

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Single Audit Reports

June 30, 2007



Mary Taylor, CPA
Auditor of State

Board of Education
Portsmouth City School District
923 Findlay Street
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditors' Report* of the Portsmouth City School District, Scioto County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 10, 2008

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PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	2 - 3
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	4 - 5
Schedule of Findings and Questioned Costs	6 - 7
Schedule of Prior Audit Findings	8

PORTSMOUTH CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:				
<i>Passed through Ohio Department of Education:</i>				
Food Donation	N/A	10.550	\$ 117,144	117,144
Nutrition Cluster:				
School Breakfast Program	05PU	10.553	131,459	131,459
National School Lunch Program	LLP4	10.555	443,950	443,950
Nutrition Cluster Total			<u>575,409</u>	<u>575,409</u>
Total U.S. Department of Agriculture			<u>692,553</u>	<u>692,553</u>
U.S. Department of Education:				
<i>Direct from Department of Education:</i>				
Impact Aid	N/A	84.041	25,145	25,145
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	C1SK	84.010	930,740	1,165,427
Special Education Cluster:				
Special Education - Grants to States	6BSF	84.027	544,809	672,075
Special Education - Preschool Grants	PGS1	84.173	14,593	15,927
Special Education Cluster Total			<u>559,402</u>	<u>688,002</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	11,936	17,452
Education for Homeless Children and Youth	HCS1	84.196	25,819	28,725
Even Start - State Educational Agencies	EVS1	84.213	103,850	130,194
Innovative Education Program Strategies	C2S1	84.298	5,919	6,066
Education Technology State Grants	TJS1	84.318	20,621	26,673
Reading First Grant	RSS1	84.357	940,866	1,098,838
Rural Education	RUS1	84.358	53,224	62,846
Improving Teacher Quality State Grants	TRS1	84.367	280,940	340,952
Hurricane Relief Act	HR01	84.938	6,000	6,000
Total U.S. Department of Education			<u>2,964,462</u>	<u>3,596,320</u>
Total Federal Awards			\$ <u>3,657,015</u>	<u>4,288,873</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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



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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District, Ohio (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is

more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency labeled as 2007-1 and described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that item 2007-1 described above is a material weakness.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that we reported to the management of the District in a separate letter dated February 26, 2008.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and accordingly, we express no opinion on it.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
February 26, 2008



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

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

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

Compliance

We have audited the compliance of Portsmouth City School District, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007-2 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and accordingly, we express no opinion on it.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2007, and have issued our report thereon dated February 26, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
February 26, 2008

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	yes
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency (ies) identified not considered to be material weaknesses?	yes
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133?	none
Identification of major programs:	
• <i>Nutrition Cluster:</i> <i>CFDA 10.553 – School Breakfast Program</i> <i>CFDA 10.555 – National School Lunch Program</i>	
• <i>CFDA 84.367 - Improving Teacher Quality State Grants</i>	
• <i>Special Education Cluster:</i> <i>CFDA 84.027 – Special Education - Grants to States</i> <i>CFDA 84.173 – Special Education – Preschool</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

Finding 2007-1 – Audit Adjustment

During the course of our audit, we identified a material misstatement in the financial statements for the year under audit that was not initially identified by the District's internal control. Throughout the year, the District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct an error in the District's conversion process. The District reported an intergovernmental receivable of approximately \$2.4 million as of June 30, 2007 due from the Ohio School Facilities Commission related to the construction of school buildings. However, as of June 30, 2007, the construction project was complete and it was determined the District would not receive the remaining funding so an adjustment was made to correct receivables.

Management response: Management understands the basis for the finding.

Section III - Federal Award Findings and Questioned Costs

Finding 2007-2 – Schedule of Expenditures of Federal Awards

In accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, management is responsible for identifying all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. The District's schedule of expenditure of federal awards was not complete as programs were omitted and program expenditures were not accurate. The programs were subsequently added to the schedule and expenditures corrected. We recommend the District review fiscal year activity to ensure that all federal programs have been accounted for accurately on the schedule.

Management response: Management understands the basis for the finding.

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO

Schedule of Prior Audit Findings

Year Ended June 30, 2007

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

Portsmouth City School District

923 Findlay Street, Portsmouth, Ohio 45662



Artwork provided by Ben McCann
Student at Portsmouth High School

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

PORTSMOUTH CITY SCHOOL DISTRICT

PORTSMOUTH, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Issued by:

Treasurer's Office

Paula J. Butler, Treasurer

INTRODUCTORY SECTION

*Portsmouth City School District
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2007*

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents.....	i
Letter of Transmittal	v
GFOA Certificate of Achievement	xix
ASBO Certificate of Excellence	xx
List of Principal Officials.....	xxi
Organizational Chart.....	xxii

FINANCIAL SECTION

Independent Auditors' Report.....	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17

TABLE OF CONTENTS
(Continued)

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis):	
General Fund.....	18
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	19
Notes to the Basic Financial Statements	20
Combining Statements – Nonmajor Funds:	
Nonmajor Governmental Fund Descriptions	57
Combining Balance Sheet – Nonmajor Governmental Funds.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	61
Combining Balance Sheet – Nonmajor Special Revenue Funds	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	66
Combining Balance Sheet – Nonmajor Capital Projects Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	71
Agency Fund Statement:	
Fiduciary Fund Description	72
Statement of Changes in Assets and Liabilities – Agency Fund.....	73
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis):	
Major Funds:	
General Fund.....	76
Bond Retirement Fund.....	80
Ohio School Facilities Commission Fund	81

TABLE OF CONTENTS
(Continued)

Nonmajor Funds:

Food Service Fund	82
Education Foundation Fund.....	83
New Facilities Maintenance Fund	84
District Managed Student Activities Fund.....	85
Auxiliary Services Non Public Fund	86
Education Management Information System Fund	87
SchoolNet Praise Fund.....	88
SchoolNet Summer Training Fund	89
OhioReads Fund.....	90
Vocational Education Enhancement Fund.....	91
Poverty Based Assisstance Fund	92
Miscellaneous State Grants Fund.....	93
IDEA-B Fund.....	94
Title I Fund	95
Title V Fund.....	97
Drug Free Schools Fund	98
Early Childhood Special Education Fund.....	99
Title II-A Fund.....	100
Miscellaneous Federal Grants Fund.....	101
Permanent Improvement Fund.....	103
Site Acquisition Fund	104
Athletic Complex Project Fund	105

STATISTICAL SECTION

Statistical Tables Descriptions.....	107
Net Assets by Component – Governmental Activities – Last Six Fiscal Years	108
Changes in Net Assets – Governmental Activities – Last Six Fiscal Years.....	110
Program Revenues by Function / Program – Governmental Activities - Last Six Fiscal Years	114
Fund Balances – Governmental Funds – Last Ten Fiscal Years	116
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	118
Assessed Valuation and Estimated Actual Value of Taxable Property – Last Ten Collection (Calendar) Years	120
Principal Property Taxpayers – Real Property Tax – Fiscal Years 2007 and 1998.....	122

TABLE OF CONTENTS
(Continued)

Principal Property Taxpayers – Public Utility Personal Property Tax – Fiscal Years 2007 and 1998.....	124
Principal Property Taxpayers – General Business Personal Property Tax – Fiscal Years 2007 and 1998.....	126
Property Tax Rates (Per \$1,000 of Assessed Valuation) – Direct and Overlapping Governments – Last Ten Collection (Calendar) Years.....	128
Property Tax Levies and Collections – Real, Public Utility Personal and General Business Personal Property – Last Ten Collection (Calendar) Years.....	130
Ratio of Debt to Estimated Actual Value, Personal Income and Debt Per Capita – Last Ten Fiscal Years	132
Ratio of General Obligation Bonded Debt to Estimated Actual Value and General Obligation Bonded Debt Per Capita – Last Six Fiscal Years.....	134
Computation of Direct and Overlapping Debt.....	135
Computation of Legal Debt Margin – Last Ten Fiscal Years.....	136
Demographic and Economic Statistics – Last Ten Fiscal Years	138
Principal Employers – Fiscal Years 2007 and 1998	140
Building Statistics – Last Ten Fiscal Years	142
Employees by Function – Last Five Fiscal Years.....	150
Per Pupil Cost – Last Ten Fiscal Years	151
Full-Time Equivalent Teachers by Education – Last Ten Fiscal Years	152
Full-Time Equivalent Teachers by Years of Experience – Last Ten Fiscal Years	154
Enrollment – Last Ten Fiscal Years.....	156
Percentage of Students who Receive Free and Reduced Lunches – Last Ten Fiscal Years	158



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Office of the Treasurer

February 26, 2008

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Portsmouth City School District for the fiscal year ended June 30, 2007. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the Portsmouth City School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision-making.

State law requires that every general-purpose local government file with the Auditor of State and publish the availability of its financial statements within five months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2007. Due to the reappraisal of capital assets, the School District was granted an extension in filing its financial statements for the fiscal year 2007 reporting period.

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

Clark, Schaefer, Hackett & Co., has issued an unqualified ("clean") opinion on the Portsmouth City School District's financial statements for the fiscal year ended June 30, 2007. The independent auditors' report is located at the front of the Financial Section of this report.

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

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

FORM OF GOVERNMENT AND REPORTING ENTITY

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

The Current Board members, their terms and years on the Board as of June 30, 2007, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Barbara Borden-Gibson	Jan. 2006 - Dec. 2009	1 - 1/2
Mr. Clarence M. Parker	Jan. 2004 - Dec. 2007	7 - 1/2
Dr. George P. Pettit	Jan. 2006 - Dec. 2009	6 - 3/4
Mrs. Mary L. Sommer	Aug. 2006 - Dec. 2007	11 mon.
Mr. Ray W. Thompson	Jan. 2005 - Dec. 2007	5 - 1/2

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

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the

programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

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

The following activities are included within the reporting entity:

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

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

The School Board is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation of the School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

ECONOMIC CONDITION AND OUTLOOK

The Portsmouth City School District is located in Scioto County, on the beautiful Ohio River. The Portsmouth City School District is the gateway to three states, seven counties, and within 90 miles of major metropolitan markets. The City of Portsmouth, the county seat, is just 89 miles south of Columbus, OH on U.S. 23; 112 miles east of Cincinnati,

OH, via U.S. 52 (a scenic route) or State Route 32; and 54 miles west of Huntington, WV on U.S. 52.

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

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

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

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

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

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

The City of Portsmouth is also home to the continually expanding Shawnee State University, bringing higher education to the Tri-State area. Shawnee State has recently adopted a twelve-year master plan for new construction, and currently is involved in a renovation and expansion project for the University Center. When finished in 2010, the University Center will more than double in size, from the current 39,000 sq. ft. to 89,000 sq. ft. Also, Shawnee State offers over eighty Bachelor and Associate degree programs in areas such as arts and humanities, mathematical sciences, natural sciences, social sciences, teacher education, business administration, industrial and engineering technologies, and health sciences. Other higher education facilities in the area include Southeastern Business College in New Boston, four miles east of the City and Ohio University Ironton Branch, 35 miles east of the City.

Business and Industry

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

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

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

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

The County's major employers that provide products and services, including shoelaces, castings, concrete products, and health services, to the Portsmouth area are as follows:

C & J Pepsi-Cola Bottlers Inc.
M & J Industries
Mitchellace, Inc.
OSCO Industries, Inc.
Portsmouth City Board of Education
Scioto County Government
Shawnee State University
Southern Ohio Medical Center
State of Ohio
Sunoco Inc./Sun Coke
Taylor Lumber, Inc.
Wal-Mart Stores, Inc.

Unemployment Rates

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County for June 2007 was 7.9 percent, which is substantially above the State rate of 6.1 percent and the national rate of 4.7 percent. While the unemployment number is high in comparison to the State and national average, it is just 0.1 percent higher than the Scioto County rate for November 2006. However, local initiatives are serving to promote a renewed spirit of pride in the community.

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 2,119 students during the 2007 fiscal year. Facilities include one middle/high school and two elementary schools. Preschool is offered at both elementary schools. The enrollment per school is as follows:

<u>School</u>	<u>Date Established</u>	<u>Grades</u>	<u>Enrollment</u>
East Portsmouth Elementary	2007	PS – 6	247
Portsmouth Elementary	2007	PS – 6	1,057
Portsmouth High/Junior High	2007	7 – 12	815

EMPLOYEE RELATIONS

The School District currently employs 270 full-time and part-time employees. Since fiscal year 2000, the School District's enrollment has decreased from 2,918 to the 2005-2006 enrollment of 1,982, which was due primarily to a declining population, open enrollment and the creation of the Sciotoville Community School.

However, in fiscal year 2007, the School District experienced an increase to 2,119 students from the previous fiscal year, which is an increase of 137 students. This increase is attributed to the opening of three new school buildings in 2006. The increase was primarily due to students returning to the School District from open enrollment.

The teachers, educational specialist, and counselors of the School District are represented by the Portsmouth City Teachers Association (PCTA), which is one of two organizations representing School District employees. On August 26, 2004, the PCTA and the School District's Board of Education adopted a three-year contract beginning July 1, 2004 and extending through June 30, 2007. The PCTA negotiated and received a three percent salary increase for fiscal years 2005, 2006 and 2007. The School District's beginning teacher's salary for fiscal year 2007 was \$29,288. In addition, in July 2007, the Board adopted another three-year contract with PCTA beginning July, 2007, and extending through June 30, 2010, with pay increases of three percent each of the three fiscal years.

Classified employees are represented by the Ohio Council 8 AFSCME Local 2684. The Board and Local 2684 have agreed on a "me too" clause for the 2007-2008, 2008-2009 and 2009-2010 school years. The "me too" clause stipulates that if any bargaining group of employees of the Portsmouth City School District receives an increase in wages or benefits, Local 2684 bargaining unit employees shall receive the same percentage. The Local 2684 bargaining unit has negotiated a four percent salary increase for fiscal year 2008, a three percent increase for fiscal year 2009, and a two percent increase for fiscal year 2010. Currently the Local 2684 bargaining unit is operating under a contract effective until August 31, 2010.

The School District's administrators are not organized.

MAJOR INITIATIVES

On November 6, 2001, the School District voters approved a 6.0 mill bond levy to build five new school buildings in cooperation with the Ohio School Facilities Commission. Bonds were issued during fiscal year 2002. The School District's obligation of \$17,070,000 for the construction project is 24.5 percent compared to \$52,600,000 (75.5 percent) coming from the State of Ohio. However, due to the School District being placed into Fiscal Caution by the Ohio Department of Education on May 23, 2001, the School District chose to participate in the Intercept Program to ease investor's fears in the purchasing of bonds. This additional level of security provides that, should the School District experience a shortfall in the Board of Education's funding of the debt service payment, ODE will pay the debt service payment rather than certain foundation payments being paid to the Board of Education. Should a shortfall occur, the Board of Education is to notify ODE fifteen business days in advance of the payment due date. If foundation payments are used for debt service payments, ODE is required to evaluate the Board of Education's ability to meet the debt service payments and recommend corrective actions to be implemented by the Board of Education.

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

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

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

During fiscal year 2007, the School District issued \$9,800,000 in general obligation refunding bonds for the purpose of refunding a portion of the Classroom Facilities General Obligation Bonds issued in 2002. As a result of the refunding, the District will save \$629,367 in total debt service payments.

FOR THE YEAR

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

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

The Portsmouth City School District believes that:

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

The School District’s continuous improvement goals for the 2008 school year are:

1. By 2013-2014, all students will reach high standards, at a minimum attaining proficiency or better in reading/language arts/mathematics.
2. All students will be taught by “highly qualified” teachers.
3. All students will be educated in learning environments that are safe, drug free and conducive to learning.
4. Students will be prepared with the academic and technical skills needed to be successful in postsecondary education and the workplace; all students will be provided the career knowledge needed to make informed career-decisions.

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

- Access
- Comprehensive School Reform
- Early Childhood Special Education
- Even Start
- High Schools That Work
- McKinney-Vento Homeless Assistance
- Ohio Literacy
- One Net Connectivity
- Positive Behavior Support
- Project Lead the Way
- Reading First
- School Net Professional Development

With new facilities came increased security with computer monitoring of the buildings, both inside and outside the premises. Each employee has identification badges and key cards for access to buildings. If a card is lost, that card can be deactivated and a new card generated for the employee. It is School District policy that the majority of all doors, at all schools, be locked after the arrival of students for the remainder of the school day. A receptionist is positioned at the main entrance of each building to monitor all visitors entering and leaving the building. In addition, the School District has implemented stricter enforcement of the code of conduct and the dress code.

FOR THE FUTURE

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

Also, with donations from the Clyde and Maycel Clark Foundation, Inc. and the Scioto Area Foundation a new Athletic/Administrative Complex is planned for construction adjacent to the new Portsmouth High/Junior High School. The fiscal agent for the project will be a newly formed Clark Education Foundation, LLC. The completion date for the "Complex" is projected to be sometime during 2010 and then it will be leased to the School District during the financing period, approximately 28 years, for \$10,000 per year. This lease payment will be deposited into a supplement account, along with a \$10,000 donation each year from both the Scioto Area Foundation and the Clyde and Maycell Clark Foundation, by the LLC in the event of a short-fall in making the debt payment. No "short-fall" is anticipated, and the balance of this supplemental account is to be given back to the School District at the end of the financing period. After the Clark Education Foundation, LLC debt is paid via donations, as mentioned above, the entire complex is to be deeded to the School District. This project is still in the initial stages and no further details are available at this time.

SERVICE EFFORTS

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

Class Size Reduction

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

Early Literacy Intervention

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

School Improvement

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

Reading Recovery/Arkansas

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

Safe and Drug-Free Schools and Communities

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

Technology

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

Parent and Community Involvement

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

Even Start

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

Head Start Collaboration

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

Preschool Handicapped Units

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

McKinney-Vento Homeless Assistance

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

Literacy Improvement Grant

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

High Schools that Work

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

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

FINANCIAL TRENDS

Since fiscal year 1995, the number of students the School District educated dropped from 3,466 to 1,982 in fiscal year 2006. However, during fiscal year 2007, the School District experienced a 9.8 percent increase in the State foundation revenue (cash basis), even though the basic aid dollars per pupil only increased 2.27 percent from fiscal year 2006.

This is primarily due to a decrease in open enrollment transfers to other school districts and an increase in enrollment. This increase is attributed to the opening of three new facilities in the 2007 fiscal year. It is anticipated that the enrollment will stabilize in future fiscal years.

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

FINANCIAL PLANNING AND POLICIES

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

As a result of being placed in fiscal caution, the School District adopted a Financial Recovery Plan for State review, and this Plan is updated annually. By implementing the efficiency improvements outlined in the Financial Recovery Plan, the School District has reduced fifty-nine (59) staff positions, and realized a cost savings of over three million dollars (\$3,000,000).

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

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

1. Reducing the number of teachers, administrators, and classified staff via natural attrition or reduction-in-force;
2. Reducing/eliminating extended service and supplemental contracts;

3. Restricting or minimizing salary increases;
4. Reducing health costs by requiring employees to increase healthcare contributions, insure only district employees and not spouses who are insured by other agencies, or through insurance plan modification; and
5. Eliminating certain programs or courses.

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

OTHER INFORMATION

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark, Schaefer, Hackett & Co. conducted the School District's audit for fiscal year 2007. The Independent Auditor's Report on the School District's basic financial statements, combining statements and individual fund schedules are included in the financial section of this comprehensive annual financial report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. This was the eighth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

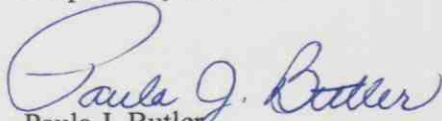
A Certificate of Excellence is awarded to those school districts that have voluntarily submitted a Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met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

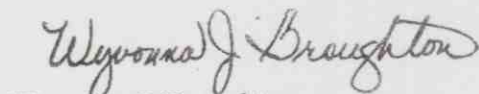
ACKNOWLEDGMENTS

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

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

Respectfully submitted,


Paula J. Butler
Treasurer


Wyvonna J. Broughton
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Portsmouth City School
District, Ohio

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

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.



Charles S. Cox

President

Jeffrey R. Emen

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PORTSMOUTH CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

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

President

Executive Director

Portsmouth City School District

*List of Principal Officials
June 30, 2007*

ELECTED OFFICIALS

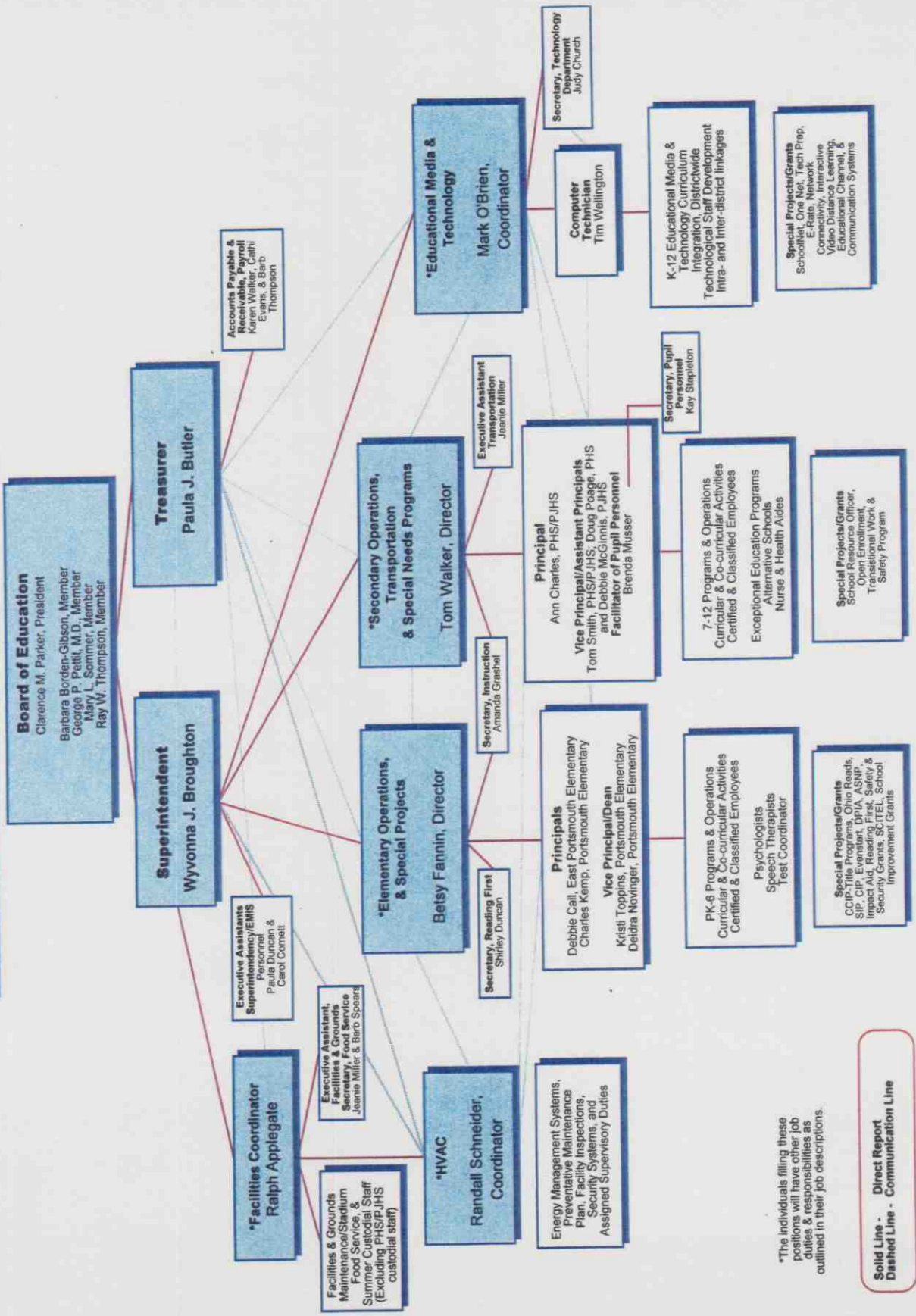
President, Board of Education Mr. Clarence M. Parker
Vice President, Board of Education..... Dr. George P. Pettit
Board Member Mr. Ray W. Thompson
Board Member Mrs. Barbara Borden-Gibson
Board Member Mrs. Mary L. Sommer

ADMINISTRATIVE OFFICIALS

Superintendent Wyvonna J. Broughton
Treasurer Paula J. Butler
Facilities Coordinator..... Ralph Applegate
Coordinator of State and Federal Funds Elizabeth Fannin
Director of Elementary Operations & Curriculum/Instruc. Elizabeth Fannin
Director of Secondary Operations Thomas Walker
Coordinator of Educational Media/Technology Mark O'Brien
Facilitator of Special Ed Brenda Musser
Gifted Coordinator / Curriculum Elizabeth Mounts
Safe Drug Free Coordinator..... Helen Wells

2006-2007 Portsmouth City School District Organization Chart

Adopted: December 21, 2006



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

Solid Line - Direct Report
Dashed Line - Communication Line

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Portsmouth City School District, Ohio (the School District), as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Portsmouth City School District, Ohio as of June 30, 2007, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2008, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
February 26, 2008

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The discussion and analysis of the Portsmouth City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- In total, net assets of governmental activities decreased \$4,841,274 from the prior fiscal year. This is due to the School District spending monies for the completion of the construction of its new facilities. There were expenses to furnish the new facilities and for demolition of the old buildings that were not capitalized. There was also a reduction of revenue due to the School District not receiving the entire amount of the Ohio School Facilities Commission grant award. The total grant award was recognized as revenue on the Statement of Activities when the grant was awarded.

- General revenues accounted for \$20,436,221. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$7,291,628. Total revenues for the School District were \$27,727,849.

- The School District had \$32,569,123 in expenses related to governmental activities; only \$7,291,628 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$22,912,299 were not adequate to provide for these programs.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during fiscal year 2007?” The Statement of Net Assets and the Statement of Activities, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 9. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s major funds, which are the General Fund, the Bond Retirement Debt Service Fund, and the Ohio School Facilities Commission Capital Projects Fund.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for fiscal year 2007 and fiscal year 2006:

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

(Table 1)
Net Assets

	2007	Restated 2006	Change
<u>Assets:</u>			
Current Assets and Other Assets	\$16,010,803	\$22,971,272	(\$6,960,469)
Capital Assets, Net	64,247,898	63,985,325	262,573
<i>Total Assets</i>	<u>80,258,701</u>	<u>86,956,597</u>	<u>(6,697,896)</u>
<u>Liabilities:</u>			
Long-Term Liabilities	17,116,005	17,399,607	(283,602)
Other Liabilities	8,420,083	9,993,103	(1,573,020)
<i>Total Liabilities</i>	<u>25,536,088</u>	<u>27,392,710</u>	<u>(1,856,622)</u>
<u>Net Assets:</u>			
Invested in Capital Assets, Net of Related Debt	50,533,831	53,930,015	(3,396,184)
Restricted	3,912,988	5,658,264	(1,745,276)
Unrestricted (Deficit)	275,794	(24,392)	300,186
<i>Total Net Assets</i>	<u>\$54,722,613</u>	<u>\$59,563,887</u>	<u>(\$4,841,274)</u>

A significant decrease occurred within Current and Other Assets when compared to the prior fiscal year. Equity in Pooled Cash and Cash Equivalents decreased \$4,558,988 due to construction related expenditures.

Total Liabilities of the School District decreased \$1,856,622 from the prior fiscal year. Long-Term liabilities decreased due to annual debt payments made by the School District. Other Liabilities decreased significantly due to a decrease in Contracts Payable of \$1,583,248. The School District completed the construction of its new facilities during the fiscal year and the majority of all contracts were paid before fiscal year-end.

The primary factor contributing to the decrease in Invested in Capital Assets, Net of Related Debt from the prior fiscal year was the removal of the old buildings and equipment from the capital assets inventory. The decrease associated with Restricted Net Assets was due to the reduction of revenue related to the Ohio School Facilities Commission grant. In fiscal year 2002, the fiscal year in which the grant was awarded, the total amount of the grant was presented as revenue on the Statement of Activities. However, at June 30, 2007, the new construction project was finished and the School District will not receive \$2,476,078 of the remaining grant amount. Therefore, the School District presented this amount as a reduction of revenue in fiscal year 2007. Unrestricted Net Assets of the School District demonstrated a significant increase relating to an increase in Grants and Entitlements not Restricted to Specific Programs due to an increase in students.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Table 2 shows the changes in net assets for fiscal years 2007 and 2006.

Table 2
Change in Net Assets

	2007	2006	Increase/ (Decrease)
<u>Revenues:</u>			
Program Revenues:			
Charges for Services and Sales	\$1,136,415	\$873,306	\$263,109
Operating Grants, Contributions, and Interest	5,929,213	5,849,948	79,265
Capital Grants and Contributions	226,000	0	226,000
<i>Total Program Revenues</i>	<u>7,291,628</u>	<u>6,723,254</u>	<u>568,374</u>
General Revenues:			
Property Taxes	5,966,834	6,134,418	(167,584)
Grants and Entitlements not Restricted to Specific Programs			
Operating	15,979,356	15,174,137	805,219
Capital	(2,476,078)	0	(2,476,078)
Contributions and Donations	21,861	96,988	(75,127)
Investment Earnings	495,355	659,852	(164,497)
Miscellaneous	448,893	95,874	353,019
<i>Total General Revenues</i>	<u>20,436,221</u>	<u>22,161,269</u>	<u>(1,725,048)</u>
<i>Total Revenues</i>	<u>27,727,849</u>	<u>28,884,523</u>	<u>(1,156,674)</u>
<u>Program Expenses:</u>			
Instruction:			
Regular	12,640,485	12,169,231	471,254
Special	5,788,924	6,622,247	(833,323)
Vocational	410,481	380,329	30,152
Student Intervention Services	1,174,211	445,405	728,806
Intergovernmental	38,500	43,500	(5,000)
Support Services:			
Pupils	1,704,291	1,760,834	(56,543)
Instructional Staff	2,044,780	2,352,092	(307,312)
Board of Education	19,611	17,703	1,908
Administration	1,814,350	1,566,110	248,240
Fiscal	678,032	655,226	22,806
Business	91,249	117,299	(26,050)
Operation and Maintenance of Plant	2,761,532	2,053,486	708,046
Pupil Transportation	751,522	633,970	117,552
Central	90,398	30,025	60,373
Operation of Non-Instructional Services	1,495,521	1,423,334	72,187
Extracurricular Activities	301,445	290,208	11,237
Interest and Fiscal Charges	763,791	825,820	(62,029)
<i>Total Expenses</i>	<u>32,569,123</u>	<u>31,386,819</u>	<u>1,182,304</u>
Increase (Decrease) in Net Assets	(4,841,274)	(2,502,296)	(2,338,978)
<i>Net Assets at Beginning of Year</i>	<u>59,563,887</u>	<u>62,066,183</u>	<u>(2,502,296)</u>
<i>Net Assets at End of Year</i>	<u>\$54,722,613</u>	<u>\$59,563,887</u>	<u>(\$4,841,274)</u>

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Program revenues, which are primarily represented by charges for tuition, fees, sales, and extracurricular activities, as well as restricted intergovernmental revenue were \$7,291,628 for fiscal year 2007. Charges for Services and Sales increased due to an increase in tuition and fees received by the School District related to open enrollment. Program revenues in the form of Operating Grants, Contributions, and Interest increased insignificantly from the prior fiscal year. However, Capital Grants and Contributions increased significantly because the School District received cash donations for its new athletic facilities for which construction has yet to begin.

As previously mentioned, general revenues were \$22,912,299 for fiscal year 2007. The majority of these revenues are in the form of Grants and Entitlements not Restricted to Specific Programs and Property Taxes revenue. A significant increase occurred within Grants and Entitlements not Restricted to Specific Programs relating to the funding received from the Ohio Department of Education as a result of an increase in students.

As should be expected, Instruction costs represent the largest of the School District's expenses for fiscal year 2007. A significant decrease occurred within Special Instruction while a large increase occurred within Student Intervention Services Instruction. Due to changing needs in the School District, some teachers were moved from the Special Instruction programs to the Student Intervention programs.

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

Table 3
Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Instruction	\$20,052,601	\$15,668,551	\$19,660,712	\$15,686,968
Support Services	9,955,765	8,277,030	9,186,745	7,374,546
Operation of Non- Instructional Services	1,495,521	346,886	1,423,334	325,394
Extracurricular Activities	301,445	221,237	290,208	181,711
Interest and Fiscal Charges	763,791	763,791	825,820	825,820
<i>Total Expenses</i>	<u>\$32,569,123</u>	<u>\$25,277,495</u>	<u>\$31,386,819</u>	<u>\$24,394,439</u>

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The dependence upon tax revenues and unrestricted State entitlements for governmental activities was slightly less in fiscal year 2007 as program revenues provided more towards program costs. Only a few of the School District's programs receive a significant amount of program revenues to offset their costs. One of these programs is Special Instruction which provides for its costs primarily in the form of operating grants restricted for special instruction. Another program which receives a large amount of revenues to offset costs is Operation of Non-Instructional Services. This is primarily due to cafeteria sales and State and federal subsidies and donated commodities for food service.

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$30,590,260 and expenditures of \$33,318,973. The net change in fund balance for the fiscal year was most significant in the Ohio School Facilities Commission Capital Projects Fund with a decrease of \$2,720,311. The Ohio School Facilities Commission fund balance decreased due to the spending of classroom facilities monies for the completion of the construction project.

The General Fund balance increased \$466,961. This was primarily due to an increase in Intergovernmental Revenues as a result of an increase in State funding because of an increase in students.

The Bond Retirement Debt Service Fund balance increased \$43,075. This was the result of revenues, consisting of property taxes, homestead and rollback reimbursements, and investment earnings, for the fiscal year being greater than the annual debt payments the School District incurred.

General Fund - Budget Highlights

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

During the course of fiscal year 2007 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

A review of the budgetary comparison statement for the General Fund reflects a change in revenues from the original budget to the final budget. The largest increase was in Intergovernmental Revenues due to a larger increase in students than was anticipated at the beginning of the fiscal year. When comparing the final budget to actual revenues received, the decrease was inconsequential.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The decrease in expenditures from the original to the final budget was insignificant. The difference in actual expenditures made from the final budget was substantial and a somewhat significant reduction for the School District. The largest savings were realized in the Operation and Maintenance of Plant, Pupil Transportation, and Central functions. Overall, the School District had anticipated spending larger sums of monies in these areas than what actual requirements came to be.

The School District's ending unobligated cash balance was \$1,004,147 above the final budgeted amount. This was due to the School District continually monitoring expenditures throughout the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the School District had \$64,247,898 invested in capital assets (net of accumulated depreciation), an insignificant decrease compared to the prior fiscal year. Additions to capital assets included the completion of construction in progress related to the construction of new educational facilities and the furnishing of those facilities. Disposals for the fiscal year included the demolition of instructional buildings, various educational equipment, school buses, and maintenance equipment. For further information regarding the School District's capital assets, refer to Note 8 in the Notes to the Basic Financial Statements.

Debt

At June 30, 2007, the School District had a \$7,139 EPA Asbestos loan outstanding, all of which is due within one year, and \$15,911,027 in bonds outstanding, \$207,456 of which is due within one year. The School District also had outstanding capital lease obligations of \$2,043, all of which is due within one year.

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

Contacting the School District's Financial Management

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

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Portsmouth City School District
Statement of Net Assets
June 30, 2007

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$7,505,733
Materials and Supplies Inventory	44,629
Inventory Held for Resale	22,473
Accrued Interest Receivable	43,240
Accounts Receivable	8,754
Prepaid Items	22,044
Cash and Cash Equivalents With Escrow Agent	15,452
Property Taxes Receivable	6,721,889
Intergovernmental Receivable	1,408,891
Deferred Charges	217,698
Capital Assets:	
Land	5,926,313
Depreciable Capital Assets, Net	58,321,585
<i>Total Assets</i>	80,258,701
<u>Liabilities:</u>	
Accounts Payable	93,467
Contracts Payable	180,950
Accrued Wages and Benefits Payable	1,704,171
Intergovernmental Payable	604,002
Accrued Interest Payable	54,901
Matured Compensated Absences Payable	1,240
Retainage Payable	48,221
Deferred Revenue	5,733,131
Long-Term Liabilities:	
Due Within One Year	401,392
Due in More Than One Year	16,714,613
<i>Total Liabilities</i>	25,536,088
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	50,533,831
Restricted for:	
Debt Service	1,048,108
Capital Projects	2,026,689
Other Purposes	779,520
Set-Asides	58,671
Unrestricted	275,794
<i>Total Net Assets</i>	\$54,722,613

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<i>Governmental Activities:</i>					
Instruction:					
Regular	\$12,640,485	\$722,722	\$57,471	\$0	(\$11,860,292)
Special	5,788,924	21,557	2,840,828	0	(2,926,539)
Vocational	410,481	0	108,519	0	(301,962)
Student Intervention Services	1,174,211	0	594,453	0	(579,758)
Intergovernmental	38,500	0	38,500	0	0
Support Services:					
Pupils	1,704,291	0	695,466	0	(1,008,825)
Instructional Staff	2,044,780	0	626,664	0	(1,418,116)
Board of Education	19,611	0	0	0	(19,611)
Administration	1,814,350	10,031	400	0	(1,803,919)
Fiscal	678,032	0	18,789	0	(659,243)
Business	91,249	0	0	0	(91,249)
Operation and Maintenance of Plant	2,761,532	38,401	0	226,000	(2,497,131)
Pupil Transportation	751,522	42,650	13,144	0	(695,728)
Central	90,398	0	7,190	0	(83,208)
Operation of Non-Instructional Services:					
Food Service Operations	1,270,836	231,560	716,387	0	(322,889)
Other	224,685	0	200,688	0	(23,997)
Extracurricular Activities	301,445	69,494	10,714	0	(221,237)
Interest and Fiscal Charges	763,791	0	0	0	(763,791)
Total Governmental Activities	\$32,569,123	\$1,136,415	\$5,929,213	\$226,000	(25,277,495)
<i>General Revenues:</i>					
Property Taxes Levied for:					
General Purposes					4,643,256
Debt Service					1,236,071
Capital Outlay					87,507
Grants and Entitlements not Restricted to Specific Programs					
Operating					15,979,356
Capital					(2,476,078)
Contributions and Donations					21,861
Investment Earnings					495,355
Miscellaneous					448,893
Total General Revenues					20,436,221
Change in Net Assets					(4,841,274)
Net Assets at Beginning of Year - Restated (See Note 21)					59,563,887
Net Assets at End of Year					\$54,722,613

See accompanying notes to the basic financial statements

Portsmouth City School District
Balance Sheet
Governmental Funds
June 30, 2007

	General	Bond Retirement	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,923,412	\$1,559,347	\$2,923,575	\$978,660	\$7,384,994
Cash and Cash Equivalents with Fiscal Agent	0	0	0	2,482	2,482
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	120,739	0	0	0	120,739
Cash and Cash Equivalents with Escrow Agent	0	0	12,970	0	12,970
Receivables:					
Property Taxes	5,364,269	1,257,934	0	99,686	6,721,889
Accounts	1,789	0	0	6,965	8,754
Intergovernmental	65,142	0	269,156	1,074,593	1,408,891
Accrued Interest	21,216	0	21,074	950	43,240
Interfund	625,447	0	0	0	625,447
Prepaid Items	21,734	0	0	310	22,044
Materials and Supplies Inventory	38,654	0	0	5,975	44,629
Inventory Held for Resale	0	0	0	22,473	22,473
Total Assets	\$8,182,402	\$2,817,281	\$3,226,775	\$2,192,094	\$16,418,552
<u>Liabilities:</u>					
Accounts Payable	\$50,307	\$0	\$0	\$43,160	\$93,467
Contracts Payable	0	0	170,154	10,796	180,950
Accrued Wages and Benefits Payable	1,087,311	0	0	616,860	1,704,171
Intergovernmental Payable	426,894	0	0	177,108	604,002
Interfund Payable	0	0	0	625,447	625,447
Retainage Payable	0	0	35,251	0	35,251
Retainage Payable from Restricted Assets	0	0	12,970	0	12,970
Matured Compensated Absences Payable	1,240	0	0	0	1,240
Deferred Revenue	5,114,228	1,180,542	243,112	179,454	6,717,336
Total Liabilities	6,679,980	1,180,542	461,487	1,652,825	9,974,834
<u>Fund Balances:</u>					
Reserved for Encumbrances	52,197	0	153,521	92,524	298,242
Reserved for Property Taxes	213,722	63,861	0	4,344	281,927
Reserved for Textbooks and Instructional Materials	58,671	0	0	0	58,671
Reserved for Bus Purchases	62,068	0	0	0	62,068
Unreserved, Designated for:					
Future Severance Payments	39,497	0	0	0	39,497
Employee Health Benefits	260,012	0	0	0	260,012
Unreserved, Undesignated, Reported in:					
General Fund	816,255	0	0	0	816,255
Special Revenue Funds	0	0	0	422,042	422,042
Debt Service Fund	0	1,572,878	0	0	1,572,878
Capital Projects Funds	0	0	2,611,767	20,359	2,632,126
Total Fund Balances	1,502,422	1,636,739	2,765,288	539,269	6,443,718
Total Liabilities and Fund Balances	\$8,182,402	\$2,817,281	\$3,226,775	\$2,192,094	\$16,418,552

See accompanying notes to the basic financial statements

Portsmouth City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2007*

Total Governmental Fund Balances \$6,443,718

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	5,926,313	
Other capital assets	62,499,678	
Accumulated depreciation	(4,178,093)	
Total capital assets	64,247,898	64,247,898

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

Delinquent property taxes	614,481	
Intergovernmental	328,352	
Interest	4,722	
Accounts	36,650	
	984,205	984,205

Bond issuance costs reported as an expenditure in governmental funds are recognized as an asset and allocated as an expense over the life of the on a full accrual basis. 217,698

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

General Obligation Bonds	(15,693,835)	
EPA Asbestos loan	(7,139)	
Bond Premium	(665,788)	
Loss on Refunding	448,596	
Accrued interest on bonds	(54,901)	
Capital leases	(2,043)	
Compensated absences	(1,195,796)	
Total liabilities	(17,170,906)	(17,170,906)

Net Assets of Governmental Activities \$54,722,613

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Bond Retirement	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,626,748	\$1,236,099	\$0	\$87,380	\$5,950,227
Intergovernmental	15,035,157	152,087	420,513	6,682,529	22,290,286
Investment Earnings	132,956	68,200	180,239	20,479	401,874
Increase in Fair Value of Investments	10,585	0	88,503	0	99,088
Tuition and Fees	764,782	0	0	4,800	769,582
Extracurricular Activities	27,246	0	0	58,048	85,294
Rentals	19,175	0	0	0	19,175
Charges for Services	0	0	0	226,760	226,760
Contributions and Donations	59,689	0	0	239,392	299,081
Miscellaneous	355,004	0	8,011	85,878	448,893
Total Revenues	21,031,342	1,456,386	697,266	7,405,266	30,590,260
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	11,164,262	0	0	67,508	11,231,770
Special	1,966,556	0	0	3,317,036	5,283,592
Vocational	369,173	0	0	2,915	372,088
Student Intervention Services	198,974	0	0	834,803	1,033,777
Intergovernmental	0	0	0	38,500	38,500
Support Services:					
Pupils	719,723	0	0	860,912	1,580,635
Instructional Staff	1,037,578	0	0	830,397	1,867,975
Board of Education	19,341	0	0	0	19,341
Administration	1,496,647	0	0	921	1,497,568
Fiscal	588,372	28,772	0	20,190	637,334
Business	61,244	0	0	0	61,244
Operation and Maintenance of Plant	2,206,767	0	0	204,263	2,411,030
Pupil Transportation	628,841	0	0	0	628,841
Central	62,792	0	0	6,889	69,681
Operation of Non-Instructional Services:					
Food Service Operations	4,876	0	0	1,051,791	1,056,667
Other	5,426	0	0	211,156	216,582
Extracurricular Activities	199,063	0	0	71,797	270,860
Capital Outlay	45,558	0	3,420,275	242,926	3,708,759
Debt Service:					
Principal Retirement	1,751	241,828	0	0	243,579
Interest and Fiscal Charges	634	721,357	0	0	721,991
Capital Appreciation Bonds Interest	0	207,456	0	0	207,456
Issuance Costs	0	159,703	0	0	159,703
Total Expenditures	20,777,578	1,359,116	3,420,275	7,762,004	33,318,973
Excess of Revenues Over (Under) Expenditures	253,764	97,270	(2,723,009)	(356,738)	(2,728,713)
<u>Other Financing Sources (Uses):</u>					
General Obligation Refunding Bonds Issued	0	9,800,000	0	0	9,800,000
Payment to Refunded Bond Escrow Agent	0	(10,266,546)	0	0	(10,266,546)
Premium on Debt Issuance	0	626,249	0	0	626,249
Proceeds from Sale of Capital Assets	7,000	0	0	0	7,000
Transfers In	256,324	14,284	30,840	5,003	306,451
Transfers Out	(50,127)	(228,182)	(28,142)	0	(306,451)
Total Other Financing Sources (Uses)	213,197	(54,195)	2,698	5,003	166,703
Net Change in Fund Balances	466,961	43,075	(2,720,311)	(351,735)	(2,562,010)
Fund Balances at Beginning of Year - Restated (See Note 21)	1,035,461	1,593,664	5,485,599	891,004	9,005,728
Fund Balances at End of Year	\$1,502,422	\$1,636,739	\$2,765,288	\$539,269	\$6,443,718

See accompanying notes to the basic financial statements

Portsmouth City School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2007*

Net Change in Fund Balances - Total Governmental Funds (\$2,562,010)

Statement of Activities are different because:

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

Capital assets additions	1,513,001	
Construction in progress additions	1,018,680	
Depreciation expense	<u>(1,198,024)</u>	
Excess of capital outlay over depreciation expense		1,333,657

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

Proceeds from sale of capital assets	(7,000)	
Loss on disposal of capital assets	<u>(1,064,084)</u>	
		(1,071,084)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	16,607	
Intergovernmental	(2,909,015)	
Interest	(5,607)	
Tuition and Fees	(5,846)	
Charges for Services	<u>41,450</u>	
		(2,862,411)

The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Assets, the debt is reported as a liability.

Proceeds of general obligation refunding bonds	(9,800,000)	
Premium on bonds	<u>(626,249)</u>	
		(10,426,249)

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the Statement of Activities. 159,703

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

Loan principal retirement	14,284	
Payment to Refunded Bond Escrow Agent	10,266,546	
Bond payments	227,544	
Payment of Accretion	207,456	
Capital lease payments	<u>1,751</u>	
		10,717,581

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

Decrease in accrued interest	5,143	
Amortization of bond issuance costs	(16,178)	
Amortization of bond premium	24,783	
Amortization of loss on refunding	<u>(17,950)</u>	
		(4,202)

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

Increase in compensated absences payable	(88,661)	
Unamortized premium on refunded bonds	121,568	
Unamortized issuance costs on refunded bonds	(111,696)	
Accretion on bonds	<u>(47,470)</u>	
		(126,259)

Change in Net Assets of Governmental Activities (\$4,841,274)

See accompanying notes to the basic financial statements

Portsmouth City School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$5,579,559	\$4,563,290	\$4,563,290	\$0
Intergovernmental	13,688,230	15,005,886	14,992,582	(13,304)
Investment Earnings	116,434	127,642	127,642	0
Tuition and Fees	692,241	758,878	758,878	0
Extracurricular Activities	39,658	43,476	27,246	(16,230)
Rentals	17,491	19,175	19,175	0
Contributions and Donations	47,983	52,602	40,988	(11,614)
Miscellaneous	305,656	346,264	343,732	(2,532)
Total Revenues	20,487,252	20,917,213	20,873,533	(43,680)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	10,949,721	11,219,560	11,139,833	79,727
Special	2,129,607	2,010,983	1,979,068	31,915
Vocational	275,943	347,244	345,504	1,740
Student Intervention Services	712,523	201,147	202,738	(1,591)
Support Services:				
Pupils	671,681	741,277	709,771	31,506
Instructional Staff	1,091,851	1,105,395	1,050,495	54,900
Board of Education	19,802	21,153	19,767	1,386
Administration	1,635,373	1,555,752	1,507,198	48,554
Fiscal	738,968	615,135	611,584	3,551
Business	117,217	70,222	62,176	8,046
Operation and Maintenance of Plant	2,313,635	2,478,338	2,181,839	296,499
Pupil Transportation	651,437	781,055	633,982	147,073
Central	350,325	355,832	78,652	277,180
Operation of Non-Instructional Services:				
Food Service Operations	14,170	6,806	4,994	1,812
Other	10,000	5,426	5,426	0
Extracurricular Activities	218,790	255,895	202,467	53,428
Capital Outlay	70,954	50,442	45,558	4,884
Total Expenditures	21,971,997	21,821,662	20,781,052	1,040,610
Excess of Revenues Over (Under) Expenditures	(1,484,745)	(904,449)	92,481	996,930
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	7,000	7,000	7,000	0
Refund of Prior Year Expenditures	64,364	64,364	64,364	0
Transfers In	351,632	351,632	256,324	(95,308)
Transfers Out	(69,043)	(145,435)	(50,127)	95,308
Advances In	18,968	18,968	11,821	(7,147)
Advances Out	0	(639,742)	(625,447)	14,295
Refund of Prior Year Receipts	(6,312)	(6,286)	(6,217)	69
Total Other Financing Sources (Uses)	366,609	(349,499)	(342,282)	7,217
Net Change in Fund Balance	(1,118,136)	(1,253,948)	(249,801)	1,004,147
Fund Balance at Beginning of Year	2,048,317	2,048,317	2,048,317	0
Prior Year Encumbrances Appropriated	188,603	188,603	188,603	0
Fund Balance at End of Year	<u>\$1,118,784</u>	<u>\$982,972</u>	<u>\$1,987,119</u>	<u>\$1,004,147</u>

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2007

	<u>Student Managed Activity</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$8,765</u></u>
<u>Liabilities:</u>	
Undistributed Monies	<u><u>\$8,765</u></u>

See accompanying notes to the basic financial statements

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District serves an area of approximately 20 square miles. It is located in Scioto County and includes portions of Porter and Vernon Townships. It is staffed by 86 non-certificated employees, 172 certificated full-time personnel and 12 administrative employees who provide services to 2,119 students and other community members. The School District currently operates three instructional buildings and one administration building.

Reporting Entity:

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

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

The following activities are included within the reporting entity:

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District fall within two categories: governmental and fiduciary.

Governmental Funds:

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Bond Retirement Debt Service Fund – To account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

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

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

Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has one fiduciary fund, an agency fund, used to account for student managed activity programs.

C. Measurement Focus

Government-wide Financial Statements

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2007, the School District's investments were limited to Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, and a negotiable certificate of deposit. Investments are reported at fair value which is based on quoted market prices.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2007 amounted to \$132,956, which includes \$98,825 assigned from other School District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash and cash equivalents legally required to be set aside by the School District for the purchase of textbooks and instructional materials and unspent grant monies restricted for bus purchases. Restricted assets in the Ohio School Facilities Commission Capital Projects Fund represent monies held in an escrow account that are still owed to contractors for work completed relating to the school construction project.

G. Inventory

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

H. Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

J. Compensated Absences

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. The School District also has fund balance designations. Fund balance designations are established to indicate tentative planned expenditures of financial resources. The designations reflect the School District's intentions and are subject to change. Designations are reported as part of unreserved fund balance. Fund equity reserves have been established for encumbrances, property taxes, textbooks and instructional materials, and bus purchases. Designations of fund balance have been established for future severance payments and employee health benefits which assists employees with satisfying their health care deductibles.

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Assets reports \$3,912,988 of restricted net assets, none of which are restricted by enabling legislation. Net assets restricted for other purposes include resources restricted for the purchase of textbooks and instructional materials, food service operations, capital grants used for the construction of new facilities, and music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

N. Internal Activity

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

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

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

O. Estimates

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

P. Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

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

For governmental activities, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable whereas issuance costs are recorded as deferred charges. The accounting loss on refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt.

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2007, the Food Service, District Managed Student Activities, and Miscellaneous Federal Grants Special Revenue Funds had deficit fund balances of \$150,442, \$451, and \$34,186, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE (continued)

B. Compliance

The Early Childhood Special Education Special Revenue Fund had final appropriations in excess of estimated resources and available fund balance of \$501.

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

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

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

Net Change in Fund Balance	
GAAP Basis	\$466,961
Adjustments:	
Revenue Accruals	(82,860)
Expenditure Accruals	49,580
Advances	(613,626)
Encumbrances	(59,271)
Decrease in Fair Value of Investments - 2006	(12,824)
Increase in Fair Value of Investments - 2007	2,239
Budget Basis	(\$249,801)

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Interim monies held by the School District can be deposited or invested in the following securities:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Investments: As of June 30, 2007, the School District had the following investments. All investments are in an internal investment pool.

	Fair Value	Investment Maturities in Years		
		Less than 1	1 - 2	3 - 4
Federal Home Loan Bank Bonds	\$499,375	\$0	\$499,375 *	\$0
Federal Home Loan Bank Bonds	199,500	0	0	199,500
Federal Home Loan Mortgage Corporation Bonds	749,205	749,205	0	0
Negotiable Certificate of Deposit	97,884	97,884	0	0
Totals	<u>\$1,545,964</u>	<u>\$847,089</u>	<u>\$499,375</u>	<u>\$199,500</u>

* These bonds mature October 2008, but are callable July 2007.

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

Credit Risk: The Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Bonds carry a rating of AAA by Standard and Poor’s and a rating of Aaa by Moody’s. The School District’s investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or issued by United States Government sponsored enterprises.

Concentration of Credit Risk: The School District’s investment policy places no limit on the amount it may invest in any one issuer. The School District’s investments in Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Bonds represents 45.21 percent, and 48.46 percent, respectively, of the School District’s total investments.

NOTE 6 – PROPERTY TAXES

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 6 – PROPERTY TAXES (continued)

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2007 (other than public utility property tax) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is twelve and one-half percent. This will be reduced to six and one-quarter percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, however, the June 2007 tangible personal property tax was not received until July 2007.

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2007, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal-year operations and are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit of deferred revenue.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 6 – PROPERTY TAXES (continued)

The amount available as an advance at June 30, 2007, was \$281,927 and is recognized as revenue: \$213,722 in the General Fund, \$63,861 in the Bond Retirement Debt Service Fund and \$4,344 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance at June 30, 2006, was \$299,792 and is recognized as revenue: \$228,137 in the General Fund, \$67,073 in the Bond Retirement Debt Service Fund and \$4,582 in the Classroom Facilities Maintenance Special Revenue Fund.

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

The assessed values upon which fiscal year 2007 taxes were collected are:

	2006 Second- Half Collections		2007 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$199,975,710	85.82 %	\$201,476,160	84.28 %
Public Utility Personal	15,599,920	6.69	15,387,970	6.44
General Business Personal	17,455,515	7.49	22,180,082	9.28
Total Assessed Value	\$233,031,145	100.00 %	\$239,044,212	100.00 %
Tax rate per \$1,000 of assessed valuation	\$41.03		\$41.03	

NOTE 7 – RECEIVABLES

Receivables at June 30, 2007, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year with the exception of the Ohio School Facilities Commission grant and property taxes. Ohio School Facilities Commission grant monies will be collected over the life of the construction of the new facilities. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 7 – RECEIVABLES (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Ohio School Facilities Commission	\$269,156
Title I	311,223
Reading First	225,414
Special Education, Part B-IDEA	192,831
Title II-A, Improving Teacher Quality	96,684
Food Service Subsidies	76,302
Excess Cost Reimbursements	66,642
Even Start	52,060
CORE Implementation	46,726
Title VI-B, Rural and Low-Income	21,507
Project Lead the Way	14,767
McKinney-Vento Homeless Assistance Program	10,258
Title IV-A, Safe and Drug-Free Schools	7,813
Title I, School Improvement	6,727
LIG Funding	6,630
Early Childhood	3,783
HSTW Grant	368
Total Intergovernmental Receivables	\$1,408,891

The School District was awarded a grant in the amount of \$52,617,285 on December 14, 2001, from the Ohio School Facilities Commission for the construction of new facilities. At June 30, 2007, \$2,745,234 of this grant had not been received. However, only \$269,156 of the grant was needed to liquidate the remaining obligations related to the construction project. Therefore, the School District will not receive \$2,476,078 of the grant award.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2007, was as follows:

	Restated Balance at 6/30/06	Additions	Deductions	Balance at 6/30/07
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$5,940,313	\$0	(\$14,000)	\$5,926,313
Construction in Progress	47,072,714	1,018,680	(48,091,394)	0
Total Capital Assets Not Being Depreciated	<u>53,013,027</u>	<u>1,018,680</u>	<u>(48,105,394)</u>	<u>5,926,313</u>
Capital Assets Being Depreciated:				
Land Improvements	320,085	4,356,362	(34,345)	4,642,102
Buildings and Improvements	10,732,701	43,838,089	(3,132,162)	51,438,628
Furniture, Fixtures, and Equipment	3,418,943	1,078,873	(1,435,771)	3,062,045
Vehicles	791,227	166,860	(151,725)	806,362
Textbooks	2,386,330	164,211	0	2,550,541
Total Capital Assets Being Depreciated	<u>17,649,286</u>	<u>49,604,395</u>	<u>(4,754,003)</u>	<u>62,499,678</u>
Less Accumulated Depreciation:				
Land Improvements	(43,016)	(115,245)	30,911	(127,350)
Building and Improvements	(2,706,107)	(799,414)	2,286,893	(1,218,628)
Furniture, Fixtures, and Equipment	(1,936,253)	(51,052)	1,242,563	(744,742)
Vehicles	(575,939)	(67,987)	136,552	(507,374)
Textbooks	(1,415,673)	(164,326)	0	(1,579,999)
Total Accumulated Depreciation	<u>(6,676,988)</u>	<u>(1,198,024) *</u>	<u>3,696,919</u>	<u>(4,178,093)</u>
Total Capital Assets Being Depreciated, Net	<u>10,972,298</u>	<u>48,406,371</u>	<u>(1,057,084)</u>	<u>58,321,585</u>
Governmental Activities Capital Assets, Net	<u>\$63,985,325</u>	<u>\$49,425,051</u>	<u>(\$49,162,478)</u>	<u>\$64,247,898</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 8 – CAPITAL ASSETS (continued)

Additions to Construction in Progress included the construction of new facilities within the School District. The new facilities were completed during fiscal year 2007 and the buildings became operational.

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$283,124
Special	241,243
Vocational	16,479
Student Intervention Services	63,892
Support Services:	
Pupils	51,640
Instructional Staff	66,319
Administration	219,417
Fiscal	13,928
Business	3,363
Operation and Maintenance of Plant	61,205
Pupil Transportation	94,889
Operation of Non-Instructional Services:	
Food Service Operations	77,956
Other	3,363
Extracurricular Activities	1,206
Total Depreciation Expense	<u><u>\$1,198,024</u></u>

NOTE 9 – RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District contracts with School Insurance Consultants, LLC (SIC) for insurance consulting services. The premium for this service is \$2.00 per student, subject to a \$3,500 minimum fee. The School District also pays to the awarded insurance agency an insurance premium that is based on types of coverage, limits of coverage, and deductibles that it selects. For the fiscal year, the School District contracted with Indiana Insurance for liability, property, inland marine, and automobile liability insurance coverage and paid its premium to the Lickdyke Insurance Agency, an agent for Indiana Insurance.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 9 – RISK MANAGEMENT (continued)

Coverage provided by the Lickdyke Insurance Agency is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) - replacement cost (\$1,000 deductible)	\$50,377,500
Auto Liability:	
Liability - Any Auto	1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	1,000,000
Comprehensive - All (\$250 deductible)	Actual Cash Value
Collision - All (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	25,000
Comprehensive	Actual Cash Value
Collision	Actual Cash Value
General Liability:	
Each Occurrence Limit	1,000,000
Damage to Premises Rented - Limit	300,000
Medical Expense Limit (any one person)	15,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
General Aggregate Limit	2,000,000
Products - Completed Operations Aggregate Limit	2,000,000
Excess Liability:	
Liability Limit - Each Accident	1,000,000
Liability Policy Aggregate	1,000,000
Liability - Each Accident Limit	1,000,000

The increase in building and contents coverage of \$1,710,463 and general liability – products coverage of \$1,000,000 from the prior fiscal year is due to all old buildings of the School District being demolished and the addition of three new buildings and contents.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been reduction in automobile liability, damages to premises rented, and general aggregate limit insurance coverage of \$1,000,000, \$200,000, and \$1,000,000, respectively, from the prior fiscal year.

NOTE 9 – RISK MANAGEMENT (continued)

B. Workers' Compensation

For fiscal year 2007, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. 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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling toll-free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$258,080, \$275,821, and \$236,691, respectively; 49.81 percent has been contributed for fiscal year 2007 and 100 percent for the fiscal years 2006 and 2005.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll-free (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,219,710, \$1,187,799, and \$1,097,722, respectively; 84.04 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$5,158 made by the plan members and \$4,114 made by the School District.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2007, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 – POSTEMPLOYMENT BENEFITS

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$93,824 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS Ohio were \$282,743,000 and STRS Ohio had 119,184 eligible benefit recipients.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 11 – POSTEMPLOYMENT BENEFITS (continued)

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$128,466.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2006, (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive health care benefits.

NOTE 12 – EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 224 days for teachers and 220 days for classified employees. Administrators can accumulate a maximum of the number of contract days plus 15. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 56 days for teachers and 55 days for classified employees. Administrators are paid for one-fourth of accrued, but unused sick leave with no maximum.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 12 – EMPLOYEE BENEFITS (continued)

B. Insurance

The School District provides medical insurance to all employees through Medical Mutual of Ohio. Certified employees are provided with life and dental insurance through Anthem, and vision insurance through Vision Service Plan (VSP). Classified employees are provided with life, dental, and vision insurance through the Health Care Plan of AFSCME Local 2684. All employees are provided prescription drug coverage through the Health Care Plan of AFSCME Local 2684. Certified employees pay three percent of healthcare premiums. The School District pays the premiums for classified employees hired before September 1994. Classified employees hired after September 1994 pay ten percent of the premiums.

C. Deferred Compensation

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

NOTE 13 – LEASES – LESSEE DISCLOSURE

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

The band instruments acquired by lease were initially capitalized in the amount of \$8,966 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2007 totaled \$1,751 and were paid from the General Fund.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 13 – LEASES – LESSEE DISCLOSURE (continued)

The assets acquired through the capital lease as of June 30, 2007, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Band Instruments	\$8,966	(\$2,615)	\$6,351

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2007.

Fiscal Year Ending June 30,	Total Payments
2008	\$2,385
Less: Amount Representing Interest	(342)
Present Value of Net Minimum Lease Payments	\$2,043

In the current and prior fiscal years, the School District entered into noncancelable operating leases for the use of copier equipment. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in fiscal year 2007 totaled \$82,030 in the General Fund.

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

Fiscal Year Ending June 30,	Total Payments
2008	\$56,299
2009	56,299
2010	32,841
Total	\$145,439

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 14 – LONG-TERM OBLIGATIONS

The changes in the School District’s long-term obligations during the fiscal year 2007 were as follows:

	Principal Outstanding 6/30/06	Additions	Deductions	Principal Outstanding 6/30/07	Amounts Due in One Year
<u>Governmental Activities:</u>					
1988 EPA Asbestos					
Loan 0.00%	\$21,423	\$0	\$14,284	\$7,139	\$7,139
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	15,245,000	0	9,800,000	5,445,000	0
Capital Appreciation					
Bonds 3.9 to 4.6%	425,000	0	227,544	197,456	197,456
Accretion on Capital					
Appreciation Bonds	411,365	33,649	207,456	237,558	0
Premium on Debt Issue	185,890	0	121,568	64,322	0
2007 School Improvement					
Refunding Bonds:					
Serial Bonds 3.6 to 4.0%	0	9,400,000	0	9,400,000	10,000
Term Bonds 3.73%	0	325,000	0	325,000	0
Capital Appreciation					
Bonds 3.05%	0	75,000	0	75,000	0
Accretion on Capital					
Appreciation Bonds	0	13,821	0	13,821	0
Premium on Debt Issue	0	626,249	24,783	601,466	0
Loss on Refunding	0	(466,546)	(17,950)	(448,596)	0
Capital Leases	3,794	0	1,751	2,043	2,043
Compensated Absences	1,107,135	323,889	235,228	1,195,796	184,754
Total Governmental Activities					
Long-Term Obligations	<u>\$17,399,607</u>	<u>\$10,331,062</u>	<u>\$10,614,664</u>	<u>\$17,116,005</u>	<u>\$401,392</u>

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

2002 Classroom Facilities General Obligation Bonds - On April 30, 2002, the School District issued \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. The bonds were issued for a twenty-three year period with final maturity in December 2024. The bonds will be retired from the Debt Service Fund. During fiscal year 2007, \$9,800,000 of these serial bonds were refunded, leaving \$5,445,000 outstanding at June 30, 2007.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The serial bonds of the 2002 Classroom Facilities General Obligation Bonds outstanding at June 30, 2007, have maturity dates of December 1, 2008, to December 1, 2016. The bonds are subject to optional redemption, in whole or in part on any date in inverse order of maturity and by lot within a maturity at the option of the issuer on or after December 1, 2016, at the redemption price of 100 percent.

The capital appreciation bonds of the 2002 Classroom Facilities General Obligation Bonds, issued at \$425,000, are not subject to prior redemption. \$227,544 in principal and \$207,456 in accreted interest of the capital appreciation bonds matured in fiscal year 2007. The remainder of the bonds will mature in fiscal year 2008 in the amount of \$435,014. Accretion on the capital appreciation bonds for fiscal year 2007 was \$33,649.

As of June 30, 2007, \$15,992,115 of the bond proceeds had been spent toward the project.

2007 School Improvement Refunding Bonds - On October 11, 2006, the School District issued \$9,800,000 in general obligation bonds for the purpose of advance refunding a portion of the 2002 Classroom Facilities General Obligation Serial Bonds. The difference between the amount of the refunding bond issue and the total of the outstanding principal of the debt issue refunded was used to pay for issuance costs, interest due at the time of refunding, and the amount paid to the escrow agent above the principal outstanding. The refunding resulted in a difference of \$466,546 between the net carrying amount of the old bonded debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The unamortized amount of the loss at June 30, 2007, was \$448,596. Total debt service payments decreased by \$629,367 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$450,965.

At June 30, 2007, \$9,800,000 of the refunded bonds were outstanding.

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

The capital appreciation bonds of the 2007 School Improvement General Obligation Refunding Bonds, issued at \$75,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2018 in the amount of \$980,000. Accretion on the capital appreciation bonds for fiscal year 2007 was \$13,821.

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

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

Compensated absences will be paid from the General Fund and the Food Service, Auxiliary Services Non Public, Poverty Based Assistance, IDEA-B, Title I, Drug Free Schools, Early Childhood Special Education, Title II-A, and Miscellaneous Federal Grants Special Revenue Funds.

The School District’s overall legal debt margin was \$5,362,635 with an unvoted debt margin of \$212,982 at June 30, 2007.

Principal and interest requirements to retire Classroom Facilities General Obligation Bonds outstanding at June 30, 2007, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Term Bond	Total
2008	\$10,000	\$640,230	\$197,456	\$237,558	\$0	\$1,085,244
2009	520,000	612,082	0	0	0	1,132,082
2010	545,000	592,056	0	0	0	1,137,056
2011	580,000	570,002	0	0	0	1,150,002
2012	615,000	545,762	0	0	0	1,160,762
2013-2017	3,530,000	2,272,605	0	0	0	5,802,605
2018-2022	4,735,000	1,449,700	75,000	905,000	325,000	7,489,700
2023-2025	4,310,000	263,200	0	0	0	4,573,200
Total	<u>\$14,845,000</u>	<u>\$6,945,637</u>	<u>\$272,456</u>	<u>\$1,142,558</u>	<u>\$325,000</u>	<u>\$23,530,651</u>

Principal requirements to retire the EPA Asbestos Loan outstanding at June 30, 2007, are as follows:

EPA Asbestos Loan - 1988	
Fiscal year Ending June 30,	Principal
2008	<u>\$7,139</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 15 – INTERFUND ACTIVITY

As of June 30, 2007, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		<u>General</u>
Payable	Other Governmental Funds	<u><u>\$625,447</u></u>

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

Transfers made during the fiscal year ended June 30, 2007, were as follows:

		Transfers From			
			Bond	Ohio School Facilities	
		<u>General</u>	<u>Retirement</u>	<u>Commission</u>	<u>Totals</u>
Transfers To	General Fund	\$0	\$228,182	\$28,142	\$256,324
	Bond Retirement	14,284	0	0	14,284
	Ohio School Facilities Commission	30,840	0	0	30,840
	Other Governmental Funds	5,003	0	0	5,003
	Totals	<u><u>\$50,127</u></u>	<u><u>\$228,182</u></u>	<u><u>\$28,142</u></u>	<u><u>\$306,451</u></u>

Transfers from the General Fund are made to move unrestricted balances to support programs and projects accounted for in other funds. A transfer was made from the Bond Retirement Fund to the General Fund to reallocate investment earnings which had accumulated in the Bond Retirement Fund. During fiscal year 2007, the Board approved a resolution directing all interest earned by the Bond Retirement Fund to the General Fund. A transfer was also made from the Ohio School Facilities Commission Capital Projects Fund to the General Fund to refund a local initiative transfer that had erroneously occurred.

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$6,250 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

B. Scioto County Joint Vocational School

The Scioto County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a five member Board of Education, consisting of two representatives from Portsmouth City School District and three representatives from the South Central Ohio Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Joint Vocational School at P.O. Box 766, Lucasville, Ohio 45648.

C. Coalition of Rural and Appalachian Schools

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

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (continued)

D. Pilasco-Ross Special Education Regional Resource Center

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

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

NOTE 17 – INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

NOTE 18 – SET-ASIDE CALCULATIONS AND FUND RESERVES

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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

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

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Reserve Balance as of June 30, 2006	\$102,788	\$0
Current Fiscal Year Set-aside Requirement	301,343	301,343
Current Fiscal Year Offsets	0	(181,272)
Qualifying Disbursements	(345,460)	(284,726)
Set-aside Reserve Balance as of June 30, 2007	\$58,671	(\$164,655)
Required Set-aside Balances Carried Forward to FY 2008	\$58,671	\$0

Although the School District had offsets and qualifying expenditures for capital acquisitions that exceeded the set-aside requirements, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

NOTE 19 – CONTRACTUAL COMMITMENTS

The School District contracted for the design and construction of new high school, middle school, and elementary school buildings. The outstanding construction commitment at June 30, 2007, is:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 6/30/07</u>
BBL Construction	\$3,540,102	\$3,314,740	\$225,362

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 20 – CONTINGENCIES

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

B. Litigation

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

NOTE 21 – RESTATEMENT OF PRIOR YEAR NET ASSETS

In fiscal year 2007, there were fund reclassifications that resulted in the following changes to fund balances:

	General Fund	Other Governmental Funds
Fund Balances, 6/30/2006	\$1,012,682	\$845,800
Fund Reclassifications	22,779	(22,779)
Fund Balances, 6/30/2006 as Restated	<u>\$1,035,461</u>	<u>\$823,021</u>

In fiscal year 2007, a revaluation of the School District's capital assets was performed. As a result, beginning depreciation was restated to reflect the amounts as determined by the valuation process. This resulted in the following change to beginning net assets:

	Governmental Activities
Net Assets, June 30, 2006	\$59,833,013
Restatement of Depreciation	(269,126)
Net Assets, June 30, 2006, as Restated	<u>\$59,563,887</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 22 – FINANCIAL CONDITION

On April 19, 2001, the School District was placed into Fiscal Caution by the Ohio Department of Education. Under Ohio Revised Code Section 3316.031 (B) (3), the Ohio Department of Education will place a school district in Fiscal Caution when the Auditor of State certifies a forecasted General Fund deficit between 2 percent and 8 percent of the General Fund's prior year's revenues. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education which requires school districts to provide written proposals for discontinuing or correcting the practices and conditions that led to the declaration of Fiscal Caution. The School District will be required to update their recovery plan if the School District experiences a significant change of events. A performance audit was conducted on the School District by the Auditor of State of Ohio dated June 26, 2002 to evaluate ways to improve operations within the School District. As of June 30, 2007, the School District was still in Fiscal Caution.

NOTE 23 – SUBSEQUENT EVENTS

In July 2007, the School Board adopted a three-year contract with the Portsmouth City Teachers Association beginning July, 2007, and extending through June 30, 2010, with pay increases of three percent for each of the three fiscal years.

PORTSMOUTH CITY SCHOOL DISTRICT
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Portsmouth City School District

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

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

Nonmajor Special Revenue Funds

Food Service

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

Education Foundation

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

New Facilities Maintenance

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

District Managed Student Activities

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

Auxiliary Services Non Public

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

Education Management Information System

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

SchoolNet Praise

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

SchoolNet Summer Training

To account for State grant monies used for technology training.

(continued)

Portsmouth City School District

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds - (continued)

OhioReads

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

Vocational Education Enhancement

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

Poverty Based Assistance

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

Miscellaneous State Grants

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

IDEA-B

To account for federal funds used for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I

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

Title V

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

Drug Free Schools

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

(continued)

Portsmouth City School District

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds - (continued)

Early Childhood Special Education

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

Title II-A

To account for federal monies used to help schools increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and principals in the schools; and hold schools accountable for improvements in student academic achievements.

Miscellaneous Federal Grants

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

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

Permanent Improvement

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

Site Acquisition

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

Athletic Complex Project

To account for donations to be used for construction and renovations of the athletic complex.

Portsmouth City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$950,193	\$28,467	\$978,660
Cash and Cash Equivalents with Fiscal Agent	0	2,482	2,482
Receivables:			
Property Taxes	99,686	0	99,686
Accounts	6,965	0	6,965
Intergovernmental	1,074,593	0	1,074,593
Accrued Interest	744	206	950
Prepaid Items	310	0	310
Materials and Supplies Inventory	5,975	0	5,975
Inventory Held for Resale	22,473	0	22,473
Total Assets	\$2,160,939	\$31,155	\$2,192,094
<u>Liabilities:</u>			
Accounts Payable	\$43,160	\$0	\$43,160
Contracts Payable	0	10,796	10,796
Accrued Wages and Benefits Payable	616,860	0	616,860
Intergovernmental Payable	177,108	0	177,108
Interfund Payable	625,447	0	625,447
Deferred Revenue	179,454	0	179,454
Total Liabilities	1,642,029	10,796	1,652,825
<u>Fund Balances:</u>			
Reserved for Encumbrances	92,524	0	92,524
Reserved for Property Taxes	4,344	0	4,344
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	422,042	0	422,042
Capital Projects Funds	0	20,359	20,359
Total Fund Balances	518,910	20,359	539,269
Total Liabilities and Fund Balances	\$2,160,939	\$31,155	\$2,192,094

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$87,380	\$0	\$87,380
Intergovernmental	6,682,529	0	6,682,529
Investment Earnings	15,614	4,865	20,479
Tuition and Fees	4,800	0	4,800
Extracurricular Activities	58,048	0	58,048
Charges for Services	226,760	0	226,760
Contributions and Donations	39,392	200,000	239,392
Miscellaneous	85,878	0	85,878
<i>Total Revenues</i>	<u>7,200,401</u>	<u>204,865</u>	<u>7,405,266</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	67,508	0	67,508
Special	3,317,036	0	3,317,036
Vocational	2,915	0	2,915
Student Intervention Services	834,803	0	834,803
Intergovernmental	38,500	0	38,500
Support Services:			
Pupils	860,912	0	860,912
Instructional Staff	830,397	0	830,397
Administration	921	0	921
Fiscal	20,190	0	20,190
Operation and Maintenance of Plant	204,263	0	204,263
Central	6,889	0	6,889
Operation of Non-Instructional Services:			
Food Service Operations	1,051,791	0	1,051,791
Other	211,156	0	211,156
Extracurricular Activities	71,797	0	71,797
Capital Outlay	23,153	219,773	242,926
<i>Total Expenditures</i>	<u>7,542,231</u>	<u>219,773</u>	<u>7,762,004</u>
Excess of Revenues Under Expenditures	(341,830)	(14,908)	(356,738)
<u>Other Financing Sources:</u>			
Transfers In	5,003	0	5,003
Net Change in Fund Balances	(336,827)	(14,908)	(351,735)
Fund Balances at Beginning of Year	<u>855,737</u>	<u>35,267</u>	<u>891,004</u>
Fund Balances at End of Year	<u>\$518,910</u>	<u>\$20,359</u>	<u>\$539,269</u>

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Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$148,020	\$365,693	\$12,839
Receivables:				
Property Taxes	0	0	99,686	0
Accounts	6,010	0	0	0
Intergovernmental	76,302	0	0	0
Accrued Interest	0	491	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	22,473	0	0	0
<i>Total Assets</i>	<u>\$104,785</u>	<u>\$148,511</u>	<u>\$465,379</u>	<u>\$12,839</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$12,007	\$8,780
Accrued Wages and Benefits Payable	50,264	0	0	0
Intergovernmental Payable	42,341	0	0	0
Interfund Payable	162,622	0	0	4,510
Deferred Revenue	0	0	94,214	0
<i>Total Liabilities</i>	<u>255,227</u>	<u>0</u>	<u>106,221</u>	<u>13,290</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	0	11,226	0
Reserved for Property Taxes	0	0	4,344	0
Unreserved, Undesignated (Deficit)	(150,442)	148,511	343,588	(451)
<i>Total Fund Balances (Deficits)</i>	<u>(150,442)</u>	<u>148,511</u>	<u>359,158</u>	<u>(451)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$104,785</u>	<u>\$148,511</u>	<u>\$465,379</u>	<u>\$12,839</u>

Auxiliary Services Non Public	Education Management Information System	OhioReads	Vocational Education Enhancement	Poverty Based Assistance	Miscellaneous State Grants	IDEA-B
\$70,910	\$2,365	\$854	\$0	\$317,438	\$21,924	\$3,710
0	0	0	0	0	0	0
0	0	0	0	0	0	955
0	0	6,630	368	0	61,493	192,831
253	0	0	0	0	0	0
0	0	0	0	0	0	310
0	0	0	0	0	0	5,975
0	0	0	0	0	0	0
<u>\$71,163</u>	<u>\$2,365</u>	<u>\$7,484</u>	<u>\$368</u>	<u>\$317,438</u>	<u>\$83,417</u>	<u>\$203,781</u>
\$14,664	\$0	\$0	\$0	\$0	\$4,017	\$0
5,446	0	0	0	243,080	3,400	52,188
1,603	49	209	0	54,571	82	16,858
0	0	6,630	246	0	2,015	122,188
0	0	0	0	0	61,493	0
<u>21,713</u>	<u>49</u>	<u>6,839</u>	<u>246</u>	<u>297,651</u>	<u>71,007</u>	<u>191,234</u>
67,028	0	853	0	0	6,522	3,711
0	0	0	0	0	0	0
<u>(17,578)</u>	<u>2,316</u>	<u>(208)</u>	<u>122</u>	<u>19,787</u>	<u>5,888</u>	<u>8,836</u>
<u>49,450</u>	<u>2,316</u>	<u>645</u>	<u>122</u>	<u>19,787</u>	<u>12,410</u>	<u>12,547</u>
<u>\$71,163</u>	<u>\$2,365</u>	<u>\$7,484</u>	<u>\$368</u>	<u>\$317,438</u>	<u>\$83,417</u>	<u>\$203,781</u>

(continued)

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(continued)

	Title I	Title V	Drug Free Schools	Early Childhood Special Education
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,479	\$278	\$2	\$1
Receivables:				
Property Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	380,268	0	7,813	3,783
Accrued Interest	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$381,747</u>	<u>\$278</u>	<u>\$7,815</u>	<u>\$3,784</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	131,380	0	1,887	1,604
Intergovernmental Payable	29,473	0	383	490
Interfund Payable	129,065	0	2,239	288
Deferred Revenue	3,179	0	1,308	127
<i>Total Liabilities</i>	<u>293,097</u>	<u>0</u>	<u>5,817</u>	<u>2,509</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	1,479	0	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	87,171	278	1,998	1,275
<i>Total Fund Balances (Deficits)</i>	<u>88,650</u>	<u>278</u>	<u>1,998</u>	<u>1,275</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$381,747</u>	<u>\$278</u>	<u>\$7,815</u>	<u>\$3,784</u>

Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$4,680	\$950,193
0	0	99,686
0	0	6,965
98,184	246,921	1,074,593
0	0	744
0	0	310
0	0	5,975
0	0	22,473
<u>\$98,184</u>	<u>\$251,601</u>	<u>\$2,160,939</u>
\$508	\$3,184	\$43,160
36,875	90,736	616,860
8,013	23,036	177,108
45,946	149,698	625,447
0	19,133	179,454
<u>91,342</u>	<u>285,787</u>	<u>1,642,029</u>
0	1,705	92,524
0	0	4,344
6,842	(35,891)	422,042
<u>6,842</u>	<u>(34,186)</u>	<u>518,910</u>
<u>\$98,184</u>	<u>\$251,601</u>	<u>\$2,160,939</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Food Service	Education Foundation	New Facilities Maintenance	District Managed Student Activities
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$87,380	\$0
Intergovernmental	716,387	0	94,781	0
Investment Earnings	0	10,044	0	0
Tuition and Fees	4,800	0	0	0
Extracurricular Activities	0	0	0	58,048
Charges for Services	226,760	0	0	0
Contributions and Donations	0	34,105	0	5,287
Miscellaneous	6,010	77,538	0	1,375
<i>Total Revenues</i>	<u>953,957</u>	<u>121,687</u>	<u>182,161</u>	<u>64,710</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	53,035	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Student Intervention Services	0	0	0	0
Intergovernmental	0	0	0	0
Support Services:				
Pupils	0	5,000	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	107	0	2,016	0
Operation and Maintenance of Plant	1,461	0	202,802	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,051,145	646	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	71,797
Capital Outlay	0	23,153	0	0
<i>Total Expenditures</i>	<u>1,052,713</u>	<u>81,834</u>	<u>204,818</u>	<u>71,797</u>
Excess of Revenues Over (Under) Expenditures	(98,756)	39,853	(22,657)	(7,087)
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
Net Change in Fund Balances	(98,756)	39,853	(22,657)	(7,087)
Fund Balances (Deficit) at Beginning of Year	(51,686)	108,658	381,815	6,636
Fund Balances (Deficits) at End of Year	<u>(\$150,442)</u>	<u>\$148,511</u>	<u>\$359,158</u>	<u>(\$451)</u>

Auxiliary Services Non Public	Education Management Information System	SchoolNet Praise	SchoolNet Summer Training	OhioReads	Vocational Education Enhancement
\$0	\$0	\$0	\$0	\$0	\$0
189,527	7,190	9,000	3,300	44,000	12,000
5,570	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
195,097	7,190	9,000	3,300	44,000	12,000
0	0	0	0	1,163	3,249
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	34,956	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	17,041	3,300	9,147	8,629
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	6,889	0	0	0	0
0	0	0	0	0	0
196,295	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
196,295	6,889	17,041	3,300	45,266	11,878
(1,198)	301	(8,041)	0	(1,266)	122
0	0	0	0	0	0
(1,198)	301	(8,041)	0	(1,266)	122
50,648	2,015	8,041	0	1,911	0
\$49,450	\$2,316	\$0	\$0	\$645	\$122

(continued)

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(continued)

	Poverty Based Assistance	Miscellaneous State Grants	IDEA-B	Title I
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	2,121,166	52,409	641,225	1,300,308
Investment Earnings	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	955	0
Total Revenues	2,121,166	52,409	642,180	1,300,308
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	4,061	0	0
Special	1,488,945	8,161	124,824	825,423
Vocational	0	2,915	0	0
Student Intervention Services	454,018	3,400	0	342,429
Intergovernmental	0	38,500	0	0
Support Services:				
Pupils	51,979	3,050	369,011	0
Instructional Staff	174,420	5,240	207,635	150,769
Administration	0	921	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	387	0	13,454
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	2,169,362	66,635	701,470	1,332,075
Excess of Revenues Over (Under) Expenditures	(48,196)	(14,226)	(59,290)	(31,767)
<u>Other Financing Sources:</u>				
Transfers In	0	5,003	0	0
Net Change in Fund Balances	(48,196)	(9,223)	(59,290)	(31,767)
Fund Balances (Deficit) at Beginning of Year	67,983	21,633	71,837	120,417
Fund Balances (Deficits) at End of Year	\$19,787	\$12,410	\$12,547	\$88,650

Title V	Drug Free Schools	Early Childhood Special Education	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$87,380
4,237	16,329	16,505	341,404	1,112,761	6,682,529
0	0	0	0	0	15,614
0	0	0	0	0	4,800
0	0	0	0	0	58,048
0	0	0	0	0	226,760
0	0	0	0	0	39,392
0	0	0	0	0	85,878
<u>4,237</u>	<u>16,329</u>	<u>16,505</u>	<u>341,404</u>	<u>1,112,761</u>	<u>7,200,401</u>
0	0	0	0	6,000	67,508
4,301	0	862	317,501	547,019	3,317,036
0	0	0	0	0	2,915
0	0	0	0	0	834,803
0	0	0	0	0	38,500
0	0	0	0	431,872	860,912
0	17,636	15,259	30,456	190,865	830,397
0	0	0	0	0	921
0	0	0	0	18,067	20,190
0	0	0	0	0	204,263
0	0	0	0	0	6,889
0	0	0	0	0	1,051,791
670	0	0	250	100	211,156
0	0	0	0	0	71,797
0	0	0	0	0	23,153
<u>4,971</u>	<u>17,636</u>	<u>16,121</u>	<u>348,207</u>	<u>1,193,923</u>	<u>7,542,231</u>
(734)	(1,307)	384	(6,803)	(81,162)	(341,830)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,003</u>
(734)	(1,307)	384	(6,803)	(81,162)	(336,827)
<u>1,012</u>	<u>3,305</u>	<u>891</u>	<u>13,645</u>	<u>46,976</u>	<u>855,737</u>
<u>\$278</u>	<u>\$1,998</u>	<u>\$1,275</u>	<u>\$6,842</u>	<u>(\$34,186)</u>	<u>\$518,910</u>

Portsmouth City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007

	<u>Permanent Improvement</u>	<u>Site Acquisition</u>	<u>Athletic Complex Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$12	\$480	\$27,975	\$28,467
Cash and Cash Equivalents with Fiscal Agent	0	2,482	0	2,482
Receivables:				
Accrued Interest	0	0	206	206
<i>Total Assets</i>	<u>\$12</u>	<u>\$2,962</u>	<u>\$28,181</u>	<u>\$31,155</u>
<u>Liabilities:</u>				
Contracts Payable	\$0	\$0	\$10,796	\$10,796
<u>Fund Balances:</u>				
Unreserved, Undesignated	12	2,962	17,385	20,359
<i>Total Liabilities and Fund Balances</i>	<u>\$12</u>	<u>\$2,962</u>	<u>\$28,181</u>	<u>\$31,155</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2007

	Permanent Improvement	Site Acquisition	Athletic Complex Project	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Investment Earnings	\$0	\$84	\$4,781	\$4,865
Contributions and Donations	0	0	200,000	200,000
<i>Total Revenues</i>	0	84	204,781	204,865
<u>Expenditures:</u>				
Capital Outlay	4,898	27,479	187,396	219,773
Net Change in Fund Balances	(4,898)	(27,395)	17,385	(14,908)
Fund Balances at Beginning of Year	4,910	30,357	0	35,267
Fund Balances at End of Year	\$12	\$2,962	\$17,385	\$20,359

Portsmouth City School District

Fiduciary Fund Description

AGENCY FUND

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

Student Managed Activity

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

Portsmouth City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2007

	Balance at 6/30/2006	Additions	Deletions	Balance at 6/30/2007
STUDENT MANAGED ACTIVITY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$8,852	\$17,663	\$17,750	\$8,765
<u>Liabilities:</u>				
Undistributed Monies	\$8,852	\$17,663	\$17,750	\$8,765

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PORTSMOUTH CITY SCHOOL DISTRICT

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

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$5,579,559	\$4,563,290	\$4,563,290	\$0
Intergovernmental	13,688,230	15,005,886	14,992,582	(13,304)
Investment Earnings	116,434	127,642	127,642	0
Tuition and Fees	692,241	758,878	758,878	0
Extracurricular Activities	39,658	43,476	27,246	(16,230)
Rentals	17,491	19,175	19,175	0
Contributions and Donations	47,983	52,602	40,988	(11,614)
Miscellaneous	305,656	346,264	343,732	(2,532)
Total Revenues	20,487,252	20,917,213	20,873,533	(43,680)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	3,225,287	3,341,613	3,311,805	29,808
Fringe Benefits	1,500,924	1,647,564	1,637,656	9,908
Purchased Services	5,980,474	5,970,030	5,955,620	14,410
Materials and Supplies	223,821	242,383	220,274	22,109
Capital Outlay	18,815	17,170	13,885	3,285
Other	400	800	593	207
Total Regular	10,949,721	11,219,560	11,139,833	79,727
Special:				
Salaries	1,494,686	1,317,907	1,317,061	846
Fringe Benefits	583,053	658,696	634,539	24,157
Purchased Services	1,600	100	0	100
Materials and Supplies	45,938	31,280	27,096	4,184
Capital Outlay	4,330	3,000	372	2,628
Total Special	2,129,607	2,010,983	1,979,068	31,915
Vocational:				
Salaries	172,443	233,244	232,153	1,091
Fringe Benefits	78,460	97,170	96,864	306
Purchased Services	500	250	250	0
Materials and Supplies	8,753	9,947	9,824	123
Capital Outlay	15,787	6,633	6,413	220
Total Vocational	275,943	347,244	345,504	1,740
Student Intervention Services:				
Salaries	73,160	96,339	95,714	625
Fringe Benefits	11,750	26,273	23,294	2,979
Purchased Services	551,117	1,612	6,807	(5,195)
Materials and Supplies	54,000	55,705	55,705	0
Capital Outlay	22,496	21,218	21,218	0
Total Student Intervention Services	712,523	201,147	202,738	(1,591)
Total Instruction	\$14,067,794	\$13,778,934	\$13,667,143	\$111,791

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2007
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries	\$420,402	\$475,289	\$473,224	\$2,065
Fringe Benefits	189,738	205,368	199,630	5,738
Purchased Services	50,500	47,893	30,009	17,884
Materials and Supplies	5,793	7,479	3,160	4,319
Capital Outlay	1,500	1,500	0	1,500
Other	3,748	3,748	3,748	0
Total Pupils	<u>671,681</u>	<u>741,277</u>	<u>709,771</u>	<u>31,506</u>
Instructional Staff:				
Salaries	554,947	539,478	537,485	1,993
Fringe Benefits	366,588	375,747	363,858	11,889
Purchased Services	61,237	53,820	50,170	3,650
Materials and Supplies	56,848	55,507	47,707	7,800
Capital Outlay	51,031	79,643	50,170	29,473
Other	1,200	1,200	1,105	95
Total Instructional Staff	<u>1,091,851</u>	<u>1,105,395</u>	<u>1,050,495</u>	<u>54,900</u>
Board of Education:				
Salaries	7,200	7,375	7,375	0
Fringe Benefits	1,152	1,188	748	440
Purchased Services	1,450	1,755	1,499	256
Materials and Supplies	400	110	110	0
Other	9,600	10,725	10,035	690
Total Board of Education	<u>19,802</u>	<u>21,153</u>	<u>19,767</u>	<u>1,386</u>
Administration:				
Salaries	826,161	751,287	747,528	3,759
Fringe Benefits	437,709	406,420	404,744	1,676
Purchased Services	162,467	157,603	147,795	9,808
Materials and Supplies	56,818	85,799	56,557	29,242
Capital Outlay	6,208	6,601	3,371	3,230
Other	146,010	148,042	147,203	839
Total Administration	<u>1,635,373</u>	<u>1,555,752</u>	<u>1,507,198</u>	<u>48,554</u>
Fiscal:				
Salaries	163,737	151,561	151,558	3
Fringe Benefits	114,318	129,755	129,219	536
Purchased Services	255,463	184,819	183,220	1,599
Materials and Supplies	12,200	5,013	4,613	400
Capital Outlay	1,000	1,000	160	840
Other	192,250	142,987	142,814	173
Total Fiscal	<u>\$738,968</u>	<u>\$615,135</u>	<u>\$611,584</u>	<u>\$3,551</u>

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2007
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Business:				
Salaries	\$84,250	\$42,163	\$42,163	\$0
Fringe Benefits	13,017	8,451	7,893	558
Purchased Services	11,300	10,121	7,551	2,570
Materials and Supplies	6,500	4,464	4,369	95
Capital Outlay	2,000	4,873	200	4,673
Other	150	150	0	150
Total Business	117,217	70,222	62,176	8,046
Operation and Maintenance of Plant:				
Salaries	817,390	764,273	757,364	6,909
Fringe Benefits	557,865	543,848	525,472	18,376
Purchased Services	834,900	965,304	755,885	209,419
Materials and Supplies	92,700	182,994	123,937	59,057
Capital Outlay	10,730	21,869	19,131	2,738
Other	50	50	50	0
Total Operation and Maintenance of Plant	2,313,635	2,478,338	2,181,839	296,499
Pupil Transportation:				
Salaries	189,670	195,664	182,774	12,890
Fringe Benefits	165,376	158,868	156,128	2,740
Purchased Services	66,300	148,015	90,140	57,875
Materials and Supplies	91,300	127,513	55,128	72,385
Capital Outlay	138,791	150,136	148,953	1,183
Other	0	859	859	0
Total Pupil Transportation	651,437	781,055	633,982	147,073
Central:				
Salaries	8,122	14,122	14,122	0
Fringe Benefits	280,068	279,565	2,385	277,180
Purchased Services	62,135	62,145	62,145	0
Total Central	350,325	355,832	78,652	277,180
Total Support Services	7,590,289	7,724,159	6,855,464	868,695
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	0	76	76	0
Fringe Benefits	900	0	0	0
Purchased Services	8,500	1,960	148	1,812
Capital Outlay	4,770	4,770	4,770	0
Total Food Service Operations	14,170	6,806	4,994	1,812
Other:				
Fringe Benefits	0	997	997	0
Materials and Supplies	10,000	4,429	4,429	0
Total Other	10,000	5,426	5,426	0
Total Operation of Non-Instructional Services	\$24,170	\$12,232	\$10,420	\$1,812

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2007
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	\$7,422	\$14,932	\$13,026	\$1,906
Fringe Benefits	2,250	2,940	1,910	1,030
Purchased Services	7,550	9,550	7,698	1,852
Materials and Supplies	7,500	4,500	1,942	2,558
Capital Outlay	3,000	6,000	5,622	378
Total Academic Oriented Activities	27,722	37,922	30,198	7,724
Sports Oriented Activities:				
Salaries	137,081	157,922	127,508	30,414
Fringe Benefits	19,937	24,969	19,879	5,090
Purchased Services	7,000	1,000	16	984
Materials and Supplies	2,000	3,165	0	3,165
Total Sports Oriented Activities	166,018	187,056	147,403	39,653
School and Public Service Co-Curricular Activities:				
Salaries	4,504	6,539	6,375	164
Fringe Benefits	700	1,121	894	227
Purchased Services	12,800	12,800	8,242	4,558
Materials and Supplies	7,046	10,457	9,355	1,102
Total School and Public Service Co-Curricular Activities	25,050	30,917	24,866	6,051
Total Extracurricular Activities	218,790	255,895	202,467	53,428
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	25,911	33,809	33,809	0
Capital Outlay	45,043	16,633	11,749	4,884
Total Capital Outlay	70,954	50,442	45,558	4,884
<i>Total Expenditures</i>	21,971,997	21,821,662	20,781,052	1,040,610
Excess of Revenues Over (Under) Expenditures	(1,484,745)	(904,449)	92,481	996,930
<i>Other Financing Sources (Uses):</i>				
Proceeds from Sale of Capital Assets	7,000	7,000	7,000	0
Refund of Prior Year Expenditures	64,364	64,364	64,364	0
Transfers In	351,632	351,632	256,324	(95,308)
Transfers Out	(69,043)	(145,435)	(50,127)	95,308
Advances In	18,968	18,968	11,821	(7,147)
Advances Out	0	(639,742)	(625,447)	14,295
Refund of Prior Year Receipts	(6,312)	(6,286)	(6,217)	69
Total Other Financing Sources (Uses)	366,609	(349,499)	(342,282)	7,217
Net Change in Fund Balance	(1,118,136)	(1,253,948)	(249,801)	1,004,147
Fund Balance at Beginning of Year	2,048,317	2,048,317	2,048,317	0
Prior Year Encumbrances Appropriated	188,603	188,603	188,603	0
Fund Balance at End of Year	\$1,118,784	\$982,972	\$1,987,119	\$1,004,147

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Bond Retirement Debt Service Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$1,342,714	\$1,246,719	\$1,225,780	(\$20,939)
Intergovernmental	48,942	148,037	147,713	(324)
Investment Earnings	25,058	75,796	75,796	0
<i>Total Revenues</i>	<u>1,416,714</u>	<u>1,470,552</u>	<u>1,449,289</u>	<u>(21,263)</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	30,830	30,830	28,772	2,058
Debt Service:				
Principal Retirement	1,155,000	245,147	241,828	3,319
Interest and Fiscal Charges	14,284	928,813	928,813	0
<i>Total Debt Service</i>	<u>1,169,284</u>	<u>1,173,960</u>	<u>1,170,641</u>	<u>3,319</u>
<i>Total Expenditures</i>	<u>1,200,114</u>	<u>1,204,790</u>	<u>1,199,413</u>	<u>5,377</u>
Excess of Revenues Over (Under) Expenditures	<u>216,600</u>	<u>265,762</u>	<u>249,876</u>	<u>(15,886)</u>
<u>Other Financing Sources (Uses):</u>				
Premium on Debt Issuance	0	4,374	4,374	0
Transfers In	14,284	14,284	14,284	0
Transfers Out	0	(228,182)	(228,182)	0
<i>Total Other Financing Sources (Uses)</i>	<u>14,284</u>	<u>(209,524)</u>	<u>(209,524)</u>	<u>0</u>
Net Change in Fund Balance	230,884	56,238	40,352	(15,886)
Fund Balance at Beginning of Year	<u>1,518,995</u>	<u>1,518,995</u>	<u>1,518,995</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,749,879</u></u>	<u><u>\$1,575,233</u></u>	<u><u>\$1,559,347</u></u>	<u><u>(\$15,886)</u></u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ohio School Facilities Commission Capital Projects Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$2,988,684	\$2,988,684	\$524,924	(\$2,463,760)
Investment Earnings	165,000	165,000	217,519	52,519
<i>Total Revenues</i>	<u>3,153,684</u>	<u>3,153,684</u>	<u>742,443</u>	<u>(2,411,241)</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	54,182	47,182	4,467	42,715
Educational Specifications Development Services:				
Purchased Services	99,403	258,279	210,278	48,001
Building Acquisition and Construction Services:				
Purchased Services	1,766,751	1,725,080	577,394	1,147,686
Materials and Supplies	74,425	82,035	23,065	58,970
Capital Outlay	5,527,582	5,327,913	3,214,399	2,113,514
<i>Total Building Acquisition and Construction Services</i>	<u>7,368,758</u>	<u>7,135,028</u>	<u>3,814,858</u>	<u>3,320,170</u>
Other Facilities Acquisition and Construction:				
Purchased Services	2,822,999	2,901,629	1,198,709	1,702,920
Capital Outlay	0	13,340	12,541	799
Other	110	706	706	0
<i>Total Other Facilities Acquisition and Construction</i>	<u>2,823,109</u>	<u>2,915,675</u>	<u>1,211,956</u>	<u>1,703,719</u>
<i>Total Expenditures</i>	<u>10,345,452</u>	<u>10,356,164</u>	<u>5,241,559</u>	<u>5,114,605</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,191,768)</u>	<u>(7,202,480)</u>	<u>(4,499,116)</u>	<u>2,703,364</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	8,011	8,011	8,011	0
Transfers In	0	30,840	30,840	0
Transfers Out	0	(28,142)	(28,142)	0
<i>Total Other Financing Sources (Uses)</i>	<u>8,011</u>	<u>10,709</u>	<u>10,709</u>	<u>0</u>
Net Change in Fund Balance	(7,183,757)	(7,191,771)	(4,488,407)	2,703,364
Fund Balance at Beginning of Year	2,831,489	2,831,489	2,831,489	0
Prior Year Encumbrances Appropriated	4,360,282	4,360,282	4,360,282	0
Fund Balance at End of Year	<u>\$8,014</u>	<u>\$0</u>	<u>\$2,703,364</u>	<u>\$2,703,364</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$918,577	\$922,300	\$603,992	(\$318,308)
Investment Earnings	1,494	1,500	0	(1,500)
Charges for Services	292,279	293,464	231,560	(61,904)
<i>Total Revenues</i>	<u>1,212,350</u>	<u>1,217,264</u>	<u>835,552</u>	<u>(381,712)</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Board of Education:				
Other	1,000	1,000	0	1,000
Fiscal:				
Purchased Services	150	150	107	43
Operation and Maintenance of Plant:				
Purchased Services	16,985	16,947	1,387	15,560
Materials and Supplies	950	988	74	914
Total Operation and Maintenance of Plant	<u>17,935</u>	<u>17,935</u>	<u>1,461</u>	<u>16,474</u>
Total Support Services	<u>19,085</u>	<u>19,085</u>	<u>1,568</u>	<u>17,517</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	404,945	393,069	342,864	50,205
Fringe Benefits	277,150	289,064	248,996	40,068
Purchased Services	9,569	9,569	559	9,010
Materials and Supplies	496,800	513,828	410,630	103,198
Capital Outlay	17,292	17,255	12,438	4,817
Total Operation of Non-Instructional Services	<u>1,205,756</u>	<u>1,222,785</u>	<u>1,015,487</u>	<u>207,298</u>
<i>Total Expenditures</i>	<u>1,224,841</u>	<u>1,241,870</u>	<u>1,017,055</u>	<u>224,815</u>
Excess of Revenues Under Expenditures	<u>(12,491)</u>	<u>(24,606)</u>	<u>(181,503)</u>	<u>(156,897)</u>
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	12,000	0	(12,000)
Advances In	0	162,622	162,622	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>174,622</u>	<u>162,622</u>	<u>(12,000)</u>
Net Change in Fund Balance	(12,491)	150,016	(18,881)	(168,897)
Fund Balance at Beginning of Year	6,390	6,390	6,390	0
Prior Year Encumbrances Appropriated	12,491	12,491	12,491	0
Fund Balance at End of Year	<u>\$6,390</u>	<u>\$168,897</u>	<u>\$0</u>	<u>(\$168,897)</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Education Foundation Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Investment Earnings	\$9,157	\$10,356	\$9,922	(\$434)
Contributions and Donations	432,912	489,619	34,105	(455,514)
Miscellaneous	80,228	90,737	77,538	(13,199)
<i>Total Revenues</i>	<u>522,297</u>	<u>590,712</u>	<u>121,565</u>	<u>(469,147)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,000	1,000	1,000	0
Capital Outlay	475,574	509,026	52,035	456,991
Other	1,000	5,545	0	5,545
<i>Total Instruction</i>	<u>477,574</u>	<u>515,571</u>	<u>53,035</u>	<u>462,536</u>
Support Services:				
Pupils:				
Other	5,000	5,000	5,000	0
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	566	566	566	0
Fringe Benefits	1	80	80	0
<i>Total Operation of Non-Instructional Services</i>	<u>567</u>	<u>646</u>	<u>646</u>	<u>0</u>
Extracurricular Activities:				
Sports Oriented Activities:				
Materials and Supplies	5,000	0	0	0
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	10,111	10,032	6,611	3,421
Materials and Supplies	1,500	2,800	649	2,151
Capital Outlay	59,454	59,852	15,893	43,959
<i>Total Capital Outlay</i>	<u>71,065</u>	<u>72,684</u>	<u>23,153</u>	<u>49,531</u>
<i>Total Expenditures</i>	<u>554,206</u>	<u>593,901</u>	<u>81,834</u>	<u>512,067</u>
Net Change in Fund Balance	(31,909)	(3,189)	39,731	42,920
Fund Balance at Beginning of Year	101,657	101,657	101,657	0
Prior Year Encumbrances Appropriated	6,632	6,632	6,632	0
Fund Balance at End of Year	<u>\$76,380</u>	<u>\$105,100</u>	<u>\$148,020</u>	<u>\$42,920</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
New Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$108,566	\$89,402	\$86,490	(\$2,912)
Intergovernmental	0	94,811	94,781	(30)
<i>Total Revenues</i>	108,566	184,213	181,271	(2,942)
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	2,500	2,500	2,016	484
Operation and Maintenance of Plant:				
Purchased Services	24,000	42,137	17,747	24,390
Materials and Supplies	38,500	36,922	33,267	3,655
Capital Outlay	297,537	481,951	164,475	317,476
Total Operation and Maintenance of Plant	360,037	561,010	215,489	345,521
<i>Total Expenditures</i>	362,537	563,510	217,505	346,005
Net Change in Fund Balance	(253,971)	(379,297)	(36,234)	343,063
Fund Balance at Beginning of Year	379,299	379,299	379,299	0
Fund Balance at End of Year	\$125,328	\$2	\$343,065	\$343,063

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Extracurricular Activities	\$111,286	\$120,623	\$66,775	(\$53,848)
Contributions and Donations	5,459	5,917	5,287	(630)
Miscellaneous	3,582	3,883	1,428	(2,455)
<i>Total Revenues</i>	<u>120,327</u>	<u>130,423</u>	<u>73,490</u>	<u>(56,933)</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries	4,000	2,513	1,255	1,258
Fringe Benefits	0	24	24	0
Purchased Services	29,358	36,886	28,481	8,405
Materials and Supplies	32,425	44,156	40,174	3,982
Capital Outlay	9,000	390	390	0
<i>Total Sports Oriented Activities</i>	<u>74,783</u>	<u>83,969</u>	<u>70,324</u>	<u>13,645</u>
Academic and Subject Oriented Activities:				
Purchased Services	4,000	4,000	0	4,000
Materials and Supplies	8,761	7,850	0	7,850
Capital Outlay	0	911	863	48
Other	350	350	0	350
<i>Total Academic and Subject Oriented Activities</i>	<u>13,111</u>	<u>13,111</u>	<u>863</u>	<u>12,248</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	24,900	24,900	0	24,900
Materials and Supplies	5,400	5,400	610	4,790
<i>Total School and Public Service Co-Curricular Activities</i>	<u>30,300</u>	<u>30,300</u>	<u>610</u>	<u>29,690</u>
<i>Total Expenditures</i>	<u>118,194</u>	<u>127,380</u>	<u>71,797</u>	<u>55,583</u>
Excess of Revenues Over (Under) Expenditures	<u>2,133</u>	<u>3,043</u>	<u>1,693</u>	<u>(1,350)</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	571	571	571	0
Advances In	5,152	5,152	4,510	(642)
Advances Out	(3,667)	(3,667)	(3,667)	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,056</u>	<u>2,056</u>	<u>1,414</u>	<u>(642)</u>
Net Change in Fund Balance	4,189	5,099	3,107	(1,992)
Fund Balance at Beginning of Year	9,682	9,682	9,682	0
Prior Year Encumbrances Appropriated	50	50	50	0
Fund Balance at End of Year	<u>\$13,921</u>	<u>\$14,831</u>	<u>\$12,839</u>	<u>(\$1,992)</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Non Public Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$181,259	\$189,527	\$189,527	\$0
Investment Earnings	5,419	5,666	5,666	0
<i>Total Revenues</i>	<u>186,678</u>	<u>195,193</u>	<u>195,193</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	62,813	74,702	74,702	0
Fringe Benefits	25,439	23,097	23,045	52
Purchased Services	72,253	61,212	61,212	0
Materials and Supplies	51,842	57,655	57,655	0
Capital Outlay	42,886	47,082	47,082	0
<i>Total Expenditures</i>	<u>255,233</u>	<u>263,748</u>	<u>263,696</u>	<u>52</u>
Excess of Revenues Over (Under) Expenditures	<u>(68,555)</u>	<u>(68,555)</u>	<u>(68,503)</u>	<u>52</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	52,730	0	(52,730)
Transfers Out	0	(52,730)	0	52,730
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(68,555)	(68,555)	(68,503)	52
Fund Balance at Beginning of Year	48,045	48,045	48,045	0
Prior Year Encumbrances Appropriated	<u>20,510</u>	<u>20,510</u>	<u>20,510</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$52</u>	<u>\$52</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Education Management Information System Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$6,800	\$7,190	\$7,190	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Salaries	5,000	8,364	6,000	2,364
Fringe Benefits	500	840	840	0
Purchased Services	1,300	0	0	0
<i>Total Expenditures</i>	<u>6,800</u>	<u>9,204</u>	<u>6,840</u>	<u>2,364</u>
Net Change in Fund Balance	0	(2,014)	350	2,364
Fund Balance at Beginning of Year	<u>2,014</u>	<u>2,014</u>	<u>2,014</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,014</u></u>	<u><u>\$0</u></u>	<u><u>\$2,364</u></u>	<u><u>\$2,364</u></u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
SchoolNet Praise Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$9,000	\$9,000	\$9,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	8,041	17,041	17,041	0
Net Change in Fund Balance	959	(8,041)	(8,041)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	8,041	8,041	8,041	0
Fund Balance at End of Year	<u>\$9,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Summer Training Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$3,300	\$3,300	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	0	3,300	3,300	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
OhioReads Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$40,000	\$44,000	\$37,370	(\$6,630)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	0	1,000	1,000	0
Fringe Benefits	0	147	147	0
Materials and Supplies	0	853	853	0
Total Regular	0	2,000	2,000	0
Student Intervention Services:				
Salaries	24,850	8,371	8,371	0
Fringe Benefits	4,440	1,474	1,474	0
Materials and Supplies	7,505	22,789	22,789	0
Total Student Intervention Services	36,795	32,634	32,634	0
Total Instruction	36,795	34,634	34,634	0
Support Services:				
Instructional Staff:				
Salaries	2,000	4,089	4,089	0
Fringe Benefits	330	323	323	0
Purchased Services	3,070	4,954	4,954	0
Total Support Services	5,400	9,366	9,366	0
<i>Total Expenditures</i>	42,195	44,000	44,000	0
Excess of Revenues Under Expenditures	(2,195)	0	(6,630)	(6,630)
<u>Other Financing Sources (Uses):</u>				
Advances In	0	6,630	6,630	0
Advances Out	0	(6,630)	0	6,630
Refund of Prior Year Receipts	0	(2,195)	(2,195)	0
<i>Total Other Financing Sources (Uses)</i>	0	(2,195)	4,435	6,630
Net Change in Fund Balance	(2,195)	(2,195)	(2,195)	0
Fund Balance at Beginning of Year	2,195	2,195	2,195	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Enhancement Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$13,705	\$13,705	\$13,337	(\$368)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	4,500	3,372	3,249	123
Support Services:				
Instructional Staff:				
Salaries	3,000	1,440	1,441	(1)
Fringe Benefits	500	281	281	0
Purchased Services	4,000	6,907	6,907	0
Total Support Services	7,500	8,628	8,629	(1)
<i>Total Expenditures</i>	12,000	12,000	11,878	122
Excess of Revenues Over (Under) Expenditures	1,705	1,705	1,459	(246)
<u>Other Financing Sources (Uses):</u>				
Advances In	0	246	246	0
Advances Out	(1,705)	(1,951)	(1,705)	246
<i>Total Other Financing Sources (Uses)</i>	(1,705)	(1,705)	(1,459)	246
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Poverty Based Assistance Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,147,403	\$2,121,166	\$2,121,166	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	1,168,625	1,142,616	998,388	144,228
Fringe Benefits	408,371	616,490	537,482	79,008
Purchased Services	350	6,455	6,455	0
Total Special	1,577,346	1,765,561	1,542,325	223,236
Student Intervention Services:				
Salaries	351,650	265,628	234,894	30,734
Fringe Benefits	169,024	115,790	102,395	13,395
Purchased Services	124,545	73,449	66,134	7,315
Total Student Intervention Services	645,219	454,867	403,423	51,444
Total Instruction	2,222,565	2,220,428	1,945,748	274,680
Support Services:				
Pupils:				
Salaries	32,866	32,921	25,411	7,510
Fringe Benefits	29,661	28,086	23,930	4,156
Purchased Services	800	792	316	476
Total Pupils	63,327	61,799	49,657	12,142
Instructional Staff:				
Salaries	87,860	105,752	90,900	14,852
Fringe Benefits	89,892	103,493	87,729	15,764
Purchased Services	28,072	265	265	0
Total Instructional Staff	205,824	209,510	178,894	30,616
Total Support Services	269,151	271,309	228,551	42,758
Total Expenditures	2,491,716	2,491,737	2,174,299	317,438
Excess of Revenues Over (Under) Expenditures	(344,313)	(370,571)	(53,133)	317,438
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	26,258	0	(26,258)
Transfers Out	0	(26,258)	0	26,258
Advances Out	(26,258)	0	0	0
Total Other Financing Sources (Uses)	(26,258)	0	0	0
Net Change in Fund Balance	(370,571)	(370,571)	(53,133)	317,438
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	370,571	370,571	370,571	0
Fund Balance at End of Year	\$0	\$0	\$317,438	\$317,438

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$20,000	\$75,402	\$13,909	(\$61,493)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	380	0	0	0
Fringe Benefits	59	0	0	0
Purchased Services	124	930	354	576
Materials and Supplies	1,302	210	206	4
Capital Outlay	1,848	1,848	0	1,848
Other	2,259	3,824	3,512	312
Total Regular	5,972	6,812	4,072	2,740
Special:				
Salaries	0	13,205	1,205	12,000
Fringe Benefits	0	2,163	243	1,920
Materials and Supplies	0	42,735	7,929	34,806
Capital Outlay	0	890	890	0
Total Special	0	58,993	10,267	48,726
Vocational:				
Materials and Supplies	0	4,015	4,015	0
Capital Outlay	18,000	15,667	2,915	12,752
Total Vocational	18,000	19,682	6,930	12,752
Total Instruction	23,972	85,487	21,269	64,218
Support Services:				
Pupils:				
Salaries	2,747	2,747	2,747	0
Fringe Benefits	1,968	1,968	1,968	0
Purchased Services	584	0	0	0
Materials and Supplies	1,375	2,281	2,278	3
Total Pupils	6,674	6,996	6,993	3
Instructional Staff:				
Salaries	1,125	1,310	405	905
Fringe Benefits	219	248	63	185
Purchased Services	8,152	10,698	5,145	5,553
Total Instructional Staff	9,496	12,256	5,613	6,643
Administration:				
Capital Outlay	5,000	921	921	0
Total Support Services	21,170	20,173	13,527	6,646
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	500	387	387	0
Total Expenditures	45,642	106,047	35,183	70,864
Excess of Revenues Over (Under) Expenditures	(25,642)	(30,645)	(21,274)	9,371
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	5,003	5,003	0
Advances In	0	2,015	2,015	0
Advances Out	0	(2,015)	0	2,015
Total Other Financing Sources (Uses)	0	5,003	7,018	2,015
Net Change in Fund Balance	(25,642)	(25,642)	(14,256)	11,386
Fund Balance at Beginning of Year	25,642	25,642	25,642	0
Fund Balance at End of Year	\$0	\$0	\$11,386	\$11,386

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
IDEA-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$737,640	\$737,640	\$544,809	(\$192,831)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	86,945	80,260	69,123	11,137
Fringe Benefits	42,467	51,265	45,338	5,927
Purchased Services	900	1,539	1,251	288
Total Instruction	130,312	133,064	115,712	17,352
Support Services:				
Pupils:				
Salaries	195,692	210,599	197,185	13,414
Fringe Benefits	86,622	87,552	74,118	13,434
Purchased Services	103,240	89,175	85,795	3,380
Materials and Supplies	3,800	4,348	4,340	8
Total Pupils	389,354	391,674	361,438	30,236
Instructional Staff:				
Salaries	145,040	142,322	128,465	13,857
Fringe Benefits	64,197	64,187	55,232	8,955
Purchased Services	14,050	12,388	12,388	0
Materials and Supplies	3,005	2,051	2,051	0
Capital Outlay	1,000	200	200	0
Other	325	243	0	243
Total Instructional Staff	227,617	221,391	198,336	23,055
Total Support Services	616,971	613,065	559,774	53,291
Total Expenditures	747,283	746,129	675,486	70,643
Excess of Revenues Under Expenditures	(9,643)	(8,489)	(130,677)	(122,188)
<u>Other Financing Sources (Uses):</u>				
Transfers In	66,639	66,639	0	(66,639)
Transfers Out	(66,639)	(66,639)	0	66,639
Advances In	0	122,188	122,188	0
Advances Out	(1,702)	(123,890)	(1,702)	122,188
Refund of Prior Year Receipts	0	(1,154)	(1,154)	0
Total Other Financing Sources (Uses)	(1,702)	(2,856)	119,332	122,188
Net Change in Fund Balance	(11,345)	(11,345)	(11,345)	0
Fund Balance at Beginning of Year	10,704	10,704	10,704	0
Prior Year Encumbrances Appropriated	641	641	641	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,355,969	\$1,430,513	\$1,060,409	(\$370,104)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	700,781	634,782	538,094	96,688
Fringe Benefits	382,421	362,651	305,747	56,904
Purchased Services	31,988	19,847	17,839	2,008
Materials and Supplies	9,807	681	681	0
Total Special	1,124,997	1,017,961	862,361	155,600
Student Intervention Services:				
Salaries and Wages	171,425	207,549	178,876	28,673
Fringe Benefits	81,102	98,293	84,601	13,692
Purchased Services	3,000	29,495	27,702	1,793
Materials and Supplies	2,775	9,224	8,685	539
Total Student Intervention Services	258,302	344,561	299,864	44,697
Total Instruction	1,383,299	1,362,522	1,162,225	200,297
Support Services:				
Instructional Staff:				
Salaries	78,343	95,395	83,408	11,987
Fringe Benefits	33,432	35,994	32,375	3,619
Purchased Services	73,501	52,940	33,955	18,985
Materials and Supplies	4,000	2,991	0	2,991
Total Instructional Staff	189,276	187,320	149,738	37,582
Fiscal:				
Other	15,000	0	0	0
Total Support Services	\$204,276	\$187,320	\$149,738	\$37,582

(continued)

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2007
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	\$22,680	\$3,932	\$2,432	\$1,500
Fringe Benefits	3,646	593	0	593
Purchased Services	5,118	1,090	23	1,067
Materials and Supplies	14,100	11,155	11,155	0
Capital Outlay	1,976	0	0	0
Total Operation of Non-Instructional Services	47,520	16,770	13,610	3,160
<i>Total Expenditures</i>	1,635,095	1,566,612	1,325,573	241,039
Excess of Revenues Under Expenditures	(279,126)	(136,099)	(265,164)	(129,065)
<u>Other Financing Sources (Uses):</u>				
Transfers In	122,426	122,426	0	(122,426)
Transfers Out	(108,464)	(122,426)	0	122,426
Advances In	129,065	129,065	129,065	0
Advances Out	(2,640)	(131,705)	(2,640)	129,065
<i>Total Other Financing Sources (Uses)</i>	140,387	(2,640)	126,425	129,065
Net Change in Fund Balance	(138,739)	(138,739)	(138,739)	0
Fund Balance at Beginning of Year	135,944	135,944	135,944	0
Prior Year Encumbrances Appropriated	2,795	2,795	2,795	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title V Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$5,919	\$5,919	\$5,919	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	777	779	779	0
Fringe Benefits	412	411	411	0
Materials and Supplies	4,385	500	500	0
Capital Outlay	0	3,708	3,706	2
Total Instruction	5,574	5,398	5,396	2
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	237	0	0	0
Capital Outlay	460	873	670	203
Total Operation of Non-Instructional Services	697	873	670	203
<i>Total Expenditures</i>	6,271	6,271	6,066	205
Excess of Revenues Over (Under) Expenditures	(352)	(352)	(147)	205
<u>Other Financing Sources (Uses):</u>				
Transfers In	385	385	0	(385)
Advances Out	(113)	(113)	(113)	0
Transfers Out	(385)	(385)	0	385
Refund of Prior Year Receipts	(73)	(73)	0	73
<i>Total Other Financing Sources (Uses)</i>	(186)	(186)	(113)	73
Net Change in Fund Balance	(538)	(538)	(260)	278
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	538	538	538	0
Fund Balance at End of Year	\$0	\$0	\$278	\$278

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$19,749	\$19,749	\$11,936	(\$7,813)
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries	64	0	0	0
Fringe Benefits	55	0	0	0
Total Pupils	119	0	0	0
Instructional Staff:				
Salaries	10,497	11,850	10,249	1,601
Fringe Benefits	2,883	6,655	5,702	953
Purchased Services	6,132	544	250	294
Materials and Supplies	3,436	3,975	1,247	2,728
Total Instructional Staff	22,948	23,024	17,448	5,576
<i>Total Expenditures</i>	23,067	23,024	17,448	5,576
Excess of Revenues Under Expenditures	(3,318)	(3,275)	(5,512)	(2,237)
<u>Other Financing Sources (Uses):</u>				
Transfers In	3,479	3,479	0	(3,479)
Transfers Out	(3,436)	(3,479)	0	3,479
Advances In	0	2,239	2,239	0
Advances Out	0	(2,239)	0	2,239
<i>Total Other Financing Sources (Uses)</i>	43	0	2,239	2,239
Net Change in Fund Balance	(3,275)	(3,275)	(3,273)	2
Fund Balance at Beginning of Year	3,275	3,275	3,275	0
Fund Balance at End of Year	\$0	\$0	\$2	\$2

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Early Childhood Special Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$17,875	\$18,376	\$14,593	(\$3,783)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Materials and Supplies	0	432	0	432
Capital Outlay	0	862	862	0
Total Instruction	0	1,294	862	432
Support Services:				
Instructional Staff:				
Salaries	10,806	8,077	6,574	1,503
Fringe Benefits	7,810	9,080	8,458	622
Purchased Services	306	1,473	33	1,440
Total Support Services	18,922	18,630	15,065	3,565
<i>Total Expenditures</i>	18,922	19,924	15,927	3,997
Excess of Revenues Over (Under) Expenditures	(1,047)	(1,548)	(1,334)	214
<u>Other Financing Sources (Uses):</u>				
Transfers In	960	960	0	(960)
Transfers Out	(960)	(960)	0	960
Advances In	0	288	288	0
Advances Out	0	(288)	0	288
<i>Total Other Financing Sources (Uses)</i>	0	0	288	288
Net Change in Fund Balance	(1,047)	(1,548)	(1,046)	502
Fund Balance at Beginning of Year	1,047	1,047	1,047	0
Fund Balance (Deficit) at End of Year	\$0	(\$501)	\$1	\$502

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title II-A Special Revenue Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$378,032	\$377,624	\$280,940	(\$96,684)
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	227,932	243,496	215,109	28,387
Fringe Benefits	107,713	109,019	95,688	13,331
Purchased Services	22,189	0	0	0
Total Instruction	357,834	352,515	310,797	41,718
Support Services:				
Instructional Staff:				
Salaries	10,000	8,886	7,080	1,806
Fringe Benefits	1,646	1,664	1,206	458
Purchased Services	15,300	19,951	17,861	2,090
Materials and Supplies	6,817	5,173	2,555	2,618
Capital Outlay	0	3,000	1,202	1,798
Total Support Services	33,763	38,674	29,904	8,770
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	250	500	250	250
Materials and Supplies	250	0	0	0
Total Operation of Non-Instructional Services	500	500	250	250
<i>Total Expenditures</i>	392,097	391,689	340,951	50,738
Excess of Revenues Under Expenditures	(14,065)	(14,065)	(60,011)	(45,946)
<u>Other Financing Sources (Uses):</u>				
Transfers In	12,336	12,336	0	(12,336)
Transfers Out	(12,336)	(12,336)	0	12,336
Advances In	0	45,946	45,946	0
Advances Out	0	(45,946)	0	45,946
<i>Total Other Financing Sources (Uses)</i>	0	0	45,946	45,946
Net Change in Fund Balance	(14,065)	(14,065)	(14,065)	0
Fund Balance at Beginning of Year	14,065	14,065	14,065	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,299,240	\$1,267,632	\$1,020,711	(\$246,921)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,506	1,506	0	1,506
Materials and Supplies	0	6,000	6,000	0
Total Regular	1,506	7,506	6,000	1,506
Special:				
Salaries	336,230	325,527	284,777	40,750
Fringe Benefits	181,609	126,164	109,535	16,629
Materials and Supplies	78,245	145,657	145,657	0
Total Special	596,084	597,348	539,969	57,379
Total Instruction	597,590	604,854	545,969	58,885
Support Services:				
Pupils:				
Salaries	311,573	309,134	294,550	14,584
Fringe Benefits	163,022	159,842	142,931	16,911
Total Pupils	474,595	468,976	437,481	31,495
Instructional Staff:				
Salaries	104,660	102,147	98,132	4,015
Fringe Benefits	44,706	38,804	35,924	2,880
Purchased Services	48,980	26,322	25,931	391
Materials and Supplies	31,081	33,935	32,875	1,060
Capital Outlay	25,951	2,770	2,770	0
Total Instructional Staff	\$255,378	\$203,978	\$195,632	\$8,346

(continued)

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2007
(continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fiscal:				
Other	\$0	\$18,067	\$18,067	\$0
Total Support Services	<u>729,973</u>	<u>691,021</u>	<u>651,180</u>	<u>39,841</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	30	30	0
Capital Outlay	<u>0</u>	<u>70</u>	<u>70</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>0</u>	<u>100</u>	<u>100</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,327,563</u>	<u>1,295,975</u>	<u>1,197,249</u>	<u>98,726</u>
Excess of Revenues Under Expenditures	<u>(28,323)</u>	<u>(28,343)</u>	<u>(176,538)</u>	<u>(148,195)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	39,691	39,691	0	(39,691)
Transfers Out	(39,711)	(39,691)	0	39,691
Advances In	0	149,698	149,698	0
Advances Out	(1,994)	(151,692)	(1,994)	149,698
Refund of Prior Year Receipts	<u>(289)</u>	<u>(289)</u>	<u>0</u>	<u>289</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(2,303)</u>	<u>(2,283)</u>	<u>147,704</u>	<u>149,987</u>
Net Change in Fund Balance	(30,626)	(30,626)	(28,834)	1,792
Fund Balance at Beginning of Year	9,320	9,320	9,320	0
Prior Year Encumbrances Appropriated	<u>21,306</u>	<u>21,306</u>	<u>21,306</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,792</u></u>	<u><u>\$1,792</u></u>

Portsmouth City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Rentals	\$1,000,000	\$0	\$0	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay	<u>35,750</u>	<u>4,910</u>	<u>4,898</u>	<u>12</u>
Net Change in Fund Balance	964,250	(4,910)	(4,898)	12
Fund Balance at Beginning of Year	<u>4,910</u>	<u>4,910</u>	<u>4,910</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$969,160</u></u>	<u><u>\$0</u></u>	<u><u>\$12</u></u>	<u><u>\$12</u></u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Site Acquisition Capital Projects Fund
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Investment Earnings	\$200	\$110	\$105	(\$5)
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	14,587	27,958	27,473	485
Capital Outlay	13,461	0	0	0
<i>Total Expenditures</i>	<u>28,048</u>	<u>27,958</u>	<u>27,473</u>	<u>485</u>
Net Change in Fund Balance	(27,848)	(27,848)	(27,368)	480
Fund Balance at Beginning of Year	13,259	13,259	13,259	0
Prior Year Encumbrances Appropriated	<u>14,589</u>	<u>14,589</u>	<u>14,589</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$480</u>	<u>\$480</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Athletic Complex Project Capital Projects Fund
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Investment Earnings	\$4,633	\$4,575	\$4,575	\$0
Contributions and Donations	\$270,367	266,997	200,000	(66,997)
<i>Total Revenues</i>	<u>275,000</u>	<u>271,572</u>	<u>204,575</u>	<u>(66,997)</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	0	40,000	15,000	25,000
Building Improvement Services:				
Purchased Services	1,811	2,354	2,354	0
Materials and Supplies	0	411	411	0
Capital Outlay	273,189	226,752	157,240	69,512
Other	0	175	175	0
Total Building Improvement Services	<u>275,000</u>	<u>229,692</u>	<u>160,180</u>	<u>69,512</u>
Other Facilities Acquisition and Construction Services:				
Purchased Services	0	1,500	1,500	0
Other	0	40	40	0
Total Other Facilities Acquisition and Construction Services	<u>0</u>	<u>1,540</u>	<u>1,540</u>	<u>0</u>
<i>Total Expenditures</i>	<u>275,000</u>	<u>271,232</u>	<u>176,720</u>	<u>94,512</u>
Net Change in Fund Balance	0	340	27,855	27,515
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$340</u>	<u>\$27,855</u>	<u>\$27,515</u>

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STATISTICAL SECTION

STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	108-119
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	120-131
These schedules contain information to help the reader assess the School District's most significant local revenue sources.	
Debt Capacity	132-137
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Demographic and Economic Information	138-141
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating information	142-159
These schedules contain service and capital assets data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

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

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

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

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$19,628,944	\$47,821,407	\$53,930,015	\$50,533,831
41,319,641	13,801,697	5,658,264	3,912,988
<u>(395,286)</u>	<u>443,079</u>	<u>(24,392)</u>	<u>275,794</u>
<u><u>\$60,553,299</u></u>	<u><u>\$62,066,183</u></u>	<u><u>\$59,563,887</u></u>	<u><u>\$54,722,613</u></u>

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

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

2004	2005	2006	2007 (1)
\$10,475,429	\$10,608,667	\$11,999,590	\$12,640,485
5,685,775	5,436,258	6,622,247	5,788,924
436,071	431,277	380,329	410,481
0	0	445,405	1,174,211
38,500	35,000	43,500	38,500
1,249,081	1,121,140	1,760,834	1,704,291
2,170,104	1,987,011	2,352,092	2,044,780
14,780	16,589	17,703	19,611
1,491,750	1,367,234	1,735,751	1,814,350
618,945	642,889	655,226	678,032
117,910	109,044	117,299	91,249
2,241,541	1,795,612	2,053,486	2,761,532
449,424	375,360	633,970	751,522
58,711	22,133	30,025	90,398
993,307	1,003,493	1,195,821	1,270,836
250,077	203,699	227,513	224,685
241,093	252,910	290,208	301,445
892,098	860,111	825,820	763,791
27,424,596	26,268,427	31,386,819	32,569,123
682,970	601,777	546,511	722,722
251,524	37,294	0	21,557
0	35,426	384	0
40,228	41,114	0	0
0	0	1,529	10,031
5,698	6,913	4,703	0
148,712	145,301	34,135	38,401
1,501	0	1,000	42,650
211,138	206,136	191,444	231,560
66,276	78,653	93,600	69,494
4,923,390	4,749,113	5,849,948	5,929,213
53,438	0	0	226,000
6,384,875	5,901,727	6,723,254	7,291,628
(\$21,039,721)	(\$20,366,700)	(\$24,663,565)	(\$25,277,495)

(continued)

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

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

* The School District was awarded a grant in the amount of \$52,617,285 on December 14, 2001, from the Ohio School Facilities Commission for the construction of new facilities. At June 30, 2007, the new facilities were complete and it was determined that \$2,476,078 of the grant would not be received. Therefore, revenue was reduced since the total amount of the grant had been reported as revenue in fiscal year 2002, the year of the grant award.

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

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

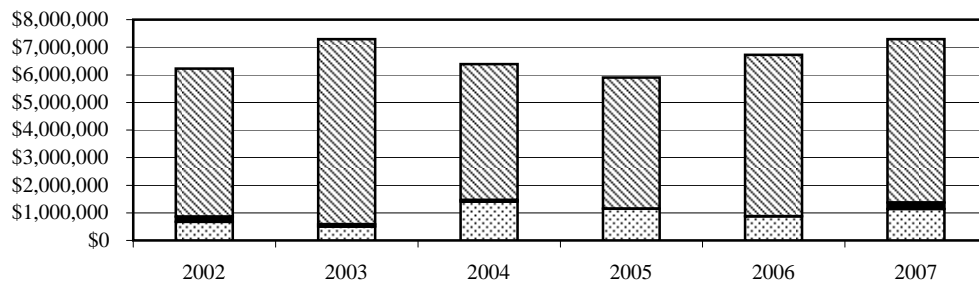
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$4,395,841	\$4,644,731	\$4,776,914	\$4,643,256
1,049,924	1,228,724	1,267,834	1,236,071
79,690	88,356	89,670	87,507
14,682,918	15,183,620	15,174,137	15,979,356
0	0	0	(2,476,078) *
17,724	10,270	96,988	21,861
116,557	516,895	659,852	495,355
74,774	206,988	95,874	448,893
<u>2,492</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>20,419,920</u>	<u>21,879,584</u>	<u>22,161,269</u>	<u>20,436,221</u>
<u><u>(\$619,801)</u></u>	<u><u>\$1,512,884</u></u>	<u><u>(\$2,502,296)</u></u>	<u><u>(\$4,841,274)</u></u>

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

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

2004	2005	2006	2007
\$2,042,953	\$776,829	\$655,376	\$780,193
2,108,342	2,525,523	2,961,157	2,862,385
132,085	133,713	123,342	108,519
0	0	0	594,453
38,500	35,000	43,500	38,500
229,734	334,395	903,686	695,466
293,214	748,177	740,038	626,664
0	0	1,529	10,431
1,000	0	22,066	18,789
5,698	6,913	4,703	0
249,966	145,301	34,135	264,401
12,039	11,266	20,486	55,794
8,097	6,557	6,799	7,190
968,424	896,858	863,570	947,947
204,488	202,317	234,370	200,688
90,335	78,878	108,497	80,208
<u>\$6,384,875</u>	<u>\$5,901,727</u>	<u>\$6,723,254</u>	<u>\$7,291,628</u>

Program Revenues by Type



- ▨ Operating Grants, Contributions, and Interest
- Capital Grants, Contributions, and Interest
- ▩ Charges for Services

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

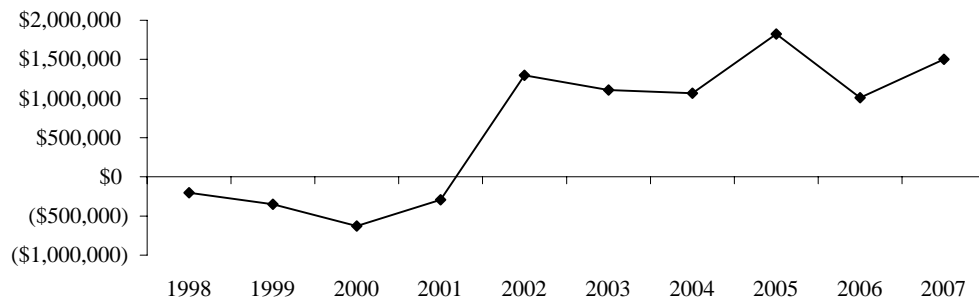
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund:				
Reserved	\$494,791	\$480,443	\$598,068	\$818,634
Unreserved, Designated for:				
Future Severance Payments	0	0	0	0
Employee Health Benefits	0	0	0	0
Unreserved (Deficit)	<u>(696,849)</u>	<u>(829,289)</u>	<u>(1,224,909)</u>	<u>(1,110,982)</u>
<i>Total General Fund (Deficit)</i>	<u>(202,058)</u>	<u>(348,846)</u>	<u>(626,841)</u>	<u>(292,348)</u>
All Other Governmental Funds:				
Reserved	56,293	186,442	202,226	95,721
Unreserved, Undesignated Reported in:				
Special Revenue Funds	460,624	650,217	850,052	1,002,253
Debt Service Fund	0	0	0	0
Capital Projects Funds	<u>729,411</u>	<u>325,301</u>	<u>149,516</u>	<u>69,915</u>
<i>Total All Other Governmental Funds</i>	<u>1,246,328</u>	<u>1,161,960</u>	<u>1,201,794</u>	<u>1,167,889</u>
<i>Total Governmental Funds</i>	<u>\$1,044,270</u>	<u>\$813,114</u>	<u>\$574,953</u>	<u>\$875,541</u>

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

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

2002	2003	2004	2005	2006	2007
\$1,192,016	\$1,272,715	\$853,449	\$853,035	\$570,286	\$386,658
0	0	0	0	144,916	39,497
0	0	0	0	0	260,012
105,014	(165,221)	213,041	970,227	320,259	816,255
1,297,030 *	1,107,494	1,066,490	1,823,262	1,035,461	1,502,422
288,411	332,974	227,587	210,291	2,600,479	314,250
803,651	492,049	549,751	655,987	800,755	422,042
507,497	806,254	925,963	1,198,864	1,526,591	1,572,878
17,260,396 **	16,448,189	21,837,486	15,763,438	3,042,442	2,632,126
18,859,955	18,079,466	23,540,787	17,828,580	7,970,267	4,941,296
<u>\$20,156,985</u>	<u>\$19,186,960</u>	<u>\$24,607,277</u>	<u>\$19,651,842</u>	<u>\$9,005,728</u>	<u>\$6,443,718</u>

Fund Balance of the General Fund



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

	1998	1999	2000	2001	2002
<u>Revenues:</u>					
Property Taxes	\$4,128,605	\$4,154,222	\$4,236,890	\$4,218,468	\$5,365,498
Intergovernmental	16,328,843	17,068,383	16,837,647	18,117,379	19,723,492
Investment Earnings	169,199	205,173	195,141	171,599	292,402
Increase (Decrease) in Fair Value of Investments	0	0	0	0	82,856
Tuition and Fees	31,966	4,370	102,917	44,146	312,936
Extracurricular Activities	160,805	175,251	140,454	136,602	91,939
Rentals	17,826	11,358	2,814	5,472	39,801
Charges for Services	494,153	289,602	299,970	339,052	218,602
Contributions and Donations	51,494	33,237	26,434	50,488	52,885
Miscellaneous	266,014	139,055	149,179	287,358	1,745,779
Total Revenues	21,648,905	22,080,651	21,991,446	23,370,564	27,926,190
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	6,653,966	6,561,255	6,557,561	7,162,473	9,789,456
Special	3,705,898	4,407,544	4,358,619	4,855,621	5,338,568
Vocational	592,689	599,697	581,967	309,130	400,072
Adult Continuing	34,953	9,373	0	0	0
Student Intervention Services	0	0	0	0	0
Intergovernmental	449,800	450,300	62,370	70,000	35,000
Other	1,176,751	1,626,974	1,815,803	1,802,225	0
Support:					
Pupils	1,016,706	1,018,108	1,083,640	1,156,875	1,249,195
Instructional Staff	988,939	1,202,427	1,343,213	1,478,115	2,488,248
Board of Education	17,910	23,605	21,922	20,021	19,134
Administration	1,378,777	1,429,757	1,706,539	1,540,360	1,213,258
Fiscal	385,867	443,856	448,584	490,428	675,353
Business	96,869	105,837	45,146	69,677	69,701
Operation and Maintenance of Plant	1,821,551	1,904,219	1,653,162	1,914,292	1,529,814
Pupil Transportation	350,333	462,206	340,371	407,401	446,885
Central	76,980	77,371	66,516	66,584	24,932
Operation of Non-Instructional Services	1,215,637	1,190,403	1,309,979	1,226,452	1,246,882
Extracurricular Activities	394,367	349,163	414,548	394,193	261,428
Capital Outlay	0	623,242	47,575	393,610	917,141
Debt Service:					
Principal Retirement	108,552	447,788	392,367	88,514	109,564
Interest and Fiscal Charges	5,646	19,025	15,664	26,317	412,370
Capital Appreciation Bonds Interest	0	0	0	0	0
Issuance Costs	0	0	0	0	256,050
Total Expenditures	20,472,191	22,952,150	22,265,546	23,472,288	26,483,051
Excess of Revenues Over (Under) Expenditures	1,176,714	(871,499)	(274,100)	(101,724)	1,443,139
<u>Other Financing Sources (Uses):</u>					
General Obligation Refunding Bonds Issued	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Premium on Debt Issuance	0	0	0	0	450,106
Proceeds from Sale of Capital Assets	56,264	17,101	710	32,818	286,697
General Obligation Bonds Issued	0	0	0	0	17,070,000
Inception of Capital Lease	0	623,242	35,229	369,494	31,502
Transfers - In	90,193	152,813	34,284	17,413	324,863
Transfers - Out	(90,193)	(152,813)	(34,284)	(17,413)	(324,863)
Total Other Financing Sources (Uses)	56,264	640,343	35,939	402,312	17,838,305
Net Change in Fund Balances	\$1,232,978	(\$231,156)	(\$238,161)	\$300,588	\$19,281,444
Debt Service as a Percentage of Noncapital Expenditures	0.6%	2.1%	1.9%	0.5%	2.1%

2003	2004	2005	2006	2007
\$5,374,990	\$5,540,481	\$5,843,336	\$6,113,783	\$5,950,227
23,914,235	37,997,577	42,090,396	24,873,719	22,290,286
584,426	333,039	481,669	579,137	401,874
(117,429)	(189,997)	31,957	84,038	99,088
185,829	878,400	708,727	581,230	769,582
94,187	97,985	86,933	100,858	85,294
5,462	148,712	145,301	3,407	19,175
214,639	276,341	202,898	186,765	226,760
38,400	17,457	47,420	220,770	299,081
121,507	108,472	206,457	96,895	448,893
<u>30,416,246</u>	<u>45,208,467</u>	<u>49,845,094</u>	<u>32,840,602</u>	<u>30,590,260</u>
9,307,594	10,370,515	10,452,972	11,449,775	11,231,770
5,442,891	5,638,357	5,466,596	5,685,519	5,283,592
363,008	357,922	364,702	282,628	372,088
0	0	0	0	0
0	0	0	445,405	1,033,777
39,500	38,500	35,000	43,500	38,500
0	0	0	0	0
1,420,847	1,172,511	1,133,842	1,551,356	1,580,635
2,020,626	2,118,813	1,952,423	1,948,181	1,867,975
17,640	14,914	16,589	17,703	19,341
1,364,087	1,389,199	1,372,555	1,373,106	1,497,568
607,672	580,902	636,210	618,325	637,334
72,086	159,315	75,031	119,389	61,244
1,557,969	1,713,799	1,595,541	1,864,911	2,411,030
444,353	569,236	396,939	423,496	628,841
20,117	55,389	22,133	30,025	69,681
1,216,765	1,272,591	1,239,057	1,168,103	1,273,249
269,825	248,846	257,171	286,170	270,860
6,266,203	12,799,738	28,587,294	14,932,204	3,708,759
384,696	521,813	461,304	520,604	243,579
827,138	765,790	744,136	729,816	721,991
0	0	0	0	207,456
0	0	0	0	159,703
<u>31,643,017</u>	<u>39,788,150</u>	<u>54,809,495</u>	<u>43,490,216</u>	<u>33,318,973</u>
<u>(1,226,771)</u>	<u>5,420,317</u>	<u>(4,964,401)</u>	<u>(10,649,614)</u>	<u>(2,728,713)</u>
0	0	0	0	9,800,000
0	0	0	0	(10,266,546)
0	0	0	0	626,249
0	0	0	3,500	7,000
0	0	0	0	0
256,746	0	8,966	0	0
36,731	73,100	315,710	220,267	306,451
(36,731)	(73,100)	(315,710)	(220,267)	(306,451)
<u>256,746</u>	<u>0</u>	<u>8,966</u>	<u>3,500</u>	<u>166,703</u>
<u>(\$970,025)</u>	<u>\$5,420,317</u>	<u>(\$4,955,435)</u>	<u>(\$10,646,114)</u>	<u>(\$2,562,010)</u>
4.8%	4.8%	4.6%	4.0%	4.3%

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

Collection Year	Real Property			Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
1998	\$97,920,050	\$43,147,810	\$403,051,029	\$21,558,640	\$86,234,560
1999	110,873,820	48,128,590	454,292,600	22,045,820	88,183,280
2000	110,456,640	46,815,780	449,349,771	20,300,350	81,201,400
2001	110,672,470	46,777,950	449,858,343	20,616,890	82,467,560
2002	127,228,410	52,978,750	514,877,600	15,320,670	61,282,680
2003	127,041,000	52,918,540	514,170,114	15,199,070	60,796,280
2004	126,824,450	54,816,720	518,974,771	15,627,110	62,508,440
2005	138,236,930	59,627,020	565,325,571	15,406,410	61,625,640
2006	138,193,810	61,781,900	571,359,171	15,599,920	62,399,680
2007	137,372,790	64,103,370	575,646,171	15,387,970	61,551,880

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

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

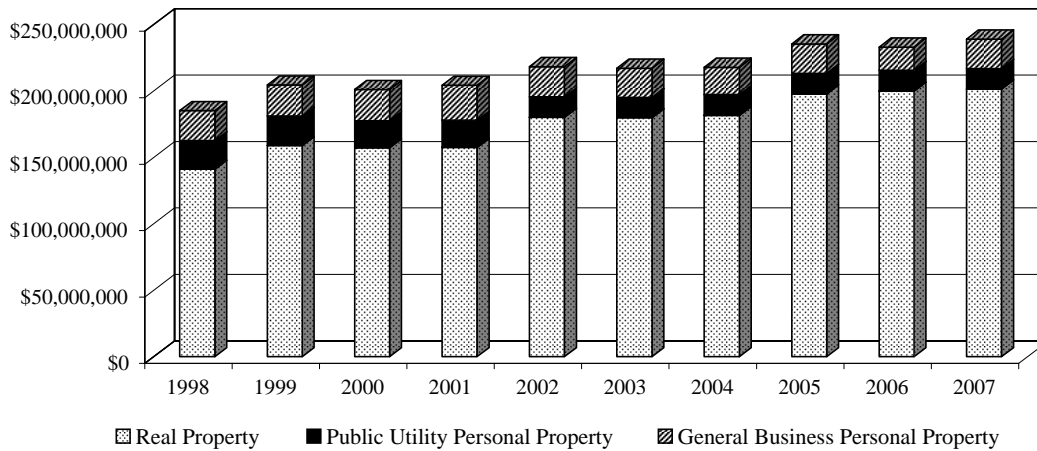
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

Source: Ohio Department of Taxation

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

Personal Property		Total			Weighted Average Tax Rate (per \$1,000 of assessed value)
General Business		Assessed Value	Estimated Actual Value	Ratio (1)	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (1)	
\$22,661,750	\$90,647,000	\$185,288,250	\$579,932,589	31.95%	\$21.57
23,413,060	93,652,240	204,461,290	636,128,120	32.14	19.90
23,567,270	94,269,080	201,140,040	624,820,251	32.19	19.91
26,114,910	104,459,640	204,182,220	636,785,543	32.06	20.07
22,834,840	91,339,360	218,362,670	667,499,640	32.71	25.36
21,992,344	87,969,376	217,150,954	662,935,770	32.76	25.34
20,558,371	82,233,484	217,826,651	663,716,695	32.82	25.28
22,180,082	88,720,328	235,450,442	715,671,539	32.90	25.08
17,455,515	93,096,080	233,031,145	726,854,931	32.06	24.84
22,180,082	177,440,656	239,044,212	814,638,707	29.34	27.63

Assessed Value of Taxable Property



Portsmouth City School District
Principal Property Taxpayers
Real Property Tax
Fiscal Years 2007 and 1998

Tax Payer	2007		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Southern Ohio Medical Center Title Holding	\$4,197,130	1	2.08%
Hillview Retirement Center	2,693,060	2	1.34
Neal and Vicky Hatcher	2,453,880	3	1.22
OSCO Industries, Inc.	1,237,960	4	0.62
Portsmouth City School District	974,490	5	0.48
Scioto Memorial Hospital	854,460	6	0.42
Forest Heights	831,400	7	0.41
PGS Rentals	808,470	8	0.40
Liberty Nursing Home Properties	756,150	9	0.38
Schottenstein Trustees	720,450	10	0.36
Fifth Third Bank	-	-	-
Canter Inns	-	-	-
Total	15,527,450		7.71%
All Others	185,948,710		92.29
Total Assessed Valuation	<u>\$201,476,160</u>		<u>100.00%</u>

Source: Scioto County Auditor

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

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

Portsmouth City School District
Principal Property Taxpayers
Public Utility Personal Property Tax
Fiscal Years 2007 and 1998

Tax Payer	2007		Percentage of Public Utility Property Assessed Valuation
	Assessed Value	Rank	
Ohio Power	\$8,882,750	1	57.73%
Verizon North	1,707,030	2	11.09
Columbia Gas	1,477,790	3	9.60
Norfolk and Southern Railway	1,266,070	4	8.23
Minford Cellular	256,950	5	1.67
New Cingular Wireless PCS	170,190	6	1.11
West Virginia PCS Alliance	94,050	7	0.61
CSX Transportation, Inc.	50,100	8	0.33
Horizontal Personal Communications	45,140	9	0.29
US Sprint Communication Co.	34,340	10	0.22
General Telephone	-	-	-
N & W Railway	-	-	-
Total	13,984,410		90.88%
All Others	1,403,560		9.12
Total Assessed Valuation	\$15,387,970		100.00%

Source: Scioto County Auditor

(1) Information was available for only four businesses in 1998.

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

Portsmouth City School District
Principal Property Taxpayers
General Business Personal Property Tax
Fiscal Years 2007 and 1998

Tax Payer	2007		Percentage of Tangible Personal Property Assessed Valuation
	Assessed Value	Rank	
OSCO Industries, Inc.	\$1,962,350	1	8.85%
Verizon North	1,086,080	2	4.90
B.P. America, Inc.	605,170	3	2.73
Oberling Ford, Inc.	467,350	4	2.11
Mitchellace, Inc.	433,870	5	1.96
General Electric Credit	313,300	6	1.41
Kroger Company	295,270	7	1.33
Philips Medical Capital LLC	255,990	8	1.15
Siemens Financial Services	252,320	9	1.14
Time Warner NY Cable	248,050	10	1.12
Century Ohio Cable Television Corporation	-	-	-
Sherman International	-	-	-
Rogers Steel Company	-	-	-
Martings Bros. Co.	-	-	-
Thomson Newspaper	-	-	-
Total	5,919,750		26.70%
All Others	16,260,332		73.30
Total Assessed Valuation	<u>\$22,180,082</u>		<u>100.00%</u>

Source: Scioto County Auditor

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

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

	1998	1999	2000	2001
UNVOTED MILLAGE:				
Operating	\$3.66	\$3.66	\$3.66	\$3.66
VOTED MILLAGE - BY LEVY:				
1976 Current Expense				
Residential/Agricultural Real	\$9.16	\$8.14	\$8.16	\$8.16
Commercial/Industrial and Public Utility Real	10.06	9.30	9.42	9.44
General Business and Public Utility Personal	18.07	18.07	18.07	18.07
1979 Current Expense				
Residential/Agricultural Real	3.66	3.25	3.26	3.26
Commercial/Industrial and Public Utility Real	3.67	3.40	3.44	3.45
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
1988 Current Expense				
Residential/Agricultural Real	5.59	4.94	4.95	4.95
Commercial/Industrial and Public Utility Real	5.46	5.05	5.12	5.13
General Business and Public Utility Personal	6.40	6.40	6.40	6.40
2001 Bond Levy (\$11,550,000)	0.00	0.00	0.00	0.00
2001 Site Acquisition (\$5,520,000)	0.00	0.00	0.00	0.00
2001 Classroom Facilities				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
TOTAL VOTED MILLAGE BY TYPE OF PROPERTY				
Residential/Agricultural Real	18.41	16.33	16.37	16.37
Commercial/Industrial and Public Utility Real	19.19	17.75	17.98	18.02
General Business and Public Utility Personal	30.87	30.87	30.87	30.87
TOTAL SCHOOL DISTRICT MILLAGE				
	34.53	34.53	34.53	34.53
OVERLAPPING RATES BY TAXING DISTRICT				
TOWNSHIPS:				
Residential/Agricultural Real	0.17 - 2.82	0.27 - 2.92	0.34 - 2.92	0.34 - 2.92
Commercial/Industrial and Public Utility Real	0.22 - 2.95	0.13 - 2.92	0.38 - 2.92	0.38 - 2.92
General Business and Public Utility Personal	0.40 - 3.00	0.40 - 2.92	0.50 - 2.92	0.50 - 2.92
CORPORATIONS:				
Residential/Agricultural Real	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49
Commercial/Industrial and Public Utility Real	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49
General Business and Public Utility Personal	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49	0.30 - 4.49
SCIOTO COUNTY JOINT VOCATIONAL SCHOOL DISTRICT:				
Residential/Agricultural Real	0.62 - 0.96	0.60 - 0.81	0.60 - 0.81	0.60 - 0.81
Commercial/Industrial and Public Utility Real	0.77 - 1.00	0.70 - 0.92	0.71 - 0.92	0.71 - 0.92
General Business and Public Utility Personal	1.37 - 1.50	1.37 - 1.50	1.37 - 1.50	1.37 - 1.50
COUNTY AND OTHER UNITS:				
Residential/Agricultural Real	0.14 - 2.26	0.11 - 2.08	0.11 - 2.08	0.11 - 2.08
Commercial/Industrial and Public Utility Real	0.17 - 2.25	0.15 - 2.08	0.16 - 2.08	0.16 - 2.08
General Business and Public Utility Personal	0.20 - 2.60	0.20 - 2.08	0.20 - 2.08	0.20 - 2.08

Source: Ohio Department of Taxation

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

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

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

2002	2003	2004	2005	2006	2007
\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$3.66
\$8.48	\$8.49	\$8.50	\$8.66	\$8.67	\$8.68
8.64	8.66	8.67	8.69	8.70	8.78
18.07	18.07	18.07	18.07	18.07	18.07
3.28	3.29	3.29	3.30	3.30	3.31
3.16	3.16	3.17	3.16	3.16	3.19
6.40	6.40	6.40	6.40	6.40	6.40
4.57	4.58	4.58	4.38	4.39	4.39
4.69	4.71	4.71	4.49	4.50	4.54
6.40	6.40	6.40	6.40	6.40	6.40
4.00	4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00	2.00
0.43	0.44	0.44	0.40	0.40	0.40
0.46	0.46	0.46	0.43	0.43	0.43
0.50	0.50	0.50	0.50	0.50	0.50
22.76	22.80	22.81	22.74	22.76	22.78
22.95	22.99	23.01	22.77	22.79	22.94
37.37	37.37	37.37	37.37	37.37	37.37
41.03	41.03	41.03	41.03	41.03	41.03
0.30 - 2.92	0.30 - 2.92	0.30 - 2.92	0.27 - 2.92	0.27 - 2.92	0.12 - 3.89
0.35 - 2.92	0.37 - 2.92	0.36 - 2.92	0.35 - 2.92	0.35 - 2.92	0.14 - 4.60
0.50 - 2.92	0.50 - 2.92	0.50 - 2.92	0.50 - 2.92	0.50 - 3.00	0.26 - 6.00
0.30 - 4.49	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 5.43
0.30 - 4.49	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 5.70
0.30 - 4.49	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 6.00
0.61 - 0.73	0.61 - 0.73	0.61 - 0.73	0.61 - 0.72	0.61 - 0.73	0.61 - 0.72
0.66 - 0.86	0.66 - 0.86	0.46 - 0.86	0.43 - 0.81	0.43 - 0.74	0.64 - 0.83
1.37 - 1.50	1.37 - 1.50	0.50 - 1.50	1.37 - 1.50	1.00 - 1.50	1.00 - 1.50
0.10 - 2.08	0.10 - 2.08	0.10 - 2.08	0.09 - 2.08	0.09 - 3.30	0.09 - 3.30
0.15 - 2.08	0.15 - 2.08	0.15 - 2.08	0.14 - 2.08	0.14 - 3.30	0.14 - 3.30
0.20 - 2.08	0.20 - 2.08	0.20 - 2.08	0.20 - 2.08	0.20 - 3.30	0.20 - 3.30

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

Collection Year (1)	Total Tax Levied (2)	Current Tax Collection (3)	Percent of Current Levy Collected	Delinquent Tax Collection (4)
1997	\$4,814,798	\$3,566,948	74.08%	\$148,623
1998	4,899,332	3,544,707	72.35	183,734
1999	4,680,066	3,343,290	71.44	152,646
2000	5,084,471	3,776,181	74.27	179,816
2001	4,469,364	3,657,368	81.83	191,726
2002	5,978,480	5,130,633	85.82	219,892
2003	6,152,078	4,275,122	69.49	251,084
2004	6,390,997	4,471,383	69.96	224,048
2005	6,155,199	5,475,920	88.96	294,474
2006	7,176,401	5,498,085	76.61	334,023

Source: Scioto County Auditor

- (1) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) State reimbursements of rollback and homestead exemptions are not included.
- (4) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Total Levy</u>	<u>Outstanding Delinquent Taxes (4)</u>	<u>Percent of Outstanding Delinquent Taxes To Total Tax Levied</u>
\$3,715,571	77.17%	\$578,103	12.01%
3,728,441	76.10	585,343	11.95
3,495,936	74.70	377,524	8.07
3,955,997	77.81	287,126	5.65
3,849,094	86.12	548,323	12.27
5,350,525	89.50	756,705	12.66
4,526,206	73.57	529,657	8.61
4,695,431	73.47	744,845	11.65
5,770,394	93.75	832,330	13.52
5,832,108	81.27	836,619	11.66

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

Fiscal Year	General Obligation Bonds (1)	EPA Asbestos Loan (1)	Capital Leases (1)	Total Outstanding Debt	Estimated Actual Value (2)
1998	\$0	\$135,694	\$343,522	\$479,216	\$579,932,589
1999	0	121,410	529,643	651,053	636,128,120
2000	0	107,126	180,624	287,750	624,820,251
2001	0	92,842	346,482	439,324	636,785,543
2002	17,533,309	78,558	282,704	17,894,571	667,499,640
2003	17,109,764	64,274	444,038	17,618,076	662,935,770
2004	16,848,207	49,990	173,169	17,071,366	663,716,695
2005	16,595,089	35,707	95,114	16,725,910	715,671,539
2006	16,267,255	21,423	3,794	16,292,472	726,854,931
2007	15,911,027	7,139	2,043	15,920,209	814,638,707

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

<u>Population (3)</u>	<u>Personal Income (4)</u>	<u>Ratio of Debt to Estimated Actual Value</u>	<u>Ratio of Debt to Personal Income</u>	<u>Debt Per Capita</u>
22,676	\$233,154,632	0.08%	0.21%	\$21.13
22,676	233,154,632	0.10	0.28	28.71
20,909	315,265,902	0.05	0.09	13.76
20,909	315,265,902	0.07	0.14	21.01
20,909	315,265,902	2.68	5.68	855.83
20,909	315,265,902	2.66	5.59	842.61
20,909	315,265,902	2.57	5.41	816.46
20,909	315,265,902	2.34	5.31	799.94
20,909	315,265,902	2.24	5.17	779.21
20,909	315,265,902	1.95	5.05	761.40

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

Fiscal Year	General Obligation Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of General Obligation Debt to Estimated Actual Value	General Obligation Debt Per Capita
2002	\$17,533,309	\$667,499,640	20,909	2.63%	\$838.55
2003	17,109,764	662,935,770	20,909	2.58	818.30
2004	16,848,207	663,716,695	20,909	2.54	805.79
2005	16,595,089	715,671,539	20,909	2.32	793.68
2006	16,267,255	726,854,931	20,909	2.24	778.00
2007	15,911,027	814,638,707	20,909	1.95	760.97

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

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

Portsmouth City School District
Computation of Direct and Overlapping Debt
 June 30, 2007

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
Portsmouth City School District:			
General Obligation Bonds	\$15,911,027	100.00%	\$15,911,027
EPA Asbestos Loan	7,139	100.00	7,139
Capital Lease Obligation	2,043	100.00	2,043
	<hr/>		<hr/>
Total Direct Debt	15,920,209		15,920,209
	<hr/>		<hr/>
Overlapping:			
Scioto County:			
General Obligation Bonds	13,562,558	26.88	3,645,616
Loan Obligation	2,217,016	26.88	595,934
Capital Lease Obligation	1,824,072	26.88	490,311
	<hr/>		<hr/>
City of Portsmouth:			
General Obligation Bonds	1,865,000	100.00	1,865,000
Bond Anticipation Notes	22,475	100.00	22,475
	<hr/>		<hr/>
Total Overlapping Debt	19,491,121		6,619,335
	<hr/>		<hr/>
Total Direct and Overlapping Debt	\$35,411,330		\$22,539,544
	<hr/> <hr/>		<hr/> <hr/>

Source: Ohio Municipal Advisory Council

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

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

	1998	1999	2000
Total Assessed Valuation	\$185,288,250	\$204,461,290	\$201,140,040
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Property Valuation	0	0	0
Total Assessed Valutaion used to Calculate Legal Debt Margin (1)	185,288,250	204,461,290	201,140,040
Overall debt limitation - 9.0% of assessed valuation (2)	16,675,943	18,401,516	18,102,604
Gross indebtedness authorized by the School District	135,694	121,410	107,126
Less exempt debt:			
EPA Asbestos Loan	(135,694)	(121,410)	(107,126)
Debt within 9.0% limitation	0	0	0
Less amount available in the debt service fund	0	0	0
Net debt within 9.0% limitation	0	0	0
Legal debt margin within 9.0% limitation	<u>\$16,675,943</u>	<u>\$18,401,516</u>	<u>\$18,102,604</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.0%	100.0%	100.0%
<hr/>			
Unvoted debt limitation .10% of assessed valuation (2)	\$185,288	\$204,461	\$201,140
Gross indebtedness authorized by the School District	135,694	121,410	107,126
Less exempt debt:			
EPA Asbestos Loan	(135,694)	(121,410)	(107,126)
Legal debt margin within .10% limitation	<u>\$185,288</u>	<u>\$204,461</u>	<u>\$201,140</u>
Unvoted Legal Debt Margin as a Percentage of the Excess of Revenues Over (Under) Expenditures	100.0%	100.0%	100.0%

Source: Scioto County Auditor and School District Records

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

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

2001	2002	2003	2004	2005	2006	2007
\$204,182,220	\$218,362,670	\$217,150,954	\$217,826,651	\$235,450,442	\$233,031,145	\$239,044,212
0	0	0	0	0	(4,636,680)	(3,882,440)
0	0	0	0	0	(17,455,515)	(22,180,082)
204,182,220	218,362,670	217,150,954	217,826,651	235,450,442	210,938,950	212,981,690
18,376,400	19,652,640	19,543,586	19,604,399	21,190,540	18,984,506	19,168,352
92,842	17,148,558	16,859,274	16,494,990	16,120,707	15,691,423	15,449,595
(92,842)	(78,558)	(64,274)	(49,990)	(35,707)	(21,423)	(7,139)
0	17,070,000	16,795,000	16,445,000	16,085,000	15,670,000	15,442,456
0	(648,230)	(875,363)	(981,047)	(1,270,369)	(1,593,664)	(1,636,739)
0	16,421,770	15,919,637	15,463,953	14,814,631	14,076,336	13,805,717
<u>\$18,376,400</u>	<u>\$3,230,870</u>	<u>\$3,623,949</u>	<u>\$4,140,446</u>	<u>\$6,375,909</u>	<u>\$4,908,170</u>	<u>\$5,362,635</u>
100.0%	16.4%	18.5%	21.1%	30.1%	25.9%	28.0%
\$204,182	\$218,363	\$217,151	\$217,827	\$235,450	\$210,939	\$212,982
92,842	78,558	64,274	49,990	35,707	21,423	7,139
(92,842)	(78,558)	(64,274)	(49,990)	(35,707)	(21,423)	(7,139)
<u>\$204,182</u>	<u>\$218,363</u>	<u>\$217,151</u>	<u>\$217,827</u>	<u>\$235,450</u>	<u>\$210,939</u>	<u>\$212,982</u>
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)
1998	22,676	\$233,154,632	\$10,282	N/A	N/A
1999	22,676	233,154,632	10,282	N/A	N/A
2000	20,909	315,265,902	15,078	\$23,004	38
2001	20,909	315,265,902	15,078	23,004	38
2002	20,909	315,265,902	15,078	23,004	38
2003	20,909	315,265,902	15,078	23,004	38
2004	20,909	315,265,902	15,078	23,004	38
2005	20,909	315,265,902	15,078	23,004	38
2006	20,909	315,265,902	15,078	23,004	38
2007	20,909	315,265,902	15,078	23,004	38

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

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Scioto County Unemployment Rate (4)</u>	<u>State of Ohio Unemployment Rate (4)</u>	<u>U.S.A. Unemployment Rate (4)</u>	<u>Total Assessed Property Value (5)</u>
10.5%	3,180	10.70%	4.40%	4.70%	\$185,288,250
10.5	3,059	9.16	4.35	4.42	204,461,290
12.5	2,918	8.30	3.90	4.10	201,140,040
12.5	2,628	6.30	4.00	4.90	204,182,220
12.5	2,257	8.50	5.60	5.90	218,362,670
12.5	2,188	8.10	5.50	5.80	217,150,954
12.5	2,172	8.10	6.00	5.50	217,826,651
12.5	2,079	8.40	5.70	5.00	235,450,442
12.5	1,982	7.40	5.20	4.80	233,031,145
12.5	2,119	7.90	6.10	4.70	239,044,212

Portsmouth City School District
Principal Employers
Fiscal Years 2007 and 1998

Employer	2007		
	Total Employees	Rank	Percentage of Total Employees
Southern Ohio Medical Center	2,400	1	44.02%
Scioto County	750	2	13.76
Shawnee State University	525	3	9.63
State of Ohio	480	4	8.80
City of Portsmouth	289	5	5.30
Portsmouth City School District	270	6	4.95
OSCO Industries, Inc.	220	7	4.04
Community Action Organization	187	8	3.43
Kroger Company	181	9	3.32
Ohio Troopers Coalition	150	10	2.75
Lockheed Martin	-	-	-
Mitchellace, Inc.	-	-	-
Norfolk and Southern Railway	-	-	-
Total Employees	<u>5,452</u>		<u>100.00%</u>

Source: City of Portsmouth

1998		
Total Employees	Rank	Percentage of Total Employees
1,600	1	34.02%
632	2	13.44
350	5	7.44
367	4	7.81
280	9	5.95
321	7	6.83
282	8	6.00
-	-	-
-	-	-
-	-	-
400	3	8.51
325	6	6.91
145	10	3.08
<u>4,702</u>		<u>100.00%</u>

Portsmouth City School District
Building Statistics
Last Ten Fiscal Years

	1998	1999	2000
Portsmouth Middle/High School (8)			
Constructed in 1906			
Total Building Square Footage	177,653	177,653	177,653
Acreage	4.00	4.00	4.00
Enrollment Grades 9-12 (Fiscal Years 1997 - 2005)	682	654	612
Enrollment Grades 7-12 (Beginning in Fiscal Year 2006)	N/A	N/A	N/A
Student Capacity	1,064	1,064	1,064
Regular Instructional Classrooms	33	33	33
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	4	4	4
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	18,992	18,992	18,992
Cafeteria Facilities Square Footage	3,500	3,500	3,500
Library/Media Center Square Footage	2,924	2,924	2,924
Portsmouth High/Junior High School (7)			
Constructed in 2007			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades 7-12	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A
East Middle/High School (1)			
Constructed in 1916 with additions in 1937 and 1957			
Total Building Square Footage	59,925	59,925	59,925
Acreage	11.00	11.00	11.00
Enrollment Grades 7-12	425	369	355
Student Capacity	365	365	365
Regular Instructional Classrooms	22	22	22
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	2	2	2
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	7,344	7,344	7,344
Cafeteria Facilities Square Footage	2,520	2,520	2,520
Library/Media Center Square Footage	968	968	968

2001	2002	2003	2004	2005	2006	2007
177,653	177,653	177,653	177,653	177,653	177,653	N/A
4.00	4.00	4.00	4.00	4.00	4.00	N/A
522	560	529	486	732	N/A	N/A
N/A	N/A	N/A	N/A	N/A	761	N/A
1,064	1,064	1,064	1,064	1,064	1,064	N/A
33	33	33	33	37	37	N/A
N/A	30	30	29	40	37	N/A
4	4	4	4	4	4	N/A
N/A	6	6	5	5	4	N/A
18,992	18,992	18,992	18,992	18,992	18,992	N/A
3,500	3,500	3,500	3,500	3,500	3,500	N/A
2,924	2,924	2,924	2,924	2,924	2,924	N/A
N/A	N/A	N/A	N/A	N/A	N/A	182,540
N/A	N/A	N/A	N/A	N/A	N/A	8.26
N/A	N/A	N/A	N/A	N/A	N/A	815
N/A	N/A	N/A	N/A	N/A	N/A	1,150
N/A	N/A	N/A	N/A	N/A	N/A	52
N/A	N/A	N/A	N/A	N/A	N/A	47
N/A	N/A	N/A	N/A	N/A	N/A	11
N/A	N/A	N/A	N/A	N/A	N/A	11
N/A	N/A	N/A	N/A	N/A	N/A	17,847
N/A	N/A	N/A	N/A	N/A	N/A	16,021
N/A	N/A	N/A	N/A	N/A	N/A	4,098
59,925	N/A	N/A	N/A	N/A	N/A	N/A
11.00	N/A	N/A	N/A	N/A	N/A	N/A
343	N/A	N/A	N/A	N/A	N/A	N/A
365	N/A	N/A	N/A	N/A	N/A	N/A
22	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
7,344	N/A	N/A	N/A	N/A	N/A	N/A
2,520	N/A	N/A	N/A	N/A	N/A	N/A
968	N/A	N/A	N/A	N/A	N/A	N/A

(continued)

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

	1998	1999	2000
U.S. Grant Middle School (2)			
Constructed in 1930 with additions in 1958			
Total Building Square Footage	60,930	60,930	60,930
Acreage	1.38	1.38	1.38
Enrollment Grades 7-8	221	204	195
Student Capacity	403	403	403
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	5	5	5
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	11,163	11,163	11,163
Cafeteria Facilities Square Footage	1,618	1,618	1,618
Library/Media Center Square Footage	1,253	1,253	1,253
East Portsmouth Elementary School (3)			
Constructed in 2005			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades PS-6	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A
McKinley Elementary School (8)			
Constructed in 1916 with additions in 1955			
Total Building Square Footage	64,450	64,450	64,450
Acreage	2.02	2.02	2.02
Enrollment Grades 6-8 (Fiscal Years 1997 - 2000)	321	331	328
Enrollment Grades 4-6 (Beginning in Fiscal Year 2001)	N/A	N/A	N/A
Student Capacity	427	427	427
Regular Instructional Classrooms	22	22	22
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	6	6	6
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	6,148	6,148	6,148
Cafeteria Facilities Square Footage	1,904	1,904	1,904
Library/Media Center Square Footage	2,160	2,160	2,160

2001	2002	2003	2004	2005	2006	2007
60,930	60,930	60,930	60,930	N/A	N/A	N/A
1.38	1.38	1.38	1.38	N/A	N/A	N/A
312	324	300	305	N/A	N/A	N/A
403	403	403	403	N/A	N/A	N/A
20	20	20	20	N/A	N/A	N/A
N/A	12	12	12	N/A	N/A	N/A
5	5	5	5	N/A	N/A	N/A
N/A	5	6	1	N/A	N/A	N/A
11,163	11,163	11,163	11,163	N/A	N/A	N/A
1,618	1,618	1,618	1,618	N/A	N/A	N/A
1,253	1,253	1,253	1,253	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	45,779	45,779
N/A	N/A	N/A	N/A	N/A	23.29	23.29
N/A	N/A	N/A	N/A	N/A	231	247
N/A	N/A	N/A	N/A	N/A	390	390
N/A	N/A	N/A	N/A	N/A	14	14
N/A	N/A	N/A	N/A	N/A	14	14
N/A	N/A	N/A	N/A	N/A	5	5
N/A	N/A	N/A	N/A	N/A	2	4
N/A	N/A	N/A	N/A	N/A	3,769	3,769
N/A	N/A	N/A	N/A	N/A	3,857	3,857
N/A	N/A	N/A	N/A	N/A	1,106	1,106
64,450	64,450	64,450	64,450	64,450	64,450	N/A
2.02	2.02	2.02	2.02	2.02	2.02	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
447	426	315	448	298	350	N/A
427	427	427	427	427	427	N/A
22	22	22	22	22	22	N/A
N/A	19	19	19	18	13	N/A
6	6	6	6	6	6	N/A
N/A	9	9	7	7	4	N/A
6,148	6,148	6,148	6,148	6,148	6,148	N/A
1,904	1,904	1,904	1,904	1,904	1,904	N/A
2,160	2,160	2,160	2,160	2,160	2,160	N/A

(continued)

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

	1998	1999	2000
Wilson Elementary School (8)			
Constructed in 1926 with additions in 1957			
Total Building Square Footage	61,790	61,790	61,790
Acreage	2.00	2.00	2.00
Enrollment Grades K-5 (Fiscal Years 1997 - 2000)	402	365	381
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	N/A	N/A	N/A
Student Capacity	522	522	522
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	8	8	8
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	3,990	3,990	3,990
Cafeteria Facilities Square Footage	3,990	3,990	3,990
Library/Media Center Square Footage	828	828	828
Roosevelt Elementary School (8)			
Constructed in 1929 with additions in 1956 and 1958			
Total Building Square Footage	32,224	32,224	32,224
Acreage	3.79	3.79	3.79
Enrollment Grades K-5 (Fiscal Years 1997 - 2000)	253	257	267
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	N/A	N/A	N/A
Student Capacity	258	258	258
Regular Instructional Classrooms	11	11	11
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	1	1	1
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,230	4,230	4,230
Cafeteria Facilities Square Footage	4,230	4,230	4,230
Library/Media Center Square Footage	1,280	1,280	1,280
Harding Elementary School (4)			
Constructed in 1929 with additions in 1959			
Total Building Square Footage	41,455	41,455	41,455
Acreage	2.00	2.00	2.00
Enrollment Grades K-6	401	380	344
Student Capacity	332	332	332
Regular Instructional Classrooms	17	17	17
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	3	3	3
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,600	4,600	4,600
Cafeteria Facilities Square Footage	4,600	4,600	4,600
Library/Media Center Square Footage	1,012	1,012	1,012

2001	2002	2003	2004	2005	2006	2007
61,790	61,790	61,790	61,790	61,790	61,790	N/A
2.00	2.00	2.00	2.00	2.00	2.00	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
359	331	446	305	402	320	N/A
522	522	522	522	522	522	N/A
20	20	20	20	20	20	N/A
N/A	17	17	17	16	14	N/A
8	8	8	8	8	8	N/A
N/A	5	5	3	2	3	N/A
3,990	3,990	3,990	3,990	3,990	3,990	N/A
3,990	3,990	3,990	3,990	3,990	3,990	N/A
828	828	828	828	828	828	N/A
32,224	32,224	32,224	32,224	32,224	32,224	N/A
3.79	3.79	3.79	3.79	3.79	3.79	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
289	268	269	317	329	320	N/A
258	258	258	258	258	258	N/A
11	11	11	11	11	11	N/A
N/A	15	15	15	15	14	N/A
1	1	1	1	1	1	N/A
N/A	3	3	3	3	3	N/A
4,230	4,230	4,230	4,230	4,230	4,230	N/A
4,230	4,230	4,230	4,230	4,230	4,230	N/A
1,280	1,280	1,280	1,280	1,280	1,280	N/A
41,455	41,455	41,455	41,455	41,455	N/A	N/A
2.00	2.00	2.00	2.00	2.00	N/A	N/A
356	348	329	311	318	N/A	N/A
332	332	332	332	332	N/A	N/A
17	19	19	17	17	N/A	N/A
N/A	19	19	16	17	N/A	N/A
3	1	1	3	3	N/A	N/A
N/A	2	2	3	2	N/A	N/A
4,600	4,600	4,600	4,600	4,600	N/A	N/A
4,600	4,600	4,600	4,600	4,600	N/A	N/A
1,012	1,012	1,012	1,012	1,012	N/A	N/A

(continued)

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

	1998	1999	2000
Highland Elementary School (5)			
Constructed in 1955			
Total Building Square Footage	26,886	26,886	26,886
Acreage	1.00	1.00	1.00
Enrollment Grades K-5	238	251	231
Student Capacity	215	215	215
Regular Instructional Classrooms	13	13	13
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	2	2	2
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,272	4,272	4,272
Cafeteria Facilities Square Footage	4,272	4,272	4,272
Library/Media Center Square Footage	784	784	784
Lincoln Elementary School (6)			
Constructed in 1914 with additions in 1930 and 1957			
Total Building Square Footage	32,708	32,708	32,708
Acreage	2.80	2.80	2.80
Enrollment Grades PS-5	237	248	205
Student Capacity	261	261	261
Regular Instructional Classrooms	13	13	13
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	7	7	7
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	4,272	4,272	4,272
Cafeteria Facilities Square Footage	4,272	4,272	4,272
Library/Media Center Square Footage	1,254	1,254	1,254
Portsmouth Elementary School (7)			
Constructed in 2007			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades PS-6	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A

Source: School District Records

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

Portsmouth City School District
Employees by Function
Last Five Fiscal Years

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

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

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

Information for employees by function prior to fiscal year 2003 is not available.

Portsmouth City School District
Per Pupil Cost
Last Ten Fiscal Years

Year	Average Daily Membership	Governmental Activities		General Government		Teaching Staff	Pupil/Teacher Ratio
		Total Expenses (1)	Per Pupil Cost	Total Expenditures (2)	Per Pupil Cost		
1998	3,180	N/A	N/A	\$20,472,191	\$6,438	219	14.52
1999	3,059	N/A	N/A	22,952,150	7,503	221	13.84
2000	2,918	N/A	N/A	22,265,546	7,630	218	13.39
2001	2,628	N/A	N/A	23,472,288	8,932	207	12.70
2002	2,257	\$25,872,291	\$11,463	26,483,051	11,734	181	12.47
2003	2,188	25,375,578	11,598	31,643,017	14,462	167	13.10
2004	2,172	27,424,596	12,626	39,788,150	18,319	166	13.08
2005	2,079	26,268,427	12,635	54,809,495	26,363	166	12.52
2006	1,982	31,117,693	15,700	43,490,216	21,943	167	11.87
2007	2,119	32,575,443	15,373	33,318,973	15,724	172	12.32

Source: School District Records

- (1) Statement of Activities
2002 was the first fiscal year this information was available.
- (2) Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds

Portsmouth City School District
Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years

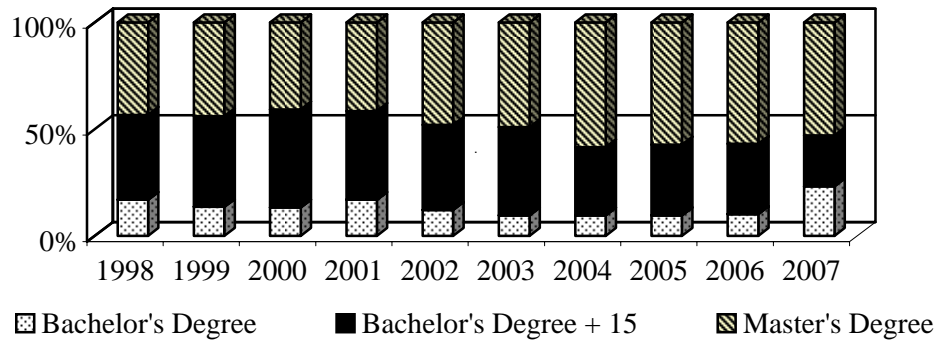
Degree	1998	1999	2000	2001 (1)
Bachelor's Degree	37	30	29	35
Bachelor + 15 Years Experience	87	94	100	86
Master's Degree	95	97	89	86
Total	<u>219</u>	<u>221</u>	<u>218</u>	<u>207</u>

Source: School District Records

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

2002 (1)	2003 (1)	2004	2005	2006	2007
22	16	16	16	17	40
72	69	53	55	55	41
87	82	97	95	95	91
181	167	166	166	167	172

Full-Time Equivalent Teachers by Education



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

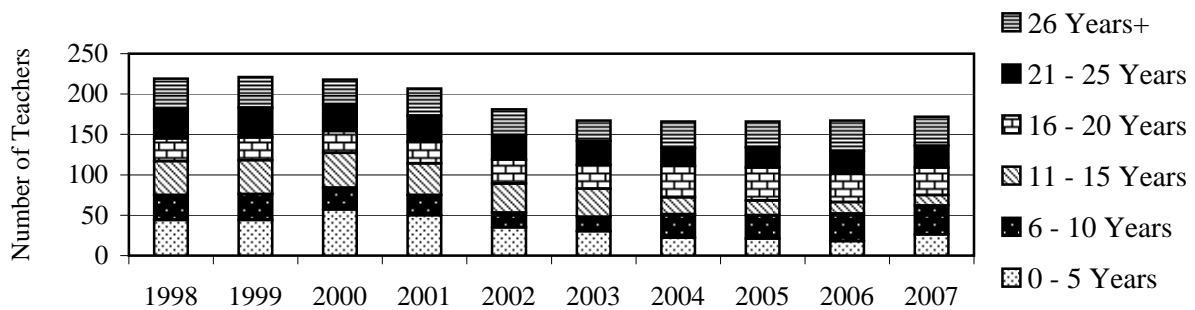
Years of Experience	1998	1999	2000
0 - 5	44	44	57
6 - 10	31	32	27
11 - 15	42	42	43
16 - 20	28	28	27
21 - 25	36	37	33
26 and over	38	38	31
Total	<u>219</u>	<u>221</u>	<u>218</u>

Source: School District Records

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

2001 (1)	2002 (1)	2003 (1)	2004	2005	2006	2007
50	35	30	22	21	18	26
25	18	18	29	29	34	36
39	36	35	21	18	14	13
27	30	29	39	41	35	34
32	30	30	22	25	28	27
34	32	25	33	32	38	36
207	181	167	166	166	167	172

Full-Time Equivalent Teachers by Years of Experience



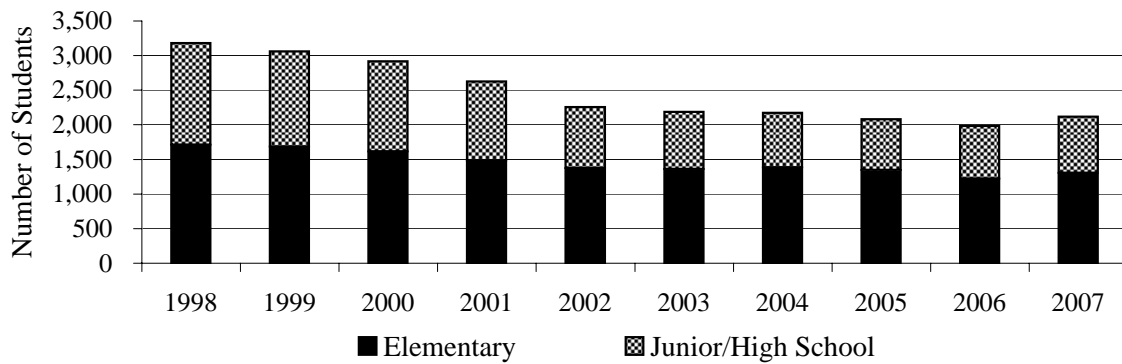
*Portsmouth City School District
Enrollment
Last Ten Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1998	15	262	259	240	218	239	243
1999	12	276	244	235	225	215	241
2000	27	191	292	223	224	218	200
2001	20	204	195	240	209	211	208
2002	22	173	194	169	233	186	204
2003	11	213	200	165	158	233	172
2004	27	209	223	167	166	172	240
2005	37	209	218	183	158	144	158
2006	34	196	201	193	168	158	149
2007	40	212	220	188	200	180	143

Source: School District Records

6	7	8	9	10	11	12	Total
235	243	251	306	234	231	204	3,180
234	240	231	289	211	201	205	3,059
239	226	225	295	171	190	197	2,918
198	236	206	194	208	174	125	2,628
192	156	168	144	130	172	114	2,257
207	156	144	134	135	132	128	2,188
177	142	163	129	142	116	99	2,172
240	145	119	121	126	114	107	2,079
122	166	139	104	118	127	107	1,982
121	136	170	147	118	127	117	2,119

Enrollment



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

District Buildings	1998	1999	2000
Portsmouth Middle/High School (1)	31.38%	33.94%	30.88%
Portsmouth High/Junior High School (2)	N/A	N/A	N/A
East Middle/High School (3)	38.59%	36.31%	37.46%
U.S. Grant Middle School (4)	85.07%	87.75%	82.56%
East Elementary School (5)	N/A	N/A	N/A
McKinley Elementary School (1)	52.65%	42.90%	48.48%
Wilson Elementary School (1)	84.33%	96.71%	87.14%
Roosevelt Elementary School (1)	36.76%	46.69%	41.95%
Harding Elementary School (6)	72.82%	67.11%	73.84%
Highland Elementary School (7)	65.55%	67.73%	74.89%
Lincoln Elementary School (8)	94.94%	91.13%	92.20%
Portsmouth Elementary School (2)	N/A	N/A	N/A
District-Wide	57.86%	58.88%	58.33%

Source: Food Service Director Records

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

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

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

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

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

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

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

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

2001	2002	2003	2004	2005	2006	2007
36.78%	31.25%	34.59%	40.95%	51.64%	55.85%	N/A
N/A	N/A	N/A	N/A	N/A	N/A	64.04%
43.44%	N/A	N/A	N/A	N/A	N/A	N/A
63.78%	64.20%	66.33%	65.25%	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	84.85%	85.43%
70.69%	68.08%	100.00%	76.12%	100.00%	78.86%	N/A
100.00%	100.00%	87.00%	98.03%	72.89%	100.00%	N/A
53.98%	61.94%	51.67%	53.31%	54.41%	58.44%	N/A
71.63%	77.87%	75.08%	73.63%	75.16%	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	82.21%
61.91%	64.69%	66.45%	66.99%	67.87%	73.66%	75.60%

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Mary Taylor, CPA
Auditor of State

PORTSMOUTH CITY SCHOOL DISTRICT

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 22, 2008**