	922,810,777	35%

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

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

Real property is assessed at 35 percent of actual value.

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

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

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

Year	School Levy	JVS	County Levy	Township Levies (ave)	Total Levy	Debt Service Included in Total Levy		
						School	County	Total
2005	60.60	1.60	7.40	5.04	74.64	1.70	0.15	1.85
2004	61.19	1.60	7.10	5.04	74.93	1.70	0.15	1.85
2003	57.30	1.60	5.70	5.04	69.64	1.70	0.30	2.00
2002	57.30	1.60	5.70	5.04	69.64	1.70	0.30	2.00
2001	57.30	1.60	5.70	5.04	69.64	1.70	0.30	2.00
2000	58.40	1.60	5.70	4.83	70.53	2.80	0.30	3.10
1999	58.40	1.60	5.70	4.83	70.53	2.80	0.30	3.10
1998	58.40	1.60	5.90	4.75	70.65	2.80	0.30	3.10
1997	58.40	1.60	5.90	4.75	70.65	2.80	0.30	3.10
1996	59.40	1.60	5.90	4.75	71.65	2.80	0.30	3.10

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Port Clinton CSD Area Population (1)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2005	\$3,554,994	\$521,065,509	13,804	0.68	257.53
2004	4,194,994	508,483,171	13,804	0.83	303.90
2003	4,389,624	446,665,568	13,804	0.98	318.00
2002	4,613,840	439,967,165	13,804	1.05	334.24
2001	4,844,671	441,369,730	13,804	1.10	350.96
2000	5,087,528	393,429,591	13,804	1.29	368.55
1999	5,344,947	390,470,727	14,584	1.37	366.49
1998	5,924,957	382,015,583	14,584	1.55	406.26
1997	6,499,957	325,305,608	14,584	2.00	445.69
1996	7,049,957	322,983,772	14,584	2.18	483.40

Source:

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

Port Clinton City School District
 Computation of Direct and Overlapping
 General Obligation Bonded Debt
 June 30, 2005

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Port Clinton School District	\$ 3,554,994	100%	\$ 3,554,994
Overlapping:			
Ottawa County	17,540,633	33.55%	5,884,882
Port Clinton City	<u>1,120,812</u>	100.00%	<u>1,120,812</u>
Total Overlapping	<u>18,661,445</u>		<u>7,005,694</u>
Totals	<u><u>\$ 22,216,439</u></u>		<u><u>\$ 10,560,688</u></u>

Source: Ottawa County Auditor and Port Clinton City School District

- (1) Percentage were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2004 collection year.

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

Year	General Obligation Principal	General Obligation Interest	General Obligation Debt Service	Total General Fund Expenditures	Ratio of General Obligation Debt Service to General Fund Operating Expenditures
2005	\$ 640,000	\$ 84,450	\$ 724,450	\$ 17,272,352	4.19%
2004	\$ 174,000	\$ 513,988	\$ 687,988	\$ 15,942,711	4.32%
2003	224,216	621,879	846,095	15,740,475	5.38
2002	230,831	638,142	868,973	16,223,344	5.36
2001	242,857	643,884	886,741	15,554,462	5.70
2000	257,429	609,669	867,098	14,593,281	5.94
1999	580,000	283,841	863,841	14,024,432	6.16
1998	575,000	308,129	883,129	13,056,080	6.76
1997	550,000	330,800	880,800	13,091,182	6.73
1996	524,720	352,990	877,710	12,007,609	7.31

Source: School District Financial Records

Port Clinton City School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Ottawa County Population (1)</u>	<u>Port Clinton CSD Area Population (2)</u>	<u>School Enrollment (3)</u>	<u>Ottawa County Unemployment Rate (4)</u>
2005	40,750	13,804	1,930	8.1%
2004	40,750	13,804	1,921	9.6%
2003	40,750	13,804	1,906	9.5
2002	40,895	13,804	1,873	9.0
2001	40,985	13,804	1,914	8.9
2000	40,985	13,804	1,969	7.9
1999	38,840	14,584	2,086	7.8
1998	38,900	14,584	2,157	7.6
1997	39,009	14,584	2,310	7.9
1996	39,140	14,584	2,334	6.9

Source:

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

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

Year	Property Value (2) (Real Estate Only)	Institution Deposit Banks	Value of Permits Issued Ottawa County	Value of Permits Issued City of Port Clinton	Value of Permits Issued Bay Township	Value of Permits Issued Catawba Township	Value of Permits Issued Erie Township	Value of Permits Issued Portage Township
2004	\$ 452,700,770	\$ -	\$ 35,877,180	\$ 891,000	\$ 1,250,105	\$ 10,828,529	\$ 148,500	\$ 1,722,405
2003	387,411,300	292,713,000	44,663,566	2,224,152	1,222,658	10,938,164	326,800	2,619,783
2002	380,852,500	253,635,000	41,801,035	178,689	1,786,200	13,405,822	303,500	1,008,500
2001	375,200,140	222,518,000	47,746,550	441,583	730,443	7,702,080	534,780	1,467,249

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

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

Port Clinton City School District
Principal Taxpayers
Real Property Tax
December 31, 2004

<u>Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percentage of Total Real Property Tax Assessed Value</u>
Lakeview Estates Apt.	\$ 875,000	0.19%
Wal-mart Stores	934,500	0.21%
Erie Islands Resort & Marina	1,047,740	0.23%
Knoll Crest Village	1,183,950	0.26%
Bassetts IGA	1,303,050	0.29%
Baker Family Ltd Partnership	1,473,320	0.33%
Marina Alliance LTD	1,510,260	0.33%
R & M Co.	1,610,660	0.36%
The Kroger Co.	1,742,540	0.38%
United States Gypsum	<u>1,803,750</u>	<u>0.40%</u>
	<u>\$ 13,484,770</u>	<u>2.98%</u>
Total Real Property Tax Assessed Valuation	<u>\$ 452,608,460</u>	

Sources: Ottawa County Auditor

(1) Assessed values are for the 2004 collection year

Port Clinton City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2004

Taxpayer	Assessed Value (1)	Percentage of Total Tangible Personal Property Tax Assessed Value
SMBR Realty	\$ 502,330	2.30%
Kroger Co.	626,340	2.86%
Frontiervision Operating	679,960	3.11%
Courtesy Auto World	704,790	3.22%
Wal-mart Stores	880,340	4.03%
Baumann Auto	1,120,560	5.12%
Marinemax of Ohio	1,422,360	6.50%
Scandura Ohio	2,832,260	12.95%
Silgan Plastics Corp	5,640,250	25.79%
U.S. Gypsum Co.	7,462,300	34.12%
	\$ 21,871,490	100.00%
Total Tangible Personal Property Tax Assessed Valuation		
	\$ 21,871,490	

Sources: Ottawa Auditor

(1) Assessed values are for the 2004 collection year

Port Clinton City School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2004

<u>Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percentage of Total Public Utility Tangible Property Tax Assessed Value</u>
Columbia Gas Transmission	\$ 369,510	2.01%
Ohio Telephone & Telegraph	655,930	3.57%
Columbia Gas	861,240	4.68%
Norfolk Southern	1,285,110	6.99%
American Transmission	1,376,350	7.48%
Verizon North	2,429,340	13.21%
Ohio Edison	8,965,290	48.74%
Q West Communications	420,900	2.29%
Level 3 Communication	271,210	1.47%
P-I-B Boat Line	<u>1,002,850</u>	<u>5.45%</u>
	<u>\$ 17,637,730</u>	<u>95.89%</u>
 Total Public Utility Tangible Property Tax Assessed Valuation	 <u>\$ 18,393,820</u>	

Sources: Ottawa County Auditor

(1) Assessed values are for the 2004 collection year.

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

Year	General Fund Expenditures	School Enrollment	Per Pupil Cost
2005	\$ 17,272,352	1,930	\$ 8,949
2004	15,942,711	1,901	8,386
2003	15,740,475	1,906	8,258
2002	16,223,344	1,873	8,662
2001	15,554,462	1,914	8,127
2000	14,593,281	1,969	7,412
1999	14,024,432	2,086	6,723
1998	13,056,080	2,157	6,053
1997	13,091,182	2,310	5,667
1996	12,007,609	2,334	5,145

Sources: School District Financial Records

Port Clinton City School District
Teacher Education and Experience
June 30, 2005

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	12	9.02%
Bachelor + 150 hours	23	17.29%
Master's Degree	69	51.88%
Master's + 30 Hours	<u>29</u>	<u>21.80%</u>
Total	<u><u>133</u></u>	<u><u>100.00%</u></u>

<u>Year of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	18	13.53%
6 - 10	27	20.30%
11 - 15	24	18.05%
16 and Over	<u>64</u>	<u>48.12%</u>
Total	<u><u>133</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records



**Auditor of State
Betty Montgomery**

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**PORT CLINTON CITY SCHOOL DISTRICT
OTTAWA COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 9, 2006**