

1000 Main Street

Portsmouth, NH 03801

Phone: 603-431-1000

Fax: 603-431-1001

Website: www.portsmouthschools.org

PORTSMOUTH CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 2004

1000 Main Street

Portsmouth, NH 03801

Phone: 603-431-1000

Fax: 603-431-1001

Website: www.portsmouthschools.org



**Auditor of State
Betty Montgomery**

Board of Education
Portsmouth City School District
1149 Gallia Street, Room 220
Portsmouth, Ohio 45662

We have reviewed the Independent Auditor's Report of the Portsmouth City School District, Scioto County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2003 to June 30, 2004. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

February 8, 2005

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PORTSMOUTH CITY SCHOOL DISTRICT

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
Schedule of Prior Audit Findings	7

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PORTSMOUTH CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2004

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
Food Donation	N/A	10.550	\$ 84,083	84,083
School Breakfast Program	VBVE	10.553	139,045	139,045
National School Lunch Program	LLP4	10.555	500,318	500,318
Nutrition Cluster Total			<u>723,446</u>	<u>723,446</u>
Total U.S. Department of Agriculture			<u>723,446</u>	<u>723,446</u>
<u>U.S. Department of Education:</u>				
<i>Direct from Department of Education:</i>				
Impact Aid	N/A	84.041	15,128	15,128
Twenty-First Century Community Learning Centers	N/A	84.287	93,637	94,444
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	C1S1	84.010	1,494,340	1,408,068
Special Education Cluster:				
Special Education - Grants to States	6BSF	84.027	545,564	564,803
Special Education - Preschool Grants	PGS1	84.173	9,725	8,181
Special Education Cluster Total			<u>555,289</u>	<u>572,984</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	27,901	25,701
Even Start - State Educational Agencies	EVS1	84.213	237,353	210,414
Innovative Education Program Strategies	C2S1	84.298	16,962	19,628
Education Technology State Grants	TJS1	84.318	60,323	54,408
Comprehensive School Reform Demonstration	RFS3	84.332	97,294	133,484
Rural Education	RUS1	84.358	56,088	52,599
Improving Teacher Quality State Grants	TRS1	84.367	397,717	370,058
Total U.S. Department of Education			<u>3,052,032</u>	<u>2,956,916</u>
<u>U.S. Department of Health and Human Services</u>				
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>				
Medical Assistance Program	N/A	93.778	67,331	67,331
Total U.S. Department of Health and Human Services			<u>67,331</u>	<u>67,331</u>
<u>U.S. Department of Homeland Security</u>				
Federal Assistance to Individuals and Households	N/A	97.050	87,736	99,854
Total U.S. Department of Homeland Security			<u>87,736</u>	<u>99,854</u>
Total Federal Awards			\$ <u>3,930,545</u>	<u>3,847,547</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:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District as of and for the year ended June 30, 2004, which collectively comprise Portsmouth City School District's basic financial statements and have issued our report thereon dated December 10, 2004 wherein we noted that the School District implemented Governmental Accounting Standards Board Statement No. 39 and is experiencing certain negative financial conditions. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Portsmouth City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Compliance And Other Matters

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

This report is intended 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 those specified parties.

Clark, Schaefer, Hankett & Co.

Cincinnati, Ohio
December 10, 2004

Clark, Schaefer, Hankett & Co.
1000 North Main Street
Cincinnati, Ohio 45202

ATTENTION:

Clark, Schaefer, Hankett & Co. has been engaged by the Board of Education to provide an independent audit of the financial statements of the Board of Education for the year ended June 30, 2004. The audit was conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB). The audit was conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB). The audit was conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB).

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Clark, Schaefer, Hankett & Co.

The audit was conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB). The audit was conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) and the standards of the Public Company Accounting Oversight Board (PCAOB).

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:

Compliance

We have audited the compliance of Portsmouth City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. Portsmouth City School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Institute's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, Portsmouth City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 10, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Portsmouth City 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 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 those specified parties.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 10, 2004

PORTSMOUTH CITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2004

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none reported
• Reportable condition(s) identified that are not considered to be material weaknesses?	no
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Reportable condition(s) identified not considered to be material weaknesses?	no

Type of auditors' report issued on compliance for major programs:	unqualified
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Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133?	no
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Identification of major programs:

Special Education Cluster:
CFDA 84.027 Special Education – Grants to States
CFDA 84.173 Special Education – Preschool Grants

Nutrition Cluster:
CFDA 10.550 Food Donation
CFDA 10.553 School Breakfast Program
CFDA 10.555 National School Lunch Program

CFDA 84.367 Improving Teacher Quality State Grants

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
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Auditee qualified as low-risk auditee?	yes
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Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

PORTSMOUTH CITY SCHOOL DISTRICT

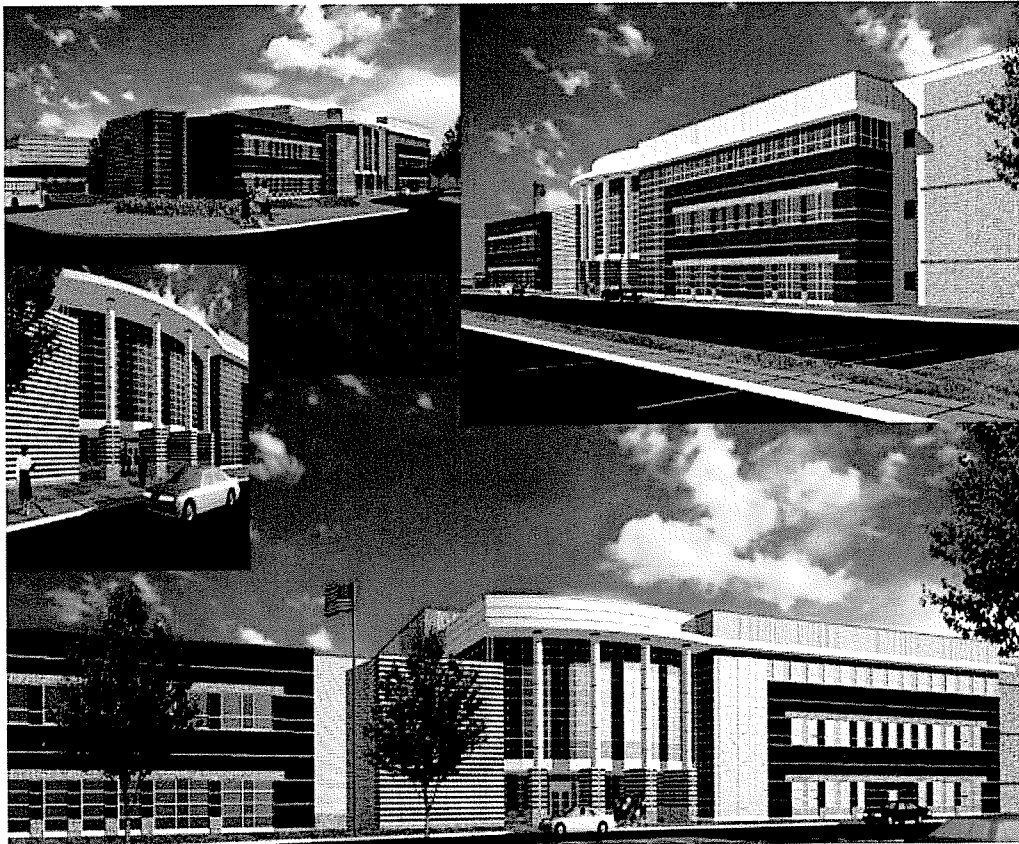
Schedule of Prior Audit Findings

Year Ended June 30, 2004

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

Portsmouth City School District

1149 Gallia Street, Portsmouth, Ohio 45662



Portsmouth City Schools—New Facilities

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2004

PORTSMOUTH CITY SCHOOL DISTRICT

PORTSMOUTH, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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, 2004*

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Accountants' Report.....	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19

TABLE OF CONTENTS
(Continued)

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Budget Basis):

General Fund..... 20

Statement of Fiduciary Assets and Liabilities - Agency Fund 21

Notes to the Basic Financial Statements..... 22

Combining Statements - Nonmajor Funds:

Nonmajor Governmental Fund Descriptions 56

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 71

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Capital Projects Funds 72

Agency Fund Statement:

Fund Description..... 74

Statement of Changes in Assets and
Liabilities - Agency Fund 75

Individual Fund Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis):

Major Funds:

General Fund..... 77

Site Acquisition Fund 81

Ohio School Facilities Commission Fund 82

TABLE OF CONTENTS
(Continued)

NonMajor Funds:

Food Service Fund	83
Education Foundation Fund	84
New Facilities Maintenance Fund	85
Auxiliary Services Non Public Fund	86
Teacher Development Fund	87
Education Management Information System Fund	88
Disadvantaged Pupil Impact Aid Fund	89
SchoolNet Praise Fund.....	90
SchoolNet Summer Training Fund	91
OhioReads Fund.....	92
Summer School Subsidy Fund.....	93
Vocational Education Enhancement Fund.....	94
Miscellaneous State Grants Fund.....	95
IDEA-B Fund.....	96
Title I Fund	97
Title V Fund.....	99
Drug Free Schools Fund	100
Early Childhood Special Education Fund.....	101
E-Rate Funding Fund.....	102
Title II-A Fund.....	103
Miscellaneous Federal Grants Fund.....	104
Debt Service Fund.....	106
Permanent Improvement Fund.....	107
SchoolNet Fund	108
Technology Equity Fund.....	109

STATISTICAL SECTION

General Government Expenditures by Function - Last Ten Fiscal Years	112
General Government Revenues by Source - Last Ten Fiscal Years	114
Governmental Activities Expenses by Function - Last Three Fiscal Years	116
Governmental Activities Revenue by Source - Last Three Fiscal Years.....	117
Property Tax Levies and Collections - Real and Public Utility Property - Last Ten Collection (Calendar) Years	118
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection (Calendar) Years	120

TABLE OF CONTENTS
(Continued)

Property Tax Rates (Per \$1,000 of Assessed Valuation) Direct and Overlapping Governments - Last Ten Collection (Calendar) Years.....	122
Computation of Legal Debt Margin.....	124
Ratio of General Obligation Bonded Debt to Assessed Value and General Obligation Bonded Debt Per Capita - Last Three Fiscal Years	125
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Government Expenditures – Last Two Fiscal Years	126
Computation of Direct and Overlapping Debt.....	127
Construction, Bank Deposits and Property Values - Last Ten Calendar Years.....	128
Demographic Statistics - Last Ten Calendar Years	129
Top Ten Principal Taxpayers.....	130
Enrollment - Last Ten Fiscal Years	132
Miscellaneous Statistical Data	134
Per Pupil Cost - Last Ten Fiscal Years	135
Levy History	136
Statistical Data	137

December 10, 2004

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, 2004. This Comprehensive Annual Financial Report contains financial statements, supplemental statements and statistical information providing complete and full disclosure of all material financial aspects of the School District for the 2004 fiscal year.

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

The Comprehensive Annual Financial Report is divided into three sections:

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

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

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

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

FORM OF GOVERNMENT AND REPORTING ENTITY

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

The Current Board members, their terms and years on the Board as of June 30, 2004, are:

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

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. Wyvonna J. Broughton was appointed acting Superintendent March 8, 2001 through July 31, 2001 and was then appointed Superintendent August 1, 2001 for a period of four years. In May 2004, the Board approved to amend the Superintendent's contract to extend the 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 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 insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

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

The following activities are included within the reporting entity:

Parochial Schools – Within the School District boundaries, Notre Dame Elementary 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 non-major 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 insurance purchasing pool. These organizations are the South Central Ohio Computer Association (SCOCA), the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 17 and 18 to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

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

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

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

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

Ohio Power
 Southern Ohio Medical Center Holding Company
 OSCO Industries
 Verizon North
 N & S Railway Company
 Hatcher, Neal & Vicky
 Hillview Retirement Center
 Columbia Gas of Ohio
 Mitchellce
 Fifth Third Bank

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 2,172 students during the 2004 fiscal year. Facilities include one high school, one middle school, and four elementary schools that include preschool. The enrollment per school is as follows:

School	Date Established	Grades	Enrollment
Harding Elementary	1920	K - 6	311
Roosevelt Elementary	1926	PK - 3	317
Wilson Elementary	1925	K - 3	305
McKinley Elementary School	1916	4 - 6	448
U.S. Grant Middle School	1930	7 - 8	305
Portsmouth High School	1912	9 - 12	486

EMPLOYEE RELATIONS

The School District currently employs 277 full-time and part-time employees. Since 2000, the School District's enrollment has decreased from 2,918 to the current enrollment of 2,172, due to open enrollment and the creation of the Sciotoville Community School.

The School District teachers, educational specialist, and counselors are represented by the Portsmouth City Teachers Association (PCTA), one of two organizations representing School District employees. The School District's beginning teacher's salary is \$26,803. The PCTA negotiated and received a two percent salary increase for fiscal year 2004. Currently the PCTA is operating under a contract effective until June 30, 2004. 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.

Classified employees are represented by the Ohio Council 8 AFSCME Local 2684. The Board and Local 2684 have agreed on a "me too" clause for the 1998-2004 school years. The "me too" clause stipulates that if any bargaining group of employees of the Portsmouth City School District receives an increase in wages or benefits, Local 2684 bargaining unit employees shall receive the same percentage. Therefore, the Local 2684 bargaining unit also received a two percent salary increase for fiscal year 2004. Currently the Local 2684 bargaining unit is operating under a contract effective until August 31, 2004. On August 26, 2004, the Local 2684 bargaining unit and the School District's Board of Education adopted a three year contract beginning July 1, 2004 and extending through June 30, 2007.

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

MAJOR INITIATIVES

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

FOR THE YEAR

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

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

The Portsmouth City School District believes that:

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

Children are our most valuable assets.

Each person is unique and deserves respect.

Self-discipline is a key element to success.

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

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

Change is inevitable and the ability to adapt enhances success.

Life is a learning process and learning is lifelong.

A positive work ethic promotes a higher quality of life.

Individuals are responsible for their actions.

Morality and ethics are the foundation of society.

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

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

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

Comprehensive School Reform

Ohio Reads

Even Start

Eden Project/Hillview Partnership

High Schools That Work

Student Intervention, Grades 1-4

Student Intervention, Grades 9-10

Professional Development, Grades 9-10

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

FOR THE FUTURE

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

SERVICE EFFORTS

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

Class Size Reduction

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

Early Literacy Intervention

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

Comprehensive School Reform

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

Reading Recovery/Arkansas

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

Peer Mediation / Conflict Involvement

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

Safe and Drug-Free Schools and Communities

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

Technology

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

Parent and Community Involvement

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

Even Start

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

School Based Head Start

This program is the collaboration between public education and local community agencies. Children ages three to six receive preschool experiences and benefit from the school setting. This program is housed at Wilson school.

Preschool Handicapped Units

These units are sponsored by the Ohio Department of Education and benefits the handicapped preschool child in a public education setting. One unit is housed at Roosevelt Elementary School, and one unit is housed offsite.

Ohio Reads

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

FINANCIAL INFORMATION

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

Internal Controls

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

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

Federal and State Assistance

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

Budgetary Controls

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

Financial Reporting

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the School District finances for 2004.

CASH MANAGEMENT

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in a negotiable certificate of deposit, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, and Federal National Mortgage Association Bonds. The amount of interest income earned in fiscal year 2004 by the governmental funds of the School District was \$143,042. A more detailed description of the School District's investment functions are described in Note 6 to the basic financial statements.

RISK MANAGEMENT

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

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

FISCAL CAUTION

On April 19, 2001, the Auditor of State certified an operating deficit in the amount of \$826,000 in the General Fund for the fiscal year ended June 30, 2001, for the Portsmouth City School District. The Auditor of State determined that there was a deficit between two percent and eight percent, but that no declaration of fiscal watch or fiscal emergency would occur. As a result, under ORC 3316.031(B)(3), the State Superintendent of Public Instruction placed the School District under fiscal caution. Therefore, the Auditor of State initiated a performance audit that began in June 2001 and was conducted primarily during the months of August through December 2001. The performance audit contained recommendations that provided cost savings, revenue enhancements and/or efficiency improvements. It should be noted that the School District has continued to restrict expenditures and its General Fund did not end the 2003 fiscal year in a deficit.

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

OTHER INFORMATION

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark, Schaefer, Hackett and Company conducted the School District's audit for fiscal year 2004. The Auditor's report on the School District's basic financial statements, combining statements and individual fund schedules is included in the financial section of this comprehensive annual financial report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003.

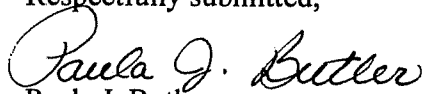
A Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,



Paula J. Butler

Treasurer



Wyonna J. Broughton

Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Portsmouth City School
District, Ohio

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

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



Nancy L. Zjelke

President

Gifford R. Erner

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, 2003

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

William F. Hall
President

Bonnie W. Keller
Executive Director

Portsmouth City School District

*List of Principal Officials
June 30, 2004*

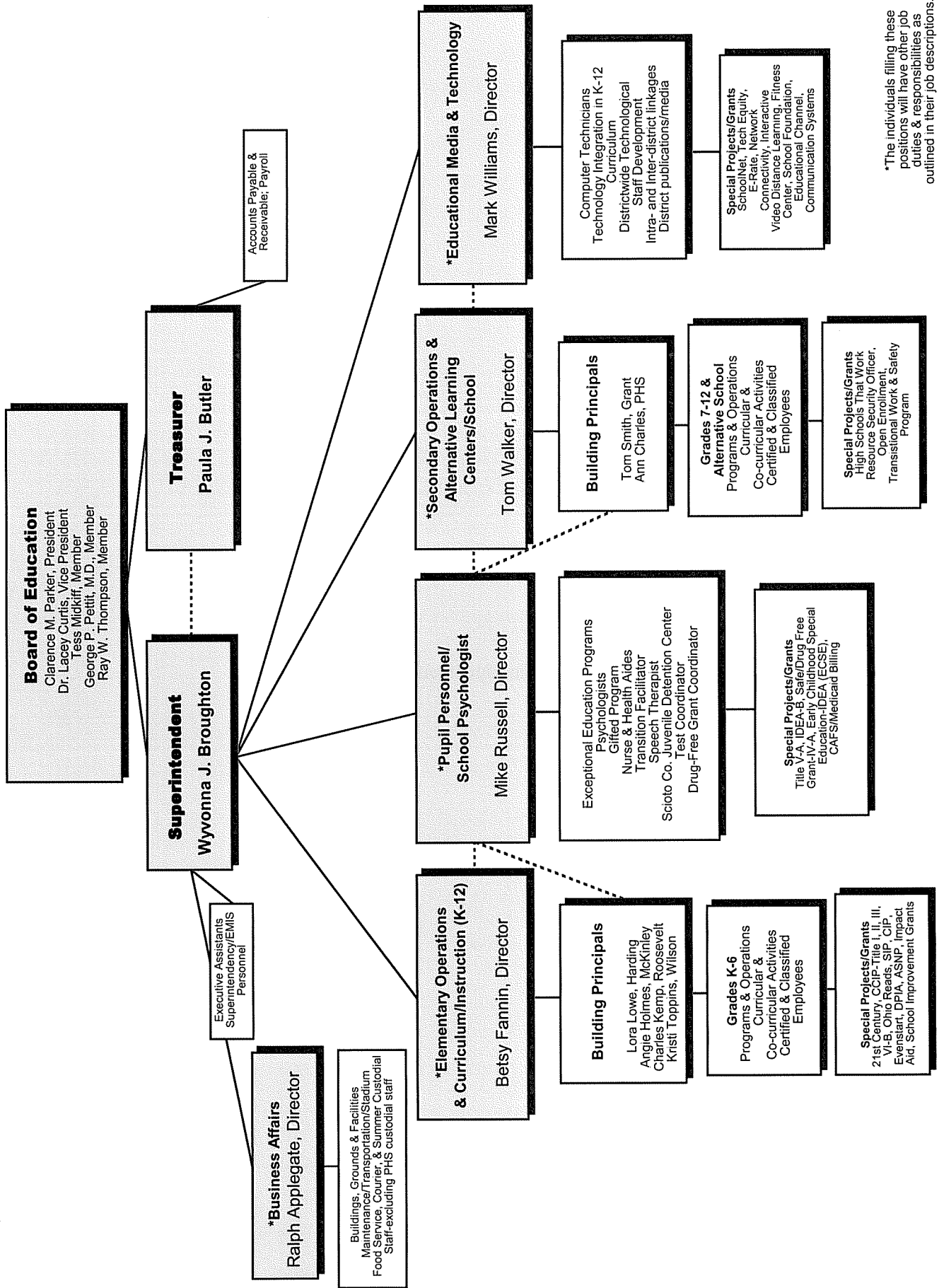
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

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

2003-2004 Portsmouth City School District Organization Chart



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

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FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Portsmouth City School District:

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 as of and for the year ended June 30, 2004, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District as of June 30, 2004, 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 described in Note 3 to the basic financial statements, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations Are Component Units* as of July 1, 2003.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2004 on our consideration of the Portsmouth City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis pages 3 through 12 is not a required part of the basic financial statements but are 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 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 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, Haskell & Co.

Cincinnati, Ohio
December 10, 2004

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
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, 2004. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

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

Financial Highlights

- Net assets of governmental activities decreased \$619,801 which represents a significant decrease from 2003. This is primarily due to the demolition of one old building and the inclusion of depreciation expense on the Statement of Activities.
- General revenues accounted for \$20,419,920 or 76 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$6,384,875 or 24 percent of total revenues of \$26,804,795.
- Total assets of governmental activities increased by \$1,330,047. Capital assets increased by \$11,884,227 due to additional land acquisitions and the ongoing construction of facilities. Equity in pooled cash and cash equivalents increased \$8,096,142 due to the receipt of \$10.9 million in classroom facility monies in June, 2004. Receivables and other current assets decreased by \$18,653,489 due primarily to the receiving and spending of classroom facilities monies.
- The School District had \$27,424,596 in expenses related to governmental activities; only \$6,384,875 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$20,419,920 plus net assets at the beginning of the year were used to provide for these programs.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during 2004?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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.

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

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

The School District as a Whole

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

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Table 1 provides a summary of the School District's net assets for fiscal year 2004 and fiscal year 2003:

(Table 1)
Net Assets
Governmental Activities

	2004	2003	Change
Assets			
Current and Other Assets	\$65,287,880	\$75,842,060	(\$10,554,180)
Capital Assets, Net	24,371,833	12,487,606	11,884,227
Total Assets	89,659,713	88,329,666	1,330,047
Liabilities			
Long-Term Liabilities	(18,395,376)	(18,832,144)	436,768
Other Liabilities	(10,711,038)	(8,324,422)	(2,386,616)
Total Liabilities	(29,106,414)	(27,156,566)	(1,949,848)
Net Assets			
Invested in Capital Assets, Net of Related Debt	19,628,944	7,732,827	11,896,117
Restricted	41,319,641	53,850,468	(12,530,827)
Unrestricted	(395,286)	(410,195)	14,909
Total Net Assets	\$60,553,299	\$61,173,100	(\$619,801)

Equity in pooled cash and cash equivalents increased \$8,096,142 due to the receipt of \$10.9 million in classroom facility monies in June, 2004. Intergovernmental receivables decreased \$18,560,189 due to the receiving of classroom facilities grant monies for the construction of new facilities. Current liabilities increased due to an increase in contracts payable associated with the construction of new facilities. Capital Assets increased due to additional land acquisitions and the ongoing construction of facilities.

Table 2 shows the changes in net assets for fiscal years 2004 and 2003.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

(Table 2)
Change in Net Assets
Governmental Activities

	2004	2003
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,408,047	\$1,017,050
Operating Grants, Contributions and Interest	4,923,390	4,348,727
Capital Grants and Contributions	53,438	84,596
Total Program Revenues	6,384,875	5,450,373
General Revenues:		
Property Taxes	5,525,455	5,265,292
Grants and Entitlements not Restricted to Specific Programs	14,682,918	13,809,037
Contributions and Donations	17,724	3,783
Investment Earnings	116,557	423,898
Miscellaneous	74,774	155,134
Gain on Early Retirement of Capital Lease	2,492	0
Total General Revenues	20,419,920	19,657,144
Total Revenues	\$26,804,795	\$25,107,517

(continued)

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

	2004	2003
Program Expenses		
Instruction		
Regular	\$10,475,429	\$9,782,313
Special	5,685,775	5,461,916
Vocational	436,071	426,379
Support Services		
Pupils	1,249,081	1,395,374
Instructional Staff	2,170,104	2,067,428
Board of Education	14,780	17,640
Administration	1,491,750	1,452,144
Fiscal	618,945	634,352
Business	117,910	96,448
Operation and Maintenance of Plant	2,241,541	1,622,828
Pupil Transportation	449,424	456,547
Central	58,711	23,119
Operation of Non-Instructional Services	1,243,384	1,289,142
Extracurricular Activities	241,093	270,667
Interest and Fiscal Charges	892,098	861,638
Intergovernmental	38,500	39,500
Total Expenses	27,424,596	25,897,435
Decrease in Net Assets	(\$619,801)	(\$789,918)

Grants and Entitlements not Restricted to Specific Programs made up 55 percent of the total revenue for governmental activities of the Portsmouth City School District for fiscal year 2004. Property Tax revenue made up 21 percent of the total revenue for governmental activities for a total of 76 percent of all revenue coming from property taxes and grants and entitlements not Restricted to Specific Programs. Charges for Services increased \$390,997 primarily due to an increase in open enrollment. Grants and Entitlements not Restricted to Specific Programs revenue increased \$873,881 primarily due to an increase in the parity aid provided by the State of Ohio and the fact that these monies are no longer considered as program revenues. Investment earnings revenue decreased by \$307,341 due to a continuing decline in interest rates during the 2004 fiscal year.

Regular instruction makes up 38 percent of governmental program expenses. Support services expenses make up 31 percent of governmental program expenses. Regular and Special instruction expenses increased \$693,116 and \$223,859, respectively. These increases were primarily due to increases in salary and benefits. The Business and Operation and Maintenance of Plant support service expenses increased \$21,462, and \$618,713, respectively, due primarily to expenses for the destruction of old facilities and non-capitalized expenditures associated with the construction of new facilities.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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

(Table 3)
Governmental Activities

	Total Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2004	Net Cost of Services 2003
Instruction	\$16,597,275	\$15,670,608	\$12,313,895	\$10,701,831
Support Services	8,412,246	7,765,880	7,612,498	6,173,116
Operation of Non- Instructional Services	1,243,384	1,289,142	70,472	197,596
Extracurricular Activities	241,093	270,667	150,758	145,763
Interest and Fiscal Charges	892,098	861,638	892,098	861,638
Intergovernmental	38,500	39,500	0	0
Total Expenses	\$27,424,596	\$25,897,435	\$21,039,721	\$18,079,944

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$45,208,467 and expenditures of \$39,674,932. The net change in fund balance for the year was most significant in the Ohio School Facilities Commission Capital Projects Fund with an increase of \$6,068,525. The Ohio School Facilities Commission fund balance increased due to the receiving of classroom facilities grant monies.

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 2004 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

For the General Fund, final estimated revenues were \$19,038,513 with original budget estimates of \$18,866,735. The difference of \$171,778 was due primarily to receiving pre-school funding that was not anticipated at the beginning of the year.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Final estimated expenditures were \$20,377,378 with original budget estimates of \$18,854,589. The difference of \$1,522,789 was due primarily to increases in open enrollment and additional regular instruction expenditures that were not originally budgeted.

The School District's ending unobligated cash balance was \$1,177,609 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 2004 the School District had \$24,371,833 invested in land, land improvements, buildings, equipment, vehicles, textbooks, and construction in progress. Table 4 shows fiscal year 2004 balances compared to 2003:

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

	2004	2003
Land	\$5,637,313	\$5,223,183
Land Improvements	6,629	8,753
Buildings and Improvements	1,224,024	1,360,783
Furniture, Fixtures, and Equipment	1,674,062	1,796,949
Vehicles	330,078	239,057
Textbooks	1,144,827	1,196,234
Construction in Progress	14,354,900	2,662,647
Totals	\$24,371,833	\$12,487,606

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

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Debt

At June 30, 2004 the School District had a \$49,990 EPA Asbestos loan outstanding, in of which \$14,284 is due within one year and \$16,642,599 in bonds outstanding, \$360,000 of which is due within one year. The School District also had an outstanding premium on the debt issue of \$205,608 and capital lease obligations outstanding of \$173,169, of which \$83,349 is due with in one year. Table 5 summarizes the outstanding debt:

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

	2004	2003
1988 EPA Asbestos Loan	\$49,990	\$64,274
2002 Classroom Facilities Bonds	16,642,599	16,894,298
Premium on Debt Issue	205,608	215,466
Capital Lease	173,169	444,038
Totals	\$17,071,366	\$17,618,076

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

On April 30, 2003, the School District issued a total of \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. Of the total, \$16,645,000 were serial bonds, and \$425,000 were capital appreciation bonds. The bonds were issued for a twenty-three year period with final maturity in December 2024.

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

The School District's overall legal debt margin was \$4,256,568 with an unvoted debt margin of \$169,682 at June 30, 2004. (see Note 15 in the Notes to the Basic Financial Statements).

Current Issues

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

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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

The construction phase has begun with the projections for completion as follows:

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

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

However, on June 1, 2004, the National School Fitness Foundation filed for Chapter 11 reorganization. On July 1, the United States Bankruptcy Court converted the case to a Chapter 7 dissolution proceeding. Thus, the National School Fitness Foundation stopped reimbursing the School District, leaving a balance of \$166,297.94 to be reimbursed. The School District's legal counsel filed a claim on behalf of the District in the amount of \$166,297.94 in an attempt to recover all or a portion of this amount.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

Portsmouth City School District
Statement of Net Assets
June 30, 2004

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$28,871,777
Materials and Supplies Inventory	45,937
Accrued Interest Receivable	107,129
Accounts Receivable	6,430
Prepaid Items	45,430
Cash and Cash Equivalents With Escrow Agent	254,990
Taxes Receivable	5,942,943
Intergovernmental Receivable	29,807,659
Deferred Charges	205,585
Capital Assets:	
Land and Construction in Progress	19,992,213
Depreciable Capital Assets, Net	4,379,620
Total Assets	89,659,713
<u>Liabilities:</u>	
Accounts Payable	173,648
Contracts Payable	2,828,107
Accrued Wages and Benefits Payable	1,565,162
Intergovernmental Payable	384,756
Accrued Interest Payable	61,829
Matured Compensated Absences Payable	47,708
Retainage Payable	409,426
Deferred Revenue	5,240,402
Long-Term Liabilities:	
Due Within One Year	635,235
Due in More Than One Year	17,760,141
Total Liabilities	29,106,414
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	19,628,944
Restricted for:	
Debt Service	813,356
Capital Projects	39,416,322
Other Purposes	505,558
Set Asides	584,405
Unrestricted	(395,286)
Total Net Assets	\$60,553,299

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Revenue and Changes in Net Assets	
<i>Governmental Activities</i>			Capital Grants and Contributions	Governmental Activities	
Instruction:					
Regular	\$10,475,429	\$682,970	\$1,329,663	\$30,320	(\$8,432,476)
Special	5,685,775	251,524	1,856,818	0	(3,577,433)
Vocational	436,071	0	132,085	0	(303,986)
Support Services:					
Pupils	1,249,081	0	229,734	0	(1,019,347)
Instructional Staff	2,170,104	40,228	240,406	12,580	(1,876,890)
Board of Education	14,780	0	0	0	(14,780)
Administration	1,491,750	0	0	0	(1,491,750)
Fiscal	618,945	0	1,000	0	(617,945)
Business	117,910	5,698	0	0	(112,212)
Operation and Maintenance of Plant	2,241,541	148,712	101,254	0	(1,991,575)
Pupil Transportation	449,424	1,501	0	10,538	(437,385)
Central	58,711	0	8,097	0	(50,614)
Operation of Non-Instructional Services:					
Food Services	993,307	211,138	757,286	0	(24,883)
Other	250,077	0	204,488	0	(45,589)
Extracurricular Activities	241,093	66,276	24,059	0	(150,758)
Interest and Fiscal Charges	892,098	0	0	0	(892,098)
Intergovernmental	38,500	0	38,500	0	0
Total Governmental Activities	\$27,424,596	\$1,408,047	\$4,923,390	\$53,438	(21,039,721)

General Revenues:

Property Taxes Levied for:	
General Purposes	4,395,841
Debt Service	1,049,924
Capital Outlay	79,690
Grants and Entitlements not Restricted to Specific Programs	14,682,918
Contributions and Donations	17,724
Investment Earnings	116,557
Miscellaneous	74,774
Gain on Early Retirement of Capital Lease	2,492
Total General Revenues	20,419,920
Change in Net Assets	(619,801)
Net Assets Beginning of Year	61,173,100
Net Assets End of Year	\$60,553,299

See accompanying notes to the basic financial statements

Portsmouth City School District
Balance Sheet
Governmental Funds
June 30, 2004

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,517,132	\$365,316	\$23,922,744	\$2,416,640	\$28,221,832
Cash and Cash Equivalents with Escrow Agent	0	43,702	0	0	43,702
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	649,945	0	0	0	649,945
Cash and Cash Equivalents with Escrow Agent	0	0	211,288	0	211,288
Receivables:					
Taxes	4,622,380	0	0	1,320,563	5,942,943
Accounts	4,576	0	0	1,854	6,430
Intergovernmental	83,556	0	29,345,190	378,913	29,807,659
Accrued Interest	6,145	111	97,124	3,749	107,129
Interfund	65,061	0	0	0	65,061
Prepaid Items	35,647	0	7,739	2,044	45,430
Materials and Supplies Inventory	21,738	0	0	24,199	45,937
Total Assets	\$7,006,180	\$409,129	\$53,584,085	\$4,147,962	\$65,147,356
<u>Liabilities:</u>					
Accounts Payable	\$102,919	\$21,742	\$311	\$48,676	\$173,648
Contracts Payable	4,854	13,170	2,810,083	0	2,828,107
Accrued Wages and Benefits Payable	1,018,967	0	0	546,195	1,565,162
Intergovernmental Payable	167,703	0	0	63,166	230,869
Interfund Payable	0	0	0	65,061	65,061
Retainage Payable	0	0	198,138	0	198,138
Retainage Payable from Restricted Assets	0	0	211,288	0	211,288
Matured Compensated Absences Payable	47,708	0	0	0	47,708
Deferred Revenue	4,470,192	0	29,113,550	1,523,138	35,106,880
Total Liabilities	5,812,343	34,912	32,333,370	2,246,236	40,426,861
<u>Fund Balances:</u>					
Reserved for Encumbrances	18,862	13,428	55,933	99,091	187,314
Reserved for Property Taxes	184,642	0	0	59,135	243,777
Reserved for Textbooks and Instructional Materials	584,405	0	0	0	584,405
Reserved for Bus Purchases	65,540	0	0	0	65,540
Unreserved, Undesignated, Reported in:					
General Fund	340,388	0	0	0	340,388
Special Revenue Funds	0	0	0	535,622	535,622
Debt Service Fund	0	0	0	925,963	925,963
Capital Projects Funds	0	360,789	21,194,782	281,915	21,837,486
Total Fund Balances	1,193,837	374,217	21,250,715	1,901,726	24,720,495
Total Liabilities and Fund Balances	\$7,006,180	\$409,129	\$53,584,085	\$4,147,962	\$65,147,356

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, 2004*

Total Governmental Fund Balances \$24,720,495

*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	5,637,313	
Construction in progress	14,354,900	
Other capital assets	11,365,045	
Accumulated depreciation	<u>(6,985,425)</u>	
Total capital assets		24,371,833

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	458,764	
Intergovernmental	29,370,760	
Interest	9,793	
Accounts	<u>27,161</u>	
		29,866,478

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

(153,887)

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

205,585

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

Bonds payable	(16,848,207)	
EPA Asbestos loan payable	(49,990)	
Accrued interest on bonds	(61,829)	
Capital leases	(173,169)	
Compensated absences	<u>(1,324,010)</u>	
Total liabilities		<u>(18,457,205)</u>

Net Assets of Governmental Activities

\$60,553,299

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, 2004

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,406,559	\$0	\$0	\$1,133,922	\$5,540,481
Intergovernmental	13,634,059	0	18,121,348	6,242,170	37,997,577
Interest	28,543	1,994	282,208	20,294	333,039
Decrease in Fair Value of Investments	(8,391)	0	(181,606)	0	(189,997)
Tuition and Fees	873,675	0	0	4,725	878,400
Extracurricular Activities	97,985	0	0	0	97,985
Rentals	3,712	0	0	145,000	148,712
Charges for Services	70,240	0	0	206,101	276,341
Contributions and Donations	13,436	0	0	4,021	17,457
Miscellaneous	41,003	0	0	67,469	108,472
Total Revenues	19,160,821	1,994	18,221,950	7,823,702	45,208,467
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	10,121,587	0	0	248,897	10,370,484
Special	2,146,080	0	0	3,492,277	5,638,357
Vocational	357,922	0	0	0	357,922
Support Services:					
Pupils	733,751	0	0	437,341	1,171,092
Instructional Staff	1,166,888	0	0	920,231	2,087,119
Board of Education	14,914	0	0	0	14,914
Administration	1,295,605	0	0	76,802	1,372,407
Fiscal	538,555	0	0	32,535	571,090
Business	69,321	0	0	87,247	156,568
Operation and Maintenance of Plant	1,558,026	0	0	116,834	1,674,860
Pupil Transportation	555,938	0	0	2,482	558,420
Central	3,205	0	0	52,184	55,389
Operation of Non-Instructional Services:					
Food Service Operations	24,112	0	0	1,003,145	1,027,257
Other	0	0	0	244,550	244,550
Extracurricular Activities	243,512	0	0	5,150	248,662
Capital Outlay	0	646,313	12,153,425	0	12,799,738
Debt Service:					
Principal Retirement	153,937	0	0	367,876	521,813
Interest and Fiscal Charges	18,025	0	0	747,765	765,790
Intergovernmental	0	0	0	38,500	38,500
Total Expenditures	19,001,378	646,313	12,153,425	7,873,816	39,674,932
Excess of Revenues Over (Under) Expenditures	159,443	(644,319)	6,068,525	(50,114)	5,533,535
<u>Other Financing Sources (Uses):</u>					
Transfers In	0	0	0	73,100	73,100
Transfers Out	(73,100)	0	0	0	(73,100)
Total Other Financing Sources (Uses)	(73,100)	0	0	73,100	0
Net Change in Fund Balances	86,343	(644,319)	6,068,525	22,986	5,533,535
Fund Balances Beginning of Year	1,107,494	1,018,536	15,182,190	1,878,740	19,186,960
Fund Balances End of Year	\$1,193,837	\$374,217	\$21,250,715	\$1,901,726	\$24,720,495

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, 2004

Net Change in Fund Balances - Total Governmental Funds **\$5,533,535**

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

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

Capital asset additions	1,087,156	
Construction in progress additions	11,692,253	
Depreciation expense	(568,989)	
Excess of capital outlay over depreciation expense		12,210,420

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

Gain on early trade-in of capital lease	2,492	
Loss on disposal of capital assets	(215,345)	
		(212,853)

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	(15,026)	
Intergovernmental	(18,371,342)	
Interest	(25,228)	
Tuition and Fees	(2,977)	
Charges for Services	27,107	
Miscellaneous	(33,698)	
		(18,421,164)

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

Amortization of bond issuance costs	(9,859)	
Amortization of bond premium	9,858	
		(1)

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

Loan principal retirement	14,284	
Bond payments	350,000	
Capital lease payments	157,529	
Total long-term debt repayment		521,813

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	(109,942)	
Increase in accrued interest	(28,006)	
Increase in intergovernmental payable	(15,302)	
Accretion on bonds	(98,301)	
Total (increase)/decrease		(251,551)

Change in Net Assets of Governmental Activities **(\$619,801)**

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, 2004

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$4,891,000	\$4,369,685	\$4,369,685	\$0
Intergovernmental	12,920,347	13,561,100	13,561,100	0
Interest	30,721	32,245	32,245	0
Tuition and Fees	891,826	936,054	936,054	0
Extracurricular Activities	93,355	97,985	97,985	0
Rentals	3,537	3,712	3,712	0
Charges for Services	3,157	3,314	3,314	0
Contributions and Donations	12,801	13,436	13,436	0
Miscellaneous	19,991	20,982	20,982	0
Total Revenues	18,866,735	19,038,513	19,038,513	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,454,462	4,755,546	4,562,898	192,648
Special	2,228,832	2,264,519	2,141,896	122,623
Vocational	397,044	374,381	367,480	6,901
Other	4,547,627	5,657,702	5,655,936	1,766
Support Services:				
Pupils	1,060,334	957,209	843,774	113,435
Instructional Staff	1,392,319	1,428,384	1,210,636	217,748
Board of Education	18,004	18,362	14,829	3,533
Administration	1,363,452	1,415,611	1,359,966	55,645
Fiscal	657,769	657,478	558,511	98,967
Business	81,845	84,829	75,062	9,767
Operation and Maintenance of Plant	1,710,075	1,788,287	1,592,029	196,258
Pupil Transportation	602,648	634,830	561,204	73,626
Central	16,559	17,555	3,205	14,350
Operation of Non-Instructional Services:				
Food Service	35,514	35,419	31,200	4,219
Extracurricular Activities	288,105	287,266	244,741	42,525
Total Expenditures	18,854,589	20,377,378	19,223,367	1,154,011
Excess of Revenues Over (Under) Expenditures	12,146	(1,338,865)	(184,854)	1,154,011
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	96,983	96,983	0
Transfers In	0	3,530	0	(3,530)
Transfers Out	(50,000)	(100,228)	(73,100)	27,128
Advances In	0	238,664	178,010	(60,654)
Advances Out	(35,616)	(109,677)	(49,023)	60,654
Refund of Prior Year Receipts	(88)	(123)	(123)	0
Total Other Financing Sources (Uses)	(85,704)	129,149	152,747	23,598
Net Change in Fund Balance	(73,558)	(1,209,716)	(32,107)	1,177,609
Fund Balances at Beginning of Year	1,932,136	1,932,136	1,932,136	0
Prior Year Encumbrances Appropriated	176,677	176,677	176,677	0
Fund Balances at End of Year	\$2,035,255	\$899,097	\$2,076,706	\$1,177,609

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2004

Assets

Equity in Pooled Cash and Cash Equivalents \$5,425

Liabilities

Undistributed Monies \$5,425

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, 2004

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 95 non-certificated employees, 166 certificated full-time teaching personnel and 13 administrative employees who provide services to 2,172 students and other community members. The School District currently operates six buildings.

Reporting Entity:

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

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

The following activities are included within the reporting entity:

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 17 and 18 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements ordinarily distinguish between activities that are governmental and those that are considered business-type, however, the School District has no activities that are classified as business-type.

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. All funds of the School District fall within two categories, governmental and fiduciary.

Governmental Funds:

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

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Ohio School Facilities Commission Fund -- To account for monies received and expended by the School District in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities. The monies received were from two separate sources: A portion of the proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium 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 activity programs.

C. Measurement Focus

Government-wide Financial Statements

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2004, the School District's investments were limited to a negotiable certificate of deposit, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, and Federal National Mortgage Association Bonds. 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, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$28,543, which includes \$25,099 from other School District funds.

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

F. Restricted Assets

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

G. Inventory

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

H. Capital Assets

The School District's only capital assets are general assets. General capital assets are those assets specifically related to governmental activities. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

I. Interfund Balances

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

J. Compensated Absences

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

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Accrued Liabilities and Long-term Obligations

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

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

L. Fund Balance Reserves

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

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

M. Net Assets

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Interfund Transactions

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

O. Estimates

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

P. Budgetary Process

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

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE

For fiscal year 2004, the School District has implemented *GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units"*. This Statement further defines the guidelines of *GASB Statement No. 14, "The Financial Reporting Entity"*. The implementation of this new statement had no effect on the School District's financial statements for fiscal year 2004.

NOTE 4 - ACCOUNTABILITY

At June 30, 2004, the Teacher Development, Summer School Subsidy, IDEA-B, Title V, Drug Free Schools, E-Rate Funding, and Title II-A Special Revenue Funds had deficit fund balances of \$9, \$6,745, \$2,253, \$1,845, \$11,104, \$369, and \$17,454, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

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	\$86,343
Adjustments:	
Revenue Accruals	(34,915)
Expenditure Accruals	(122,151)
Advances	128,987
Encumbrances	(99,961)
Unrecorded Cash - Escrow	9,590
Budget Basis	(\$32,107)

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

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

Deposits: At fiscal year-end, the carrying amount of the School District's deposits was \$14,666,864 and the bank balance was \$14,819,944. Of the bank balance, \$325,327 was covered by federal depository insurance and \$14,494,617 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Negotiable Certificate of Deposit	\$98,417	\$0	\$98,417
U.S. Government Securities:			
Federal Home Loan Bank Bonds	0	5,443,869	5,443,869
Federal Home Loan Mortgage Corporation Bonds	0	4,154,639	4,154,639
Federal National Mortgage Association Bonds	0	4,768,003	4,768,003
Total Investments	<u>\$98,417</u>	<u>\$14,366,511</u>	<u>\$14,464,928</u>

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

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

	<u>Cash and Cash Equivalents / Deposits</u>	<u>Investments</u>
<i>GASB Statement No. 9</i>	\$29,132,192	\$0
Cash on Hand	(400)	0
Investments:		
Negotiable Certificate of Deposit	(98,417)	98,417
Federal Home Loan Bank Bonds	(5,443,869)	5,443,869
Federal Home Loan Mortgage Corporation Bonds	(4,154,639)	4,154,639
Federal National Mortgage Association Bonds	(4,768,003)	4,768,003
<i>GASB Statement No. 3</i>	<u>\$14,666,864</u>	<u>\$14,464,928</u>

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, 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 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 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 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 7 - PROPERTY TAXES (continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

The amount available as an advance at June 30, 2004, was \$243,777 and is recognized as revenue: \$184,642 in the General Fund, \$55,084 in the Bond Retirement Fund and \$4,051 in the Classroom Facilities Maintenance Fund. The amount available as an advance at June 30, 2003, was \$305,151 and was recognized as revenue: \$230,972 in the General Fund, \$69,109 in the Bond Retirement Fund and \$5,070 in the Classroom Facilities Maintenance Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The assessed values upon which fiscal year 2004 taxes were collected are:

	2003 Second- Half Collections		2004 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$179,959,540	82.50%	\$181,636,310	82.69%
Public Utility	15,329,070	7.03%	15,627,110	7.11%
Tangible Personal Property	22,834,840	10.47%	22,408,920	10.20%
Total Assessed Value	<u>\$218,123,450</u>	<u>100.00%</u>	<u>\$219,672,340</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 \$41.03		 \$41.03	

NOTE 8 - RECEIVABLES

Receivables at June 30, 2004, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year with the exception of the Ohio School Facilities Commission grant. These grant monies will be collected over the life of the construction of the new facilities. A summary of the principal items of intergovernmental receivables follows:

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 8 – RECEIVABLES (continued)

	Amount
Governmental Activities:	
Excess Cost Reimbursements	\$83,556
Ohio School Facilities Commission	29,345,190
Food Service	65,134
Teacher Development	12,418
Summer School Subsidy	17,232
Title I	196,984
Title V	3,840
Drug Free Schools	14,480
Early Childhood Special Education	80
Title II-A	41,726
Miscellaneous Federal Grants	27,019
Total Intergovernmental Receivables	\$29,807,659

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.

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance at 6/30/03	Additions	Deductions	Balance at 6/30/04
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$5,223,183	\$414,130	\$0	\$5,637,313
Construction in Progress	2,662,647	11,692,253	0	14,354,900
Total Capital Assets Not Being Depreciated	7,885,830	12,106,383	0	19,992,213
Capital Assets Being Depreciated:				
Land Improvements	76,500	0	(21,242)	55,258
Buildings and Improvements	5,081,330	0	(485,012)	4,596,318
Furniture, Fixtures, and Equipment	4,117,137	310,289	(690,212)	3,737,214
Vehicles	618,747	137,660	0	756,407
Textbooks	2,194,305	225,077	(199,534)	2,219,848
Totals at Historical Cost	\$12,088,019	\$673,026	(\$1,396,000)	\$11,365,045

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 9 - CAPITAL ASSETS (continued)

	Balance at 6/30/03	Additions	Deductions	Balance at 6/30/04
Less Accumulated Depreciation:				
Land Improvements	(\$67,747)	\$0	\$19,118	(\$48,629)
Building and Improvements	(3,720,547)	(38,345)	386,598	(3,372,294)
Furniture, Fixtures, and Equipment	(2,320,188)	(288,684)	545,720	(2,063,152)
Vehicles	(379,690)	(46,639)	0	(426,329)
Textbooks	(998,071)	(195,321)	118,371	(1,075,021)
Total Accumulated Depreciation	<u>(7,486,243)</u>	<u>(568,989) *</u>	<u>1,069,807</u>	<u>(6,985,425)</u>
 Total Capital Assets Being Depreciated, Net	 <u>4,601,776</u>	 <u>104,037</u>	 <u>(326,193)</u>	 <u>4,379,620</u>
 Governmental Activities Capital Assets, Net	 <u>\$12,487,606</u>	 <u>\$12,210,420</u>	 <u>(\$326,193)</u>	 <u>\$24,371,833</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$153,992
Special	44,599
Vocational	70,229
Support Services:	
Pupils	31,700
Instructional Staff	80,593
Administration	78,005
Fiscal	8,535
Business	32,514
Operation and Maintenance of Plant	14,612
Pupil Transportation	32,900
Central	3,322
Operation of Non-Instructional Services:	
Food Service	7,625
Other	5,876
Extracurricular Activities	4,487
Total Depreciation Expense	<u>\$568,989</u>

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2004, the School District contracted with the Lickdyke Insurance Company for property, inland marine, and automobile liability coverage. Coverage provided by the Lickdyke Insurance Company is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) - replacement cost (10,000 deductible)	\$54,049,485
Auto Liability:	
Liability - Any Auto	1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	1,000,000
Comprehensive - Bus (\$1,000 deductible)	Actual Cash Value
Comprehensive - All Other (\$250 deductible)	Actual Cash Value
Collision - Bus (\$500 deductible)	Actual Cash Value
Collision - All Other (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	25,000
Comprehensive (\$100 deductible)	Actual Cash Value
Collision (\$500 deductible)	Actual Cash Value
Excess Auto Liability:	
Auto Liability Limit - each accident	1,000,000
Auto Liability Policy Aggregate	1,000,000
Auto Liability - Each Accident Limit	1,000,000
General Liability:	
Each Occurrence Limit	1,000,000
Damage to Premises Rented to You 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

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been a significant increase in general liability insurance coverage from last year due to an oversight which entailed the general liability insurance premium not being paid in a timely manner. This oversight resulted in the cancellation of the general liability insurance policy. During 2004, the School District did acquire general liability insurance through Lickdyke Insurance Company.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 10 - RISK MANAGEMENT (continued)

For fiscal year 2004, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover costs of administering the program.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

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 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 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, 2004, 2003, and 2002 were \$215,559, \$237,808, and \$146,840, respectively; 45.88 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$116,661 represents the unpaid contribution for fiscal year 2004.

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System of Ohio

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090 or by visiting the STRS Ohio web site 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 credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2004, 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 2003, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,122,862, \$1,175,279, and \$875,695, respectively; 82.66 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$4,183 made by the plan members and \$1,085 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, 2004, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$86,374 for fiscal year 2004.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS Ohio were \$352,301,000 and STRS Ohio had 108,294 eligible benefit recipients.

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

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$150,538.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 13 - EMPLOYEE BENEFITS (continued)

C. Deferred Compensation

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

NOTE 14 - LEASES - LESSEE DISCLOSURE

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

Capital assets acquired by lease were initially capitalized in the amount of \$301,728 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. During fiscal year 2004, the School District entered into a new operating lease prior to the full retirement of the old capital lease. Therefore, the balance of \$113,340 remaining on the old lease was eliminated on the financial statements upon entering into the new lease. Principal payments in fiscal year 2004 totaled \$157,529 and were paid from the General Fund and the Food Service Special Revenue Fund.

The assets acquired through capital leases as of June 30, 2004, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Copier Equipment	\$44,982	(\$27,883)	\$17,099
Exercise Equipment	218,901	(25,539)	193,362
Food Service Truck	37,845	(5,362)	32,483
Totals	<u>\$301,728</u>	<u>(\$58,784)</u>	<u>\$242,944</u>

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 14 - LEASES - LESSEE DISCLOSURE (continued)

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2004.

Fiscal Year Ending June 30,	Total Payments
2005	\$89,029
2006	92,105
Total	181,134
Less: Amount Representing Interest	(7,965)
Present Value of Net Minimum Lease Payments	\$173,169

During fiscal year 2004, the School District entered into a noncancelable operating lease 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 2004 totaled \$8,003 in the General Fund.

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

Year Ending June 30,	Total Payments
2005	\$96,030
2006	96,030
2007	24,007
Total	\$216,067

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during the fiscal year 2004 were as follows:

	Principal Outstanding 6/30/03	Additions	Deductions	Principal Outstanding 6/30/04	Amounts Due in One Year
<u>Governmental Activities:</u>					
1988 EPA Asbestos					
Loan 0.00%	\$64,274	\$0	\$14,284	\$49,990	\$14,284
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	16,370,000	0	350,000	16,020,000	360,000
Capital Appreciation Bonds 3.9 to 4.6%	425,000	0	0	425,000	0
Accretion on Capital Appreciation Bonds	99,298	98,301	0	197,599	0
Premium on Debt Issue	215,466	0	9,858	205,608	0
Capital Leases	444,038	0	270,869	173,169	83,349
Compensated Absences	1,214,068	299,688	189,746	1,324,010	177,602
Total Governmental Activities					
Long-Term Obligations	<u>\$18,832,144</u>	<u>\$397,989</u>	<u>\$834,757</u>	<u>\$18,395,376</u>	<u>\$635,235</u>

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

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

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

The capital appreciation bonds, issued at \$425,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2007 and 2008. The maturity amounts of the capital appreciation bonds are \$435,000 in fiscal year 2007 and \$435,014 in fiscal year 2008. Accretion on the capital appreciation bonds for fiscal year 2004 was \$98,301.

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

As of June 30, 2004, \$5,400,305 of the bond proceeds had been spent toward the project.

Compensated absences will be paid from the General Fund and the Food Service, Auxiliary Services Non Public, Disadvantaged Pupil Impact Aid, Summer School Subsidy, Miscellaneous State Grants, IDEA-B, Title I, Title V, Early Childhood Special Education, Title II-A, and Miscellaneous Federal Grants Special Revenue Funds. Capital lease obligations will be paid from the General Fund and the Food Service Special Revenue Fund.

The School District's overall legal debt margin was \$4,256,568 with an unvoted debt margin of \$169,682 at June 30, 2004.

Principal and interest requirements to retire Classroom Facilities General Obligation Bonds outstanding at June 30, 2004, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2005	\$360,000	\$737,358	\$0	\$0	\$1,097,358
2006	415,000	726,647	0	0	1,141,647
2007	0	720,526	227,544	207,456	1,155,526
2008	0	720,526	197,456	237,558	1,155,540
2009	455,000	712,108	0	0	1,167,108
2010-2014	2,755,000	3,256,273	0	0	6,011,273
2015-2019	4,115,000	2,508,984	0	0	6,623,984
2020-2024	6,405,000	1,229,773	0	0	7,634,773
2025	1,515,000	38,630	0	0	1,553,630
Total	\$16,020,000	\$10,650,825	\$425,000	\$445,014	\$27,540,839

Principal requirements to retire EPA Asbestos Loan outstanding at June 30, 2004, are as follows:

EPA Asbestos Loan - 1988	
Fiscal year	
Ending June 30,	Principal
2005	\$14,284
2006	14,284
2007	14,284
2008	7,138
Total	\$49,990

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2004, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		<u>General</u>
Payable	All Other	
	Nonmajor Funds	<u>\$65,061</u>

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

Transfers made during the year ended June 30, 2004 were as follows:

		Transfers From
		<u>General</u>
Transfers To	All Other	
	Nonmajor Funds	<u>\$73,100</u>

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

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, Pickaway, Gallia, 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 \$6,564 for services provided during the year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

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 Board consisting of two representatives from Portsmouth City School District and three representatives from the South Central Ohio Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Joint Vocational School at P.O. Box 766, Lucasville, Ohio 45648.

C. Coalition of Rural and Appalachian Schools

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

*Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004*

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (continued)

D. Pilasco-Ross Special Education Regional Resource Center

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

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

NOTE 18 - INSURANCE PURCHASING 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 year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 19 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 19 - SET-ASIDE CALCULATIONS AND FUND RESERVES (continued)

	Textbooks	Capital Acquisition	Totals
Set-aside Reserve Balance as of June 30, 2003	\$514,377	\$225,481	\$739,858
Current Year Set-aside Requirement	310,853	310,853	621,706
Current Year Offsets	0	(374,170)	(374,170)
Qualifying Disbursements	(240,825)	(162,164)	(402,989)
Set-aside Reserve Balance as of June 30, 2004	<u>\$584,405</u>	<u>\$0</u>	<u>\$584,405</u>

NOTE 20 - CONTRACTUAL COMMITMENTS

The School District contracted for the design and construction of new high school, middle school, and elementary school buildings. The outstanding construction commitments at June 30, 2004 are:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/04
Accurate Electric	\$5,635,570	\$698,787	\$4,936,783
BBL Construction	3,540,102	1,186,347	2,353,755
Boone Coleman Construction	1,724,587	1,564,537	160,050
Columbus Heating and Ventilation	787,400	17,300	770,100
C.R.M. Land Surveying	22,024	19,766	2,258
J & H Reinforcing and Structural Erectors	17,359,875	4,297,028	13,062,847
Hattenbach Company	372,538	10,926	361,612
Kenney Huston Company	6,912,500	2,134,975	4,777,525
Lepi Enterprises	90,900	16,250	74,650
Mechanical Construction	5,645,386	1,379,340	4,266,046
Peck, Shaffer, and Williams	28,000	21,225	6,775
Scioto Masonry Builders	958,700	60,075	898,625
Spectrum Controls	569,450	16,281	553,169
Stevens Construction	610,500	0	610,500
Tanner, Stone Architects	3,303,096	2,557,156	745,940
T.P. Mechanical Contractors	255,980	39,996	215,984
Total	<u>\$47,816,608</u>	<u>\$14,019,989</u>	<u>\$33,796,619</u>

NOTE 21 - STATE SCHOOL FUNDING DECISION

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

Portsmouth City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 21 – STATE SCHOOL FUNDING DECISION (continued)

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

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

NOTE 22 - CONTINGENCIES

A. Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

B. Litigation

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

NOTE 23 - FINANCIAL CONDITION

On April 19, 2001, the School District was placed into Fiscal Caution by the Ohio Department of Education. Under Ohio Revised Code Section 3316.031 (B) (3), the Ohio Department of Education will place a school district in Fiscal Caution when the Auditor of State certifies a forecasted General Fund deficit between 2% and 8% of the General Fund's prior year revenue. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education. The School District will be required to update their recovery plan if the School District experiences a significant change of events. A performance audit was conducted on the School District by the Auditor of State of Ohio dated June 26, 2002 to evaluate ways to improve operations within the School District. As of June 30, 2004, the School District was still in Fiscal Caution.

NOTE 24 – SUBSEQUENT EVENT

On October 21, 2004, a discrimination lawsuit was filed against the School District by a former employee. No liability has been accrued on the balance sheet 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.

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.

Auxiliary Services Non Public

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

Teacher Development

To account for receipts and expenditures necessary for the development of in-service programs.

Education Management Information System

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

Disadvantaged Pupil Impact Aid

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

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

OhioReads

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

Summer School Subsidy

To account for State monies used to support student intervention services.

Vocational Education Enhancement

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

Miscellaneous State Grants

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

IDEA-B

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

Title I

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

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

Early Childhood Special Education

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

E-Rate Funding

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

Title II-A

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

Miscellaneous Federal Grants

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

NONMAJOR DEBT SERVICE FUND

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

(continued)

Portsmouth City School District

Nonmajor Governmental Fund Descriptions - (continued)

CAPITAL PROJECTS FUNDS

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

Nonmajor Capital Projects Funds

Permanent Improvement

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

SchoolNet

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

Technology Equity

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

Portsmouth City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,213,274	\$922,691	\$280,675	\$2,416,640
Receivables:				
Taxes	92,617	1,227,946	0	1,320,563
Accounts	426	0	1,428	1,854
Intergovernmental	378,913	0	0	378,913
Accrued Interest	477	3,272	0	3,749
Prepaid Items	2,044	0	0	2,044
Materials and Supplies Inventory	24,199	0	0	24,199
Total Assets	\$1,711,950	\$2,153,909	\$282,103	\$4,147,962
<u>Liabilities:</u>				
Accounts Payable	\$48,618	\$0	\$58	\$48,676
Accrued Wages and Benefits Payable	546,195	0	0	546,195
Intergovernmental Payable	63,116	0	50	63,166
Interfund Payable	65,061	0	0	65,061
Deferred Revenue	350,276	1,172,862	0	1,523,138
Total Liabilities	1,073,266	1,172,862	108	2,246,236
<u>Fund Balances:</u>				
Reserved for Encumbrances	99,011	0	80	99,091
Reserved for Property Taxes	4,051	55,084	0	59,135
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	535,622	0	0	535,622
Debt Service Fund	0	925,963	0	925,963
Capital Project Funds	0	0	281,915	281,915
Total Fund Balances	638,684	981,047	281,995	1,901,726
Total Liabilities and Fund Balances	\$1,711,950	\$2,153,909	\$282,103	\$4,147,962

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$79,955	\$1,053,967	\$0	\$1,133,922
Intergovernmental	6,044,098	155,172	42,900	6,242,170
Interest	2,549	17,745	0	20,294
Tuition and Fees	4,725	0	0	4,725
Rentals	0	0	145,000	145,000
Charges for Services	206,101	0	0	206,101
Contributions and Donations	4,021	0	0	4,021
Miscellaneous	66,041	0	1,428	67,469
Total Revenues	6,407,490	1,226,884	189,328	7,823,702
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	218,577	0	30,320	248,897
Special	3,492,277	0	0	3,492,277
Support Services:				
Pupils	437,341	0	0	437,341
Instructional Staff	905,273	0	14,958	920,231
Administration	70,632	0	6,170	76,802
Fiscal	7,657	24,878	0	32,535
Business	0	0	87,247	87,247
Operation and Maintenance of Plant	95,669	0	21,165	116,834
Pupil Transportation	2,482	0	0	2,482
Central	52,184	0	0	52,184
Operation of Non-Instructional Services:				
Food Service Operations	1,003,145	0	0	1,003,145
Other	244,550	0	0	244,550
Extracurricular Activities	150	0	5,000	5,150
Debt Service:				
Principal Retirement	3,592	364,284	0	367,876
Interest and Fiscal Charges	1,443	746,322	0	747,765
Intergovernmental	38,500	0	0	38,500
Total Expenditures	6,573,472	1,135,484	164,860	7,873,816
Excess of Revenues Over (Under) Expenditures	(165,982)	91,400	24,468	(50,114)
<u>Other Financing Sources:</u>				
Transfers In	58,816	14,284	0	73,100
Net Change in Fund Balances	(107,166)	105,684	24,468	22,986
Fund Balances Beginning of Year	745,850	875,363	257,527	1,878,740
Fund Balances End of Year	\$638,684	\$981,047	\$281,995	\$1,901,726

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Food Service	Education Foundation	New Facilities Maintenance	Auxiliary Services Non Public
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$107,344	\$45,724	\$242,476	\$56,469
Receivables:				
Taxes	0	0	92,617	0
Accounts	312	0	0	65
Intergovernmental	65,134	0	0	0
Accrued Interest	116	157	0	204
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	17,425	0	0	4,576
Total Assets	\$190,331	\$45,881	\$335,093	\$61,314
<u>Liabilities:</u>				
Accounts Payable	\$79	\$0	\$0	\$2,856
Accrued Wages and Benefits Payable	48,694	0	0	9,029
Intergovernmental Payable	3,564	0	0	765
Interfund Payable	0	0	0	0
Deferred Revenue	312	0	88,566	0
Total Liabilities	52,649	0	88,566	12,650
<u>Fund Balances:</u>				
Reserved for Encumbrances	27,433	0	0	6,400
Reserved for Property Taxes	0	0	4,051	0
Unreserved, Undesignated (Deficit)	110,249	45,881	242,476	42,264
Total Fund Balances (Deficit)	137,682	45,881	246,527	48,664
Total Liabilities and Fund Balances	\$190,331	\$45,881	\$335,093	\$61,314

<u>Teacher Development</u>	<u>Education Management Information System</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Praise</u>	<u>SchoolNet Summer Training</u>	<u>OhioReads</u>	<u>Summer School Subsidy</u>
\$9,522	\$2,156	\$387,610	\$15,077	\$992	\$11,862	\$16,470
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,418	0	0	0	0	0	17,232
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$21,940</u>	<u>\$2,156</u>	<u>\$387,610</u>	<u>\$15,077</u>	<u>\$992</u>	<u>\$11,862</u>	<u>\$33,702</u>
\$2,262	\$0	\$0	\$0	\$0	\$10,239	\$3,459
7,000	0	235,636	0	500	0	15,236
1,411	0	26,704	0	111	0	808
11,276	1,759	0	0	0	0	3,712
0	0	0	0	0	0	17,232
<u>21,949</u>	<u>1,759</u>	<u>262,340</u>	<u>0</u>	<u>611</u>	<u>10,239</u>	<u>40,447</u>
9,522	0	0	0	0	1,623	6,003
0	0	0	0	0	0	0
<u>(9,531)</u>	<u>397</u>	<u>125,270</u>	<u>15,077</u>	<u>381</u>	<u>0</u>	<u>(12,748)</u>
<u>(9)</u>	<u>397</u>	<u>125,270</u>	<u>15,077</u>	<u>381</u>	<u>1,623</u>	<u>(6,745)</u>
<u>\$21,940</u>	<u>\$2,156</u>	<u>\$387,610</u>	<u>\$15,077</u>	<u>\$992</u>	<u>\$11,862</u>	<u>\$33,702</u>

(continued)

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004
(continued)

	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B	Title I
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$889	\$37,986	\$13,221	\$209,336
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	196,984
Accrued Interest	0	0	0	0
Prepaid Items	0	0	504	0
Materials and Supplies Inventory	0	0	2,198	0
Total Assets	\$889	\$37,986	\$15,923	\$406,320
<u>Liabilities:</u>				
Accounts Payable	\$0	\$4,643	\$540	\$16,976
Accrued Wages and Benefits Payable	0	4,731	15,100	162,566
Intergovernmental Payable	0	751	2,536	20,726
Interfund Payable	0	0	0	29,536
Deferred Revenue	0	0	0	156,984
Total Liabilities	0	10,125	18,176	386,788
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	5,475	1,794	35,390
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	889	22,386	(4,047)	(15,858)
Total Fund Balances (Deficit)	889	27,861	(2,253)	19,532
Total Liabilities and Fund Balances	\$889	\$37,986	\$15,923	\$406,320

Title V	Drug Free Schools	Early Childhood Special Education	E-Rate Funding	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$417	\$6,235	\$1,543	\$2,212	\$29,998	\$15,735	\$1,213,274
0	0	0	0	0	0	92,617
0	0	0	49	0	0	426
3,840	14,480	80	0	41,726	27,019	378,913
0	0	0	0	0	0	477
0	0	0	1,540	0	0	2,044
0	0	0	0	0	0	24,199
<u>\$4,257</u>	<u>\$20,715</u>	<u>\$1,623</u>	<u>\$3,801</u>	<u>\$71,724</u>	<u>\$42,754</u>	<u>\$1,711,950</u>
\$0	\$1,098	\$0	\$1,390	\$3,147	\$1,929	\$48,618
2,016	203	1,081	0	39,766	4,637	546,195
246	0	61	3	4,539	891	63,116
0	16,038	0	2,740	0	0	65,061
3,840	14,480	80	37	41,726	27,019	350,276
<u>6,102</u>	<u>31,819</u>	<u>1,222</u>	<u>4,170</u>	<u>89,178</u>	<u>34,476</u>	<u>1,073,266</u>
73	502	0	0	0	4,796	99,011
0	0	0	0	0	0	4,051
(1,918)	(11,606)	401	(369)	(17,454)	3,482	535,622
<u>(1,845)</u>	<u>(11,104)</u>	<u>401</u>	<u>(369)</u>	<u>(17,454)</u>	<u>8,278</u>	<u>638,684</u>
<u>\$4,257</u>	<u>\$20,715</u>	<u>\$1,623</u>	<u>\$3,801</u>	<u>\$71,724</u>	<u>\$42,754</u>	<u>\$1,711,950</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, 2004

	Food Service	Education Foundation	New Facilities Maintenance	Auxiliary Services Non Public
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$79,955	\$0
Intergovernmental	756,029	0	11,389	204,488
Interest	1,257	162	0	1,130
Tuition and Fees	4,725	0	0	0
Charges for Services	206,101	0	0	0
Contributions and Donations	0	4,021	0	0
Miscellaneous	0	0	0	6,989
Total Revenues	968,112	4,183	91,344	212,607
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	5,000	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	269	0	1,874	0
Operation and Maintenance of Plant	5,679	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	991,761	0	0	0
Other	0	0	0	205,877
Extracurricular Activities	0	0	0	0
Debt Service:				
Principal Retirement	3,592	0	0	0
Interest and Fiscal Charges	1,443	0	0	0
Intergovernmental	0	0	0	0
Total Expenditures	1,002,744	5,000	1,874	205,877
Excess of Revenues Over (Under) Expenditures	(34,632)	(817)	89,470	6,730
<u>Other Financing Sources:</u>				
Transfers In	0	46,698	0	0
Net Change in Fund Balances	(34,632)	45,881	89,470	6,730
Fund Balances (Deficit) Beginning of Year	172,314	0	157,057	41,934
Fund Balances (Deficit) End of Year	\$137,682	\$45,881	\$246,527	\$48,664

<u>Teacher Development</u>	<u>Education Management Information System</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Praise</u>	<u>SchoolNet Summer Training</u>	<u>OhioReads</u>	<u>Summer School Subsidy</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
37,482	8,097	2,093,955	18,000	4,140	35,000	72,372
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>37,482</u>	<u>8,097</u>	<u>2,093,955</u>	<u>18,000</u>	<u>4,140</u>	<u>35,000</u>	<u>72,372</u>
0	0	59,603	0	0	24,182	79,117
0	0	1,705,067	0	0	0	0
0	0	111,092	0	0	0	0
37,491	0	114,375	35,005	6,215	15,244	0
0	0	70,632	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	12,269	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>37,491</u>	<u>12,269</u>	<u>2,060,769</u>	<u>35,005</u>	<u>6,215</u>	<u>39,426</u>	<u>79,117</u>
(9)	(4,172)	33,186	(17,005)	(2,075)	(4,426)	(6,745)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(9)	(4,172)	33,186	(17,005)	(2,075)	(4,426)	(6,745)
<u>0</u>	<u>4,569</u>	<u>92,084</u>	<u>32,082</u>	<u>2,456</u>	<u>6,049</u>	<u>0</u>
<u>(\$9)</u>	<u>\$397</u>	<u>\$125,270</u>	<u>\$15,077</u>	<u>\$381</u>	<u>\$1,623</u>	<u>(\$6,745)</u>

(continued)

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004
(continued)

	Vocational Education Enhancement	Miscellaneous State Grants	IDEA-B	Title I
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	889	102,722	545,564	1,538,624
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Customer Sales and Service	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	48
Total Revenues	889	102,722	545,564	1,538,672
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	21,243	0	120
Special	0	0	159,063	1,240,245
Support Services:				
Pupils	0	36,720	261,738	0
Instructional Staff	0	16,596	126,029	381,508
Administration	0	0	0	0
Fiscal	0	0	1,000	3,000
Operation and Maintenance of Plant	0	611	2,277	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other	0	0	0	37,176
Extracurricular Activities	0	150	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Intergovernmental	0	38,500	0	0
Total Expenditures	0	113,820	550,107	1,662,049
Excess of Revenues Over (Under) Expenditures	889	(11,098)	(4,543)	(123,377)
<u>Other Financing Sources:</u>				
Transfers In	0	0	0	0
Net Change in Fund Balances	889	(11,098)	(4,543)	(123,377)
Fund Balances (Deficit) Beginning of Year	0	38,959	2,290	142,909
Fund Balances (Deficit) End of Year	\$889	\$27,861	(\$2,253)	\$19,532

Title V	Drug Free Schools	Early Childhood Special Education	E-Rate Funding	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$79,955
16,962	27,901	9,725	0	320,554	240,205	6,044,098
0	0	0	0	0	0	2,549
0	0	0	0	0	0	4,725
0	0	0	0	0	0	206,101
0	0	0	0	0	0	4,021
0	0	0	58,894	0	110	66,041
<u>16,962</u>	<u>27,901</u>	<u>9,725</u>	<u>58,894</u>	<u>320,554</u>	<u>240,315</u>	<u>6,407,490</u>
0	0	0	0	0	34,312	218,577
16,182	0	0	0	329,651	42,069	3,492,277
0	21,656	0	0	0	1,135	437,341
0	17,976	9,324	17,830	34,717	92,963	905,273
0	0	0	0	0	0	70,632
0	0	0	0	0	1,514	7,657
0	0	0	0	0	87,102	95,669
0	0	0	0	0	2,482	2,482
0	0	0	39,915	0	0	52,184
0	0	0	0	0	11,384	1,003,145
1,497	0	0	0	0	0	244,550
0	0	0	0	0	0	150
0	0	0	0	0	0	3,592
0	0	0	0	0	0	1,443
0	0	0	0	0	0	38,500
<u>17,679</u>	<u>39,632</u>	<u>9,324</u>	<u>57,745</u>	<u>364,368</u>	<u>272,961</u>	<u>6,573,472</u>
(717)	(11,731)	401	1,149	(43,814)	(32,646)	(165,982)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,118</u>	<u>58,816</u>
(717)	(11,731)	401	1,149	(43,814)	(20,528)	(107,166)
<u>(1,128)</u>	<u>627</u>	<u>0</u>	<u>(1,518)</u>	<u>26,360</u>	<u>28,806</u>	<u>745,850</u>
<u>(\$1,845)</u>	<u>(\$11,104)</u>	<u>\$401</u>	<u>(\$369)</u>	<u>(\$17,454)</u>	<u>\$8,278</u>	<u>\$638,684</u>

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Portsmouth City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2004

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$279,051	\$1,624	\$280,675
Receivables:			
Accounts	0	1,428	1,428
Total Assets	\$279,051	\$3,052	\$282,103
<u>Liabilities:</u>			
Accounts Payable	\$0	\$58	\$58
Intergovernmental Payable	0	50	50
Total Liabilities	0	108	108
<u>Fund Balances:</u>			
Reserved for Encumbrances	0	80	80
Unreserved, Undesignated	279,051	2,864	281,915
Total Fund Balances	279,051	2,944	281,995
Total Liabilities and Fund Balances	\$279,051	\$3,052	\$282,103

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, 2004

	<u>Permanent Improvement</u>	<u>SchoolNet</u>
<u>Revenues:</u>		
Intergovernmental	\$0	\$42,900
Rentals	145,000	0
Miscellaneous	0	1,428
<i>Total Revenues</i>	<u>145,000</u>	<u>44,328</u>
<u>Expenditures:</u>		
Current:		
Instruction:		
Regular	0	30,320
Support Services:		
Instructional Staff	0	11,064
Administration	0	0
Business	87,247	0
Operation and Maintenance of Plant	21,165	0
Extracurricular Activities	5,000	0
<i>Total Expenditures</i>	<u>113,412</u>	<u>41,384</u>
<i>Net Change in Fund Balances</i>	31,588	2,944
<i>Fund Balances Beginning of Year</i>	<u>247,463</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$279,051</u></u>	<u><u>\$2,944</u></u>

<u>Technology Equity</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$0	\$42,900
0	145,000
<u>0</u>	<u>1,428</u>
<u>0</u>	<u>189,328</u>
0	30,320
3,894	14,958
6,170	6,170
0	87,247
0	21,165
<u>0</u>	<u>5,000</u>
<u>10,064</u>	<u>164,860</u>
(10,064)	24,468
<u>10,064</u>	<u>257,527</u>
<u>\$0</u>	<u>\$281,995</u>

Portsmouth City School District

Fiduciary Fund Description

AGENCY FUND

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

Student Managed Activity

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

Portsmouth City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	<u>Balance at 6/30/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/2004</u>
STUDENT MANAGED ACTIVITY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	<u>\$8,592</u>	<u>\$8,941</u>	<u>\$12,108</u>	<u>\$5,425</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$8,592</u>	<u>\$8,941</u>	<u>\$12,108</u>	<u>\$5,425</u>

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, 2004

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$4,891,000	\$4,369,685	\$4,369,685	\$0
Intergovernmental	12,920,347	13,561,100	13,561,100	0
Interest	30,721	32,245	32,245	0
Tuition and Fees	891,826	936,054	936,054	0
Extracurricular Activities	93,355	97,985	97,985	0
Rentals	3,537	3,712	3,712	0
Charges for Services	3,157	3,314	3,314	0
Contributions and Donations	12,801	13,436	13,436	0
Miscellaneous	19,991	20,982	20,982	0
Total Revenues	18,866,735	19,038,513	19,038,513	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	2,900,718	3,000,586	2,910,031	90,555
Fringe Benefits	1,340,354	1,472,909	1,396,302	76,607
Purchased Services	15,975	9,764	8,002	1,762
Materials and Supplies	180,306	264,338	242,441	21,897
Capital Outlay	16,709	7,342	5,917	1,425
Other	400	607	205	402
Total Regular	4,454,462	4,755,546	4,562,898	192,648
Special:				
Salaries	1,493,865	1,505,100	1,459,724	45,376
Fringe Benefits	713,342	745,974	673,607	72,367
Purchased Services	1,500	8,558	5,289	3,269
Materials and Supplies	18,729	3,741	2,188	1,553
Capital Outlay	1,396	1,146	1,088	58
Total Special	2,228,832	2,264,519	2,141,896	122,623
Vocational:				
Salaries	270,097	261,702	261,324	378
Fringe Benefits	122,528	102,060	96,251	5,809
Purchased Services	100	100	0	100
Materials and Supplies	3,819	7,937	7,423	514
Capital Outlay	500	2,582	2,482	100
Total Vocational	397,044	374,381	367,480	6,901
Other:				
Purchased Services	4,547,627	5,657,702	5,655,936	1,766
Total Instruction	\$11,627,965	\$13,052,148	\$12,728,210	\$323,938

(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, 2004
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries	\$594,043	\$615,284	\$559,289	\$55,995
Fringe Benefits	293,906	288,030	240,514	47,516
Purchased Services	97,111	26,113	20,992	5,121
Materials and Supplies	33,640	27,245	22,442	4,803
Capital Outlay	400	537	537	0
Other	41,234	0	0	0
Total Pupils	1,060,334	957,209	843,774	113,435
Instructional Staff:				
Salaries	759,027	668,314	645,612	22,702
Fringe Benefits	529,290	667,700	479,702	187,998
Purchased Services	43,177	28,842	25,124	3,718
Materials and Supplies	53,495	44,052	41,235	2,817
Capital Outlay	7,100	17,992	17,479	513
Other	230	1,484	1,484	0
Total Instructional Staff	1,392,319	1,428,384	1,210,636	217,748
Board of Education:				
Salaries	6,480	6,480	5,610	870
Fringe Benefits	869	1,102	621	481
Purchased Services	3,000	2,442	1,061	1,381
Materials and Supplies	900	800	299	501
Other	6,755	7,538	7,238	300
Total Board of Education	18,004	18,362	14,829	3,533
Administration:				
Salaries	671,137	670,585	662,895	7,690
Fringe Benefits	335,090	373,416	364,447	8,969
Purchased Services	150,641	167,004	134,286	32,718
Materials and Supplies	59,525	53,444	48,530	4,914
Capital Outlay	5,950	3,305	2,734	571
Other	141,109	147,857	147,074	783
Total Administration	1,363,452	1,415,611	1,359,966	55,645
Fiscal:				
Salaries	174,573	174,573	147,126	27,447
Fringe Benefits	93,511	102,436	100,167	2,269
Purchased Services	182,600	158,361	143,371	14,990
Materials and Supplies	16,279	9,284	5,619	3,665
Capital Outlay	5,000	917	450	467
Other	185,806	211,907	161,778	50,129
Total Fiscal	\$657,769	\$657,478	\$558,511	\$98,967

(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, 2004
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Business:				
Salaries	\$41,158	\$41,158	\$41,158	\$0
Fringe Benefits	14,251	16,245	15,899	346
Purchased Services	13,611	13,908	9,855	4,053
Materials and Supplies	11,825	12,918	8,150	4,768
Capital Outlay	1,000	600	0	600
Total Business	81,845	84,829	75,062	9,767
Operation and Maintenance of Plant:				
Salaries	702,966	671,692	632,492	39,200
Fringe Benefits	410,216	434,129	420,504	13,625
Purchased Services	515,309	538,842	438,078	100,764
Materials and Supplies	78,284	121,246	79,436	41,810
Capital Outlay	3,300	22,268	21,409	859
Other	0	110	110	0
Total Operation and Maintenance of Plant	1,710,075	1,788,287	1,592,029	196,258
Pupil Transportation:				
Salaries	197,155	186,855	155,183	31,672
Fringe Benefits	114,430	122,964	119,538	3,426
Purchased Services	72,601	71,262	55,738	15,524
Materials and Supplies	73,200	59,474	36,570	22,904
Capital Outlay	145,262	194,200	194,100	100
Other	0	75	75	0
Total Pupil Transportation	602,648	634,830	561,204	73,626
Central:				
Fringe Benefits	6,025	6,051	51	6,000
Purchased Services	10,500	11,470	3,120	8,350
Materials and Supplies	34	34	34	0
Total Central	16,559	17,555	3,205	14,350
Total Support Services	6,903,005	7,002,545	6,219,216	783,329
Operation of Non-Instructional Services:				
Food Service:				
Salaries	16,590	14,671	12,301	2,370
Fringe Benefits	11,337	13,161	11,312	1,849
Purchased Services	7,587	7,587	7,587	0
Total Operation of Non-Instructional Services	\$35,514	\$35,419	\$31,200	\$4,219

(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, 2004
(continued)

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	\$18,360	\$18,360	\$9,569	\$8,791
Fringe Benefits	3,288	3,899	1,632	2,267
Purchased Services	9,300	2,351	2,290	61
Materials and Supplies	8,550	24	24	0
Capital Outlay	0	2,205	2,205	0
Other	350	0	0	0
Total Academic Oriented Activities	39,848	26,839	15,720	11,119
Sports Oriented Activities:				
Salaries	105,998	123,358	103,538	19,820
Fringe Benefits	16,779	24,627	17,206	7,421
Purchased Services	38,900	48,207	48,207	0
Materials and Supplies	38,104	36,342	35,931	411
Capital Outlay	3,000	1,000	1,000	0
Total Sports Oriented Activities	202,781	233,534	205,882	27,652
School and Public Service:				
Salaries	3,890	4,292	3,721	571
Fringe Benefits	586	699	699	0
Purchased Services	28,750	14,591	14,591	0
Materials and Supplies	12,250	7,311	4,128	3,183
Total School and Public Service	45,476	26,893	23,139	3,754
Total Extracurricular Activities	288,105	287,266	244,741	42,525
Total Expenditures	18,854,589	20,377,378	19,223,367	1,154,011
Excess of Revenues Over (Under) Expenditures	12,146	(1,338,865)	(184,854)	1,154,011
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	0	96,983	96,983	0
Transfers In	0	3,530	0	(3,530)
Transfers Out	(50,000)	(100,228)	(73,100)	27,128
Advances In	0	238,664	178,010	(60,654)
Advances Out	(35,616)	(109,677)	(49,023)	60,654
Refund of Prior Year Receipts	(88)	(123)	(123)	0
Total Other Financing Sources (Uses)	(85,704)	129,149	152,747	23,598
Net Change in Fund Balance	(73,558)	(1,209,716)	(32,107)	1,177,609
Fund Balance at Beginning of Year	1,932,136	1,932,136	1,932,136	0
Prior Year Encumbrances Appropriated	176,677	176,677	176,677	0
Fund Balance at End of Year	\$2,035,255	\$899,097	\$2,076,706	\$1,177,609

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Interest	\$2,000	\$2,275	\$2,275	\$0
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	32,403	86,100	56,902	29,198
Capital Outlay	769,364	685,803	369,974	315,829
Total Site Acquisition Services	801,767	771,903	426,876	345,027
Site Improvement Services:				
Capital Outlay	98,940	141,429	141,429	0
Educational Specifications Development Services:				
Purchased Services	0	11,870	5,870	6,000
Total Expenditures	901,857	925,202	574,175	351,027
Net Change in Fund Balance	(899,857)	(922,927)	(571,900)	351,027
Fund Balance at Beginning of Year	923,788	923,788	923,788	0
Fund Balance at End of Year	<u>\$23,931</u>	<u>\$861</u>	<u>\$351,888</u>	<u>\$351,027</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$15,133,500	\$17,909,135	\$17,909,135	\$0
Interest	0	234,007	234,007	0
Total Revenues	15,133,500	18,143,142	18,143,142	0
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	48,733	164,207	93,793	70,414
Architecture and Engineering Services:				
Capital Outlay	2,000,000	0	0	0
Educational Specifications Development Services:				
Purchased Services	2,199,138	1,903,047	1,330,685	572,362
Building Acquisition and Construction Services:				
Purchased Services	11,077,409	3,558,822	3,268,226	290,596
Materials and Supplies	6,240	3,797	3,797	0
Capital Outlay	0	9,536,141	4,620,675	4,915,466
Other	40,000	90,318	90,318	0
Total Building Acquisition and Construction Services	11,123,649	13,189,078	7,983,016	5,206,062
Other Facilities Acquisition and Construction:				
Purchased Services	335,439	450,626	400,543	50,083
Total Expenditures	15,706,959	15,706,958	9,808,037	5,898,921
Net Change in Fund Balance	(573,459)	2,436,184	8,335,105	5,898,921
Fund Balance at Beginning of Year	15,698,700	15,698,700	15,698,700	0
Fund Balance at End of Year	\$15,125,241	\$18,134,884	\$24,033,805	\$5,898,921

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, 2004

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$909,072	\$676,905	\$676,905	\$0
Interest	1,595	1,188	1,188	0
Tuition and Fees	6,346	4,725	4,725	0
Charges for Services	277,563	206,676	206,676	0
Total Revenues	1,194,576	889,494	889,494	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Board of Education:				
Other	2,000	0	0	0
Fiscal:				
Purchased Services	509	269	269	0
Operation and Maintenance of Plant:				
Purchased Services	28,630	17,743	17,743	0
Materials and Supplies	500	317	317	0
Capital Outlay	6,000	0	0	0
Total Operation and Maintenance of Plant	35,130	18,060	18,060	0
Total Support Services	37,639	18,329	18,329	0
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries	396,126	344,015	344,015	0
Fringe Benefits	282,600	228,408	227,811	597
Purchased Services	7,461	7,912	6,234	1,678
Materials and Supplies	461,023	366,390	365,233	1,157
Capital Outlay	9,900	2,325	2,325	0
Total Operation of Non-Instructional Services	1,157,110	949,050	945,618	3,432
Total Expenditures	1,194,749	967,379	963,947	3,432
Excess of Revenues Over (Under) Expenditures	(173)	(77,885)	(74,453)	3,432
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	11,196	11,196	0
Net Change in Fund Balance	(173)	(66,689)	(63,257)	3,432
Fund Balance at Beginning of Year	142,905	142,905	142,905	0
Prior Year Encumbrances Appropriated	171	171	171	0
Fund Balance at End of Year	\$142,903	\$76,387	\$79,819	\$3,432

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Interest	\$1	\$1	\$1	\$0
Gifts and Donations	4,021	4,021	4,021	0
Total Revenues	4,022	4,022	4,022	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Other	5,000	5,000	5,000	0
Excess of Revenues Over (Under) Expenditures	(978)	(978)	(978)	0
<u>Other Financing Sources:</u>				
Transfers In	46,698	46,698	46,698	0
Net Change in Fund Balance	45,720	45,720	45,720	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$45,720</u>	<u>\$45,720</u>	<u>\$45,720</u>	<u>\$0</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
New Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$81,864	\$86,653	\$86,653	\$0
Intergovernmental	0	11,389	11,389	0
Total Revenues	81,864	98,042	98,042	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	2,000	2,000	1,874	126
Net Change in Fund Balance	79,864	96,042	96,168	126
Fund Balance at Beginning of Year	146,308	146,308	146,308	0
Fund Balance at End of Year	<u>\$226,172</u>	<u>\$242,350</u>	<u>\$242,476</u>	<u>\$126</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$236,458	\$204,488	\$204,488	\$0
Interest	0	950	950	0
Total Revenues	236,458	205,438	205,438	0
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	66,703	66,063	59,206	6,857
Fringe Benefits	42,476	40,525	36,304	4,221
Purchased Services	65,995	73,910	72,384	1,526
Materials and Supplies	21,728	24,974	13,850	11,124
Capital Outlay	52,058	49,587	44,787	4,800
Total Expenditures	248,960	255,059	226,531	28,528
Excess of Revenues Over (Under) Expenditures	(12,502)	(49,621)	(21,093)	28,528
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	6,924	6,924	0
Refund of Prior Year Receipts	0	(4,711)	(4,711)	0
Total Other Financing Sources (Uses)	0	2,213	2,213	0
Net Change in Fund Balance	(12,502)	(47,408)	(18,880)	28,528
Fund Balance at Beginning of Year	14,354	14,354	14,354	0
Prior Year Encumbrances Appropriated	51,657	51,657	51,657	0
Fund Balance at End of Year	\$53,509	\$18,603	\$47,131	\$28,528

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Teacher Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$37,482	\$25,064	\$25,064	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	10,200	10,200	10,200	0
Fringe Benefits	1,800	571	571	0
Purchased Services	23,200	23,301	23,301	0
Materials and Supplies	2,282	2,267	2,267	0
Total Expenditures	37,482	36,339	36,339	0
Excess of Revenues Over (Under) Expenditures	0	(11,275)	(11,275)	0
<u>Other Financing Sources:</u>				
Advances In	0	11,276	11,276	0
Net Change in Fund Balance	0	1	1	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>	<u>\$0</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Education Management Information System Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$8,097	\$8,097	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Salaries	0	6,000	6,000	0
Fringe Benefits	0	840	840	0
Purchased Services	4,712	5,572	5,572	0
Total Expenditures	4,712	12,412	12,412	0
Excess of Revenues Over (Under) Expenditures	(4,712)	(4,315)	(4,315)	0
<u>Other Financing Sources:</u>				
Advances In	0	1,759	1,759	0
Net Change in Fund Balance	(4,712)	(2,556)	(2,556)	0
Fund Balance at Beginning of Year	4,712	4,712	4,712	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$2,156</u>	<u>\$2,156</u>	<u>\$0</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$2,093,639	\$2,093,955	\$2,093,955	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	4,200	21,782	17,953	3,829
Fringe Benefits	748	10,017	8,481	1,536
Total Regular	4,948	31,799	26,434	5,365
Special:				
Salaries	1,224,433	1,291,009	1,118,705	172,304
Fringe Benefits	711,892	711,354	602,941	108,413
Total Special	1,936,325	2,002,363	1,721,646	280,717
Other:				
Purchased Services	22,128	28,211	28,211	0
Total Instruction	1,963,401	2,062,373	1,776,291	286,082
Support Services:				
Pupils:				
Salaries	38,917	39,917	32,905	7,012
Fringe Benefits	28,126	27,629	22,812	4,817
Purchased Services	67,605	66,645	57,905	8,740
Total Pupils	134,648	134,191	113,622	20,569
Instructional Staff:				
Salaries	92,675	92,462	63,760	28,702
Fringe Benefits	58,282	94,194	59,239	34,955
Purchased Services	229	150	73	77
Total Instructional Staff	151,186	186,806	123,072	63,734
Administration:				
Salaries	73,727	70,773	62,408	8,365
Fringe Benefits	41,097	31,726	22,867	8,859
Total Administration	114,824	102,499	85,275	17,224
Total Support Services	400,658	423,496	321,969	101,527
Total Expenditures	2,364,059	2,485,869	2,098,260	387,609
Net Change in Fund Balance	(270,420)	(391,914)	(4,305)	387,609
Fund Balance at Beginning of Year	391,915	391,915	391,915	0
Fund Balance at End of Year	\$121,495	\$1	\$387,610	\$387,609

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, 2004

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$0	\$18,000	\$18,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	10,081	28,067	24,253	3,814
Materials and Supplies	5,000	5,000	5,000	0
Capital Outlay	17,000	17,014	5,752	11,262
Total Expenditures	<u>32,081</u>	<u>50,081</u>	<u>35,005</u>	<u>15,076</u>
Net Change in Fund Balance	(32,081)	(32,081)	(17,005)	15,076
Fund Balance at Beginning of Year	31,461	31,461	31,461	0
Prior Year Encumbrances Appropriated	<u>620</u>	<u>620</u>	<u>620</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$15,076</u>	<u>\$15,076</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, 2004

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$4,140	\$4,140	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	1,800	2,300	1,800	500
Fringe Benefits	26	286	209	77
Purchased Services	630	3,710	3,595	115
Materials and Supplies	0	300	0	300
Total Expenditures	2,456	6,596	5,604	992
Net Change in Fund Balance	(2,456)	(2,456)	(1,464)	992
Fund Balance at Beginning of Year	2,456	2,456	2,456	0
Fund Balance at End of Year	\$0	\$0	\$992	\$992

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, 2004

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$35,000	\$35,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	0	3,133	3,133	0
Fringe Benefits	0	149	149	0
Purchased Services	0	3,286	3,286	0
Materials and Supplies	0	19,238	19,238	0
Total Instruction	0	25,806	25,806	0
Support Services:				
Instructional Staff:				
Salaries	3,920	6,320	6,320	0
Fringe Benefits	613	562	562	0
Purchased Services	9,738	11,009	11,009	0
Materials and Supplies	2,086	7,160	7,160	0
Total Support Services	16,357	25,051	25,051	0
Total Expenditures	16,357	50,857	50,857	0
Excess of Revenues Over (Under) Expenditures	(16,357)	(15,857)	(15,857)	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	0	(500)	(500)	0
Net Change in Fund Balance	(16,357)	(16,357)	(16,357)	0
Fund Balance at Beginning of Year	2,763	2,763	2,763	0
Prior Year Encumbrances Appropriated	13,594	13,594	13,594	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)
Summer School Subsidy Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$89,603	\$72,372	\$72,372	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	57,503	39,836	39,836	0
Fringe Benefits	24,100	14,975	14,975	0
Materials and Supplies	8,000	14,265	14,265	0
Total Expenditures	89,603	69,076	69,076	0
Excess of Revenues Over Expenditures	0	3,296	3,296	0
<u>Other Financing Sources:</u>				
Advances In	0	3,712	3,712	0
Net Change in Fund Balance	0	7,008	7,008	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$7,008</u>	<u>\$7,008</u>	<u>\$0</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Enhancement Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$889	\$889	\$889	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Vocational:				
Capital Outlay	889	889	0	889
Net Change in Fund Balance	0	0	889	889
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$889</u>	<u>\$889</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$64,288	\$64,288	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	0	2,205	2,205	0
Fringe Benefits	0	144	144	0
Purchased Services	500	4,694	4,694	0
Materials and Supplies	10,488	15,551	11,560	3,991
Capital Outlay	1,848	5,364	3,516	1,848
Other	5,790	5,790	1,106	4,684
Total Instruction	<u>18,626</u>	<u>33,748</u>	<u>23,225</u>	<u>10,523</u>
Support Services:				
Pupils:				
Salaries	0	30,240	25,587	4,653
Fringe Benefits	0	4,553	4,493	60
Purchased Services	0	1,179	1,179	0
Total Pupils	<u>0</u>	<u>35,972</u>	<u>31,259</u>	<u>4,713</u>
Instructional Staff:				
Salaries	3,350	5,035	1,750	3,285
Fringe Benefits	634	882	257	625
Purchased Services	14,238	21,640	13,829	7,811
Materials and Supplies	1,123	821	821	0
Capital Outlay	4	4	0	4
Total Instructional Staff	<u>19,349</u>	<u>28,382</u>	<u>16,657</u>	<u>11,725</u>
Administration:				
Capital Outlay	5,000	5,000	0	5,000
Operation and Maintenance of Plant:				
Materials and Supplies	900	900	611	289
Total Support Services	<u>25,249</u>	<u>70,254</u>	<u>48,527</u>	<u>21,727</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	0	150	150	0
Total Expenditures	<u>43,875</u>	<u>104,152</u>	<u>71,902</u>	<u>32,250</u>
Excess of Revenues Over (Under) Expenditures	(43,875)	(39,864)	(7,614)	32,250
<u>Other Financing Uses:</u>				
Advances Out	0	(3,750)	(3,750)	0
Net Change in Fund Balance	(43,875)	(43,614)	(11,364)	32,250
Fund Balance at Beginning of Year	39,167	39,167	39,167	0
Prior Year Encumbrances Appropriated	4,708	4,708	4,708	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$261</u>	<u>\$32,511</u>	<u>\$32,250</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$545,564	\$545,564	\$545,564	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	54,879	11,055	11,055	0
Fringe Benefits	30,533	1,960	1,960	0
Purchased Services	16,450	13,664	13,664	0
Materials and Supplies	25,105	50,495	50,495	0
Capital Outlay	109,301	112,787	112,787	0
Total Instruction	236,268	189,961	189,961	0
Support Services:				
Pupils:				
Salaries	124,592	113,756	106,438	7,318
Fringe Benefits	52,878	41,796	38,342	3,454
Purchased Services	54,829	92,905	92,905	0
Materials and Supplies	10,896	12,717	12,698	19
Total Pupils	243,195	261,174	250,383	10,791
Instructional Staff:				
Salaries	33,775	50,323	50,323	0
Fringe Benefits	25,179	39,733	39,733	0
Purchased Services	11,841	7,310	7,203	107
Materials and Supplies	3,620	4,025	4,025	0
Capital Outlay	20,869	22,131	22,131	0
Other	0	92	92	0
Total Instructional Staff	95,284	123,614	123,507	107
Fiscal:				
Materials and Supplies	1,000	1,000	1,000	0
Operation and Maintenance of Plant:				
Purchased Services	2,278	2,277	2,277	0
Total Support Services	341,757	388,065	377,167	10,898
Total Expenditures	578,025	578,026	567,128	10,898
Excess of Revenues Over (Under) Expenditures	(32,461)	(32,462)	(21,564)	10,898
<u>Other Financing Sources (Uses):</u>				
Advances Out	0	(117,748)	(117,748)	0
Transfers In	0	15,193	0	(15,193)
Transfers Out	0	(15,193)	0	15,193
Total Other Financing Sources (Uses)	0	(117,748)	(117,748)	0
Net Change in Fund Balance	(32,461)	(150,210)	(139,312)	10,898
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	150,210	150,210	150,210	0
Fund Balance at End of Year	\$117,749	\$0	\$10,898	\$10,898

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,756,747	\$1,828,987	\$1,828,987	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	921,807	825,163	796,772	28,391
Fringe Benefits	426,507	398,540	392,415	6,125
Purchased Services	12,977	38,752	31,946	6,806
Materials and Supplies	61,997	97,413	92,213	5,200
Total Instruction	1,423,288	1,359,868	1,313,346	46,522
Support Services:				
Instructional Staff:				
Salaries	171,482	236,797	198,110	38,687
Fringe Benefits	59,938	66,697	56,956	9,741
Purchased Services	73,354	154,353	150,601	3,752
Materials and Supplies	62,665	31,834	21,070	10,764
Capital Outlay	14,320	11,844	10,711	1,133
Total Instructional Staff	381,759	501,525	437,448	64,077
Fiscal:				
Materials and Supplies	2,000	3,000	3,000	0
Pupil Transportation:				
Purchased Services	4,000	20,000	0	20,000
Total Support Services	\$387,759	\$524,525	\$440,448	\$84,077

(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, 2004
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries	\$18,592	\$29,400	\$24,607	\$4,793
Fringe Benefits	6,916	4,863	3,453	1,410
Purchased Services	11,156	9,240	5,530	3,710
Materials and Supplies	5,407	4,042	3,510	532
Total Operation of Non-Instructional Services	<u>42,071</u>	<u>47,545</u>	<u>37,100</u>	<u>10,445</u>
Total Expenditures	<u>1,853,118</u>	<u>1,931,938</u>	<u>1,790,894</u>	<u>141,044</u>
Excess of Revenues Over (Under) Expenditures	<u>(96,371)</u>	<u>(102,951)</u>	<u>38,093</u>	<u>141,044</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	48	48	0
Advances In	0	29,536	29,536	0
Advances Out	0	(51,236)	(51,236)	0
Transfers In	0	42,775	0	(42,775)
Transfers Out	0	(42,775)	0	42,775
Total Other Financing Sources (Uses)	<u>0</u>	<u>(21,652)</u>	<u>(21,652)</u>	<u>0</u>
Net Change in Fund Balance	(96,371)	(124,603)	16,441	141,044
Fund Balance at Beginning of Year	14,315	14,315	14,315	0
Prior Year Encumbrances Appropriated	<u>139,652</u>	<u>139,652</u>	<u>139,652</u>	<u>0</u>
Fund Balance at End of Year	<u>\$57,596</u>	<u>\$29,364</u>	<u>\$170,408</u>	<u>\$141,044</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$22,329	\$16,962	\$16,962	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	13,107	11,717	11,717	0
Fringe Benefits	6,744	5,516	5,516	0
Total Instruction	19,851	17,233	17,233	0
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	1,316	1,166	1,166	0
Capital Outlay	2,310	1,228	1,228	0
Total Operation of Non-Instructional Services	3,626	2,394	2,394	0
Total Expenditures	23,477	19,627	19,627	0
Excess of Revenues Over (Under) Expenditures	(1,148)	(2,665)	(2,665)	0
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Receipts	(73)	(73)	(73)	0
Advances Out	0	(792)	(792)	0
Transfers In	0	695	0	(695)
Transfers Out	0	(695)	0	695
Total Other Financing Sources (Uses)	(73)	(865)	(865)	0
Net Change in Fund Balance	(1,221)	(3,530)	(3,530)	0
Fund Balance at Beginning of Year	2,655	2,655	2,655	0
Prior Year Encumbrances Appropriated	1,219	1,219	1,219	0
Fund Balance at End of Year	\$2,653	\$344	\$344	\$0

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$29,747	\$27,901	\$27,901	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries	5,895	375	375	0
Fringe Benefits	2,000	58	58	0
Purchased Services	18,896	18,053	17,981	72
Materials and Supplies	856	2,986	2,986	0
Capital Outlay	0	758	758	0
Total Pupils	27,647	22,230	22,158	72
Instructional Staff:				
Salaries	3,068	2,995	2,995	0
Fringe Benefits	1,350	2,147	1,810	337
Purchased Services	600	365	300	65
Materials and Supplies	0	200	0	200
Total Instructional Staff	5,018	5,707	5,105	602
Total Support Services	32,665	27,937	27,263	674
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	732	732	37	695
Total Expenditures	33,397	28,669	27,300	1,369
Excess of Revenues Over (Under) Expenditures	(3,650)	(768)	601	1,369
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	389	0	(389)
Transfers Out	0	(389)	0	389
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	(3,650)	(768)	601	1,369
Fund Balance at Beginning of Year	3,713	3,713	3,713	0
Prior Year Encumbrances Appropriated	323	323	323	0
Fund Balance at End of Year	\$386	\$3,268	\$4,637	\$1,369

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$10,004	\$9,725	\$9,725	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries	0	3,621	3,621	0
Fringe Benefits	0	5,725	4,561	1,164
Total Expenditures	0	9,346	8,182	1,164
Net Change in Fund Balance	10,004	379	1,543	1,164
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$10,004</u>	<u>\$379</u>	<u>\$1,543</u>	<u>\$1,164</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
E-Rate Funding Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Miscellaneous	\$50,000	\$58,882	\$58,882	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	3,062	15,342	15,261	81
Capital Outlay	245	0	0	0
Total Instructional Staff	3,307	15,342	15,261	81
Central:				
Capital Outlay	0	39,915	39,915	0
Total Expenditures	3,307	55,257	55,176	81
Excess of Revenues Over Expenditures	46,693	3,625	3,706	81
<u>Other Financing Sources (Uses):</u>				
Advances In	0	12,583	2,739	(9,844)
Advances Out	0	(16,453)	(4,478)	11,975
Total Other Financing Sources (Uses)	0	(3,870)	(1,739)	2,131
Net Change in Fund Balance	46,693	(245)	1,967	2,212
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	245	245	245	0
Fund Balance at End of Year	<u>\$46,938</u>	<u>\$0</u>	<u>\$2,212</u>	<u>\$2,212</u>

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title II-A Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$439,449	\$379,717	\$379,717	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	228,251	221,182	221,182	0
Fringe Benefits	106,955	121,851	112,306	9,545
Purchased Services	0	5,000	5,000	0
Total Instruction	335,206	348,033	338,488	9,545
Support Services:				
Instructional Staff:				
Salaries	39,925	14,750	11,200	3,550
Fringe Benefits	6,422	2,293	1,693	600
Purchased Services	23,471	22,113	21,463	650
Materials and Supplies	25,833	2,311	361	1,950
Total Support Services	95,651	41,467	34,717	6,750
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	548	0	548
Total Expenditures	430,857	390,048	373,205	16,843
Excess of Revenues Over (Under) Expenditures	8,592	(10,331)	6,512	16,843
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	8,513	0	(8,513)
Transfers Out	0	(8,513)	0	8,513
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	8,592	(10,331)	6,512	16,843
Fund Balance at Beginning of Year	20,339	20,339	20,339	0
Fund Balance at End of Year	\$28,931	\$10,008	\$26,851	\$16,843

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$226,304	\$297,785	\$297,785	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	0	18,760	18,760	0
Fringe Benefits	0	2,946	2,946	0
Purchased Services	0	1,600	1,600	0
Materials and Supplies	0	11,894	11,894	0
Total Regular	0	35,200	35,200	0
Special:				
Salaries	27,802	23,831	23,831	0
Fringe Benefits	8,445	11,757	11,757	0
Purchased Services	3,641	927	927	0
Materials and Supplies	13,320	769	769	0
Capital Outlay	2,710	3,304	3,304	0
Total Special	55,918	40,588	40,588	0
Total Instruction	55,918	75,788	75,788	0
Support Services:				
Pupils:				
Salaries	1,600	1,600	1,600	0
Fringe Benefits	247	260	260	0
Total Pupils	1,847	1,860	1,860	0
Instructional Staff:				
Salaries	43,647	50,764	50,764	0
Fringe Benefits	14,768	8,568	8,568	0
Purchased Services	48,532	37,183	37,183	0
Materials and Supplies	1,449	430	430	0
Capital Outlay	0	1,297	1,297	0
Total Instructional Staff	108,396	98,242	98,242	0
Board of Education:				
Other	\$0	\$1,514	\$1,514	\$0

(continued)

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2004
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Operation and Maintenance of Plant:				
Salaries	\$0	\$27,814	\$27,814	\$0
Fringe Benefits	0	8,469	8,469	0
Purchased Services	0	46,933	46,933	0
Materials and Supplies	0	921	921	0
Capital Outlay	0	2,819	2,819	0
Total Operation and Maintenance of Plant	0	86,956	86,956	0
Pupil Transportation:				
Salaries	15,000	17,729	17,729	0
Fringe Benefits	926	2,482	2,482	0
Purchased Services	37,365	12,271	12,271	0
Total Pupil Transportation	53,291	32,482	32,482	0
Total Support Services	163,534	221,054	221,054	0
Operation of Non-Instructional Services:				
Other Operations:				
Salaries	0	1,347	1,347	0
Fringe Benefits	0	410	410	0
Materials and Supplies	0	9,627	9,627	0
Total Operation of Non-Instructional Services	0	11,384	11,384	0
Total Expenditures	219,452	308,226	308,226	0
Excess of Revenues Over (Under) Expenditures	6,852	(10,441)	(10,441)	0
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	0	110	110	0
Refund of Prior Year Receipts	(289)	(1,113)	(1,113)	0
Advances Out	0	(5)	(5)	0
Transfers In	0	17,391	12,118	(5,273)
Transfers Out	0	(5,273)	0	5,273
Total Other Financing Sources (Uses)	(289)	11,110	11,110	0
Net Change in Fund Balance	6,563	669	669	0
Fund Balance at Beginning of Year	5,546	5,546	5,546	0
Prior Year Encumbrances Appropriated	2,794	2,794	2,794	0
Fund Balance at End of Year	\$14,903	\$9,009	\$9,009	\$0

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$1,753,140	\$1,145,517	\$1,145,517	\$0
Intergovernmental	23,284	155,172	155,172	0
Interest	0	15,031	15,031	0
Total Revenues	1,776,424	1,315,720	1,315,720	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Other	26,600	26,600	24,878	1,722
Debt Service:				
Principal Retirement	1,683,391	364,284	364,284	0
Interest and Fiscal Charges	14,284	1,333,391	746,322	587,069
Total Debt Service	1,697,675	1,697,675	1,110,606	587,069
Total Expenditures	1,724,275	1,724,275	1,135,484	588,791
Excess of Revenues Over (Under) Expenditures	52,149	(408,555)	180,236	588,791
<u>Other Financing Sources:</u>				
Transfers In	0	14,284	14,284	0
Net Change in Fund Balance	52,149	(394,271)	194,520	588,791
Fund Balance at Beginning of Year	727,162	727,162	727,162	0
Fund Balance at End of Year	<u>\$779,311</u>	<u>\$332,891</u>	<u>\$921,682</u>	<u>\$588,791</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Rentals	\$0	\$145,000	\$145,000	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Capital Outlay	57,200	0	0	0
Business:				
Capital Outlay	0	90,725	87,247	3,478
Operation and Maintenance of Plant:				
Purchased Services	0	18,250	18,250	0
Capital Outlay	2,915	2,915	2,915	0
Total Operation and Maintenance of Plant	2,915	21,165	21,165	0
Central:				
Capital Outlay	0	11,475	0	11,475
Total Support Services	60,115	123,365	108,412	14,953
Extracurricular Activities:				
Academic Oriented Activities:				
Capital Outlay	0	7,500	5,000	2,500
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay	0	130,799	0	130,799
Total Expenditures	60,115	261,664	113,412	148,252
Net Change in Fund Balance	(60,115)	(116,664)	31,588	148,252
Fund Balance at Beginning of Year	247,463	247,463	247,463	0
Fund Balance at End of Year	\$187,348	\$130,799	\$279,051	\$148,252

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$42,900	\$42,900	\$42,900	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay	30,320	30,320	30,320	0
Support Services:				
Instructional Staff:				
Salaries	10,951	10,951	9,465	1,486
Fringe Benefits	1,416	1,416	1,416	0
Purchased Services	213	213	213	0
Total Support Services	12,580	12,580	11,094	1,486
Total Expenditures	42,900	42,900	41,414	1,486
Net Change in Fund Balance	0	0	1,486	1,486
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$1,486	\$1,486

Portsmouth City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Technology Equity Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>3,894</u>	<u>3,894</u>	<u>3,894</u>	<u>0</u>
Administration:				
Materials and Supplies	<u>7,634</u>	<u>7,707</u>	<u>7,707</u>	<u>0</u>
Capital Outlay	<u>1,357</u>	<u>1,284</u>	<u>1,284</u>	<u>0</u>
Total Administration	<u>8,991</u>	<u>8,991</u>	<u>8,991</u>	<u>0</u>
Total Expenditures	<u>12,885</u>	<u>12,885</u>	<u>12,885</u>	<u>0</u>
Net Change in Fund Balance	<u>(12,885)</u>	<u>(12,885)</u>	<u>(12,885)</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>12,885</u>	<u>12,885</u>	<u>12,885</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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STATISTICAL SECTION

PORTSMOUTH CITY SCHOOL DISTRICT

STATISTICAL SECTION

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

PORTSMOUTH CITY SCHOOL DISTRICT

General Government Expenditures by Function

Last Ten Fiscal Years

Fiscal Year (1)	1995	1996	1997	1998
Current:				
Instruction:				
Regular	\$7,162,433	\$7,486,322	\$8,898,991	\$7,830,717
Special	3,394,561	3,467,054	4,010,240	3,705,898
Vocational	554,939	612,204	591,248	592,689
Adult/Continuing	37,417	37,810	34,520	34,953
Support Services:				
Pupils	882,767	906,913	962,974	1,016,706
Instructional Staff	798,981	866,564	939,430	988,939
Board of Education	179,990	216,995	50,077	17,910
Administration	1,329,850	1,448,231	1,506,813	1,378,777
Fiscal	322,568	306,135	369,277	385,867
Business	107,474	90,862	107,831	96,869
Operation and Maintenance of Plant	1,674,598	1,692,744	1,730,510	1,821,551
Pupil Transportation	278,821	288,126	349,928	350,333
Central	66,708	110,674	75,363	76,980
Operation of Non-Instructional Services	1,020,912	1,096,727	1,222,273	1,140,687
Extracurricular Activities	327,790	363,805	349,848	394,367
Capital Outlay	2,016	8,800	21,112	37,043
Debt Service	14,284	73,950	50,694	112,688
Intergovernmental	0	267,956	55,167	449,800
Total Expenditures	\$18,156,109	\$19,341,872	\$21,326,296	\$20,432,774

Source:

Portsmouth City School District records.
Includes the General, Special Revenue, Debt Service, and
Capital Project Funds.

(1)

Fiscal Year 1996 is the first year reported on a GAAP basis.
Fiscal year 1995 is reported on a cash basis.

TABLE 1

1999	2000	2001	2002	2003	2004
\$8,188,229	\$8,373,454	\$8,964,698	\$9,789,456	\$9,307,594	\$10,370,484
4,407,544	4,358,619	4,855,621	5,338,568	5,442,891	5,638,357
599,697	581,967	309,130	400,072	363,008	357,922
9,373	0	0	0	0	0
1,018,108	1,083,640	1,156,875	1,249,195	1,420,847	1,171,092
1,202,427	1,343,213	1,483,167	2,488,248	2,020,626	2,087,119
23,605	21,922	20,021	19,134	17,640	14,914
1,429,757	1,706,539	1,544,596	1,213,258	1,364,087	1,372,407
443,856	448,584	493,869	675,353	607,672	571,090
105,837	45,146	69,677	69,701	72,086	156,568
1,904,219	1,653,162	1,922,523	1,529,814	1,557,969	1,674,860
462,206	340,371	407,401	446,885	444,353	558,420
77,371	66,516	67,066	24,932	20,117	55,389
1,100,295	1,167,485	1,226,995	1,246,882	1,216,765	1,271,807
349,163	414,548	394,193	261,428	269,825	248,662
656,734	102,108	399,435	917,141	6,266,203	12,799,738
466,026	407,103	114,079	777,984	1,211,834	1,287,603
450,300	62,370	70,000	35,000	39,500	38,500
<u>\$22,894,747</u>	<u>\$22,176,747</u>	<u>\$23,499,346</u>	<u>\$26,483,051</u>	<u>\$31,643,017</u>	<u>\$39,674,932</u>

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

Fiscal Year (1)	1995	1996	1997	1998
General Revenues				
Property Taxes	\$4,164,018	\$4,334,825	\$3,935,262	\$4,128,605
Intergovernmental	12,556,883	14,495,018	15,453,959	16,268,367
Interest	128,598	158,690	151,716	169,199
Increase (Decrease) in Fair Value of Investments	0	0	0	0
Tuition and Fees	73,458	64,724	49,110	31,966
Extracurricular Activities	153,188	145,855	150,650	160,805
Rentals	0	39,774	56,448	17,826
Charges for Services	278,080	336,471	377,193	494,153
Contributions and Donations	0	0	29,175	51,494
Miscellaneous	257,734	254,621	77,135	270,584
Total Revenues	<u>\$17,611,959</u>	<u>\$19,829,978</u>	<u>\$20,280,648</u>	<u>\$21,592,999</u>

Source: Portsmouth City School District records.
Includes the General, Special Revenue, Debt Service, and
Capital Project Funds.

(1) Fiscal Year 1996 is the first year reported on a GAAP basis.
Fiscal year 1995 is reported on a cash basis.

TABLE 2

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$4,154,222	\$4,236,890	\$4,218,468	\$5,365,498	\$5,374,990	\$5,540,481
16,920,946	16,748,801	18,053,967	19,723,492	23,914,235	37,997,577
205,031	195,052	170,912	292,402	584,426	333,039
0	0	0	82,856	(117,429)	(189,997)
4,370	102,917	44,146	312,936	185,829	878,400
175,251	140,454	136,602	91,939	94,187	97,985
11,358	2,814	5,472	39,801	5,462	148,712
289,602	299,970	338,477	218,602	214,639	276,341
33,237	26,434	50,488	52,885	38,400	17,457
<u>139,055</u>	<u>149,179</u>	<u>287,358</u>	<u>1,745,779</u>	<u>121,507</u>	<u>108,472</u>
<u>\$21,933,072</u>	<u>\$21,902,511</u>	<u>\$23,305,890</u>	<u>\$27,926,190</u>	<u>\$30,416,246</u>	<u>\$45,208,467</u>

TABLE 3

PORTSMOUTH CITY SCHOOL DISTRICT
Governmental Activities Expenses by Function
Last Three Fiscal Years

Fiscal Year (1)	2002	2003	2004
Current			
Instruction:			
Regular	\$10,262,658	\$9,260,456	\$10,475,429
Special	5,369,206	5,461,916	5,685,775
Vocational	421,922	426,379	436,071
Support Services:			
Pupils	1,255,863	1,395,374	1,249,081
Instructional Staff	2,540,087	2,067,428	2,170,104
Board of Education	19,268	17,640	14,780
Administration	1,241,456	1,452,144	1,491,750
Fiscal	660,279	634,352	618,945
Business	128,797	96,448	117,910
Operation and Maintenance of Plant	1,425,756	1,622,828	2,241,541
Pupil Transportation	441,998	456,547	449,424
Central	28,857	23,119	58,711
Operation of Non-Instructional Services:			
Food Services	1,031,547	1,024,118	993,307
Other	245,315	265,024	250,077
Extracurricular Activities	251,505	270,667	241,093
Debt Service:			
Interest and Fiscal Charges	512,777	861,638	892,098
Intergovernmental	35,000	39,500	38,500
Totals	<u>\$25,872,291</u>	<u>\$25,375,578</u>	<u>\$27,424,596</u>

Source: Portsmouth City School District records.

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

TABLE 4

PORTSMOUTH CITY SCHOOL DISTRICT
Governmental Activities Revenue by Source
Last Three Fiscal Years

Fiscal Year (1)	2002	2003	2004
Program Revenues			
Charges for Services and Sales	\$671,179	\$495,193	\$1,408,047
Operating Grants, Contributions, and Interest	5,365,348	6,715,845	4,923,390
Capital Grants and Contributions	189,745	84,596	53,438
General Revenues:			
Property Taxes	5,489,946	5,265,292	5,525,455
Grants and Entitlements	66,839,992	11,441,919	14,682,918
Contributions and Donations	15,159	3,783	17,724
Investment Earnings	446,786	423,898	116,557
Miscellaneous	1,728,468	155,134	74,774
Gain on Early Retirement of Capital Lease	<u>0</u>	<u>0</u>	<u>2,492</u>
Totals	<u><u>\$80,746,623</u></u>	<u><u>\$24,585,660</u></u>	<u><u>\$26,804,795</u></u>

Source: Portsmouth City School District records.

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

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

Collection Year	Current Tax Levied (1)	Current Taxes Collected (2)	Percent Collected
1995	\$4,602,238	\$3,638,579	79.06%
1996	4,676,999	3,474,352	74.29%
1997	4,814,798	3,566,948	74.08%
1998	4,899,332	3,544,707	72.35%
1999	4,680,066	3,343,290	71.44%
2000	5,084,471	3,776,181	74.27%
2001	4,469,364	3,657,368	81.83%
2002	5,978,480	5,130,633	85.82%
2003	6,152,078	4,275,122	69.49%
2004	6,390,997	4,471,383	69.96%

Source: Scioto County Auditor

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

TABLE 5

Delinquent Tax Collections	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes To Tax Levied
\$158,968	\$3,797,547	82.52%	\$432,648	9.40%
246,619	3,720,971	79.56%	515,154	11.01%
148,623	3,715,571	77.17%	578,103	12.01%
183,734	3,728,441	76.10%	585,343	11.95%
152,646	3,495,936	74.70%	377,524	8.07%
179,816	3,955,997	77.81%	287,126	5.65%
191,726	3,849,094	86.12%	548,323	12.27%
219,892	5,350,525	89.50%	756,705	12.66%
251,084	4,526,206	73.57%	529,657	8.61%
224,048	4,695,431	73.47%	744,845	11.65%

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$141,353,390	\$403,866,829	\$20,931,560	\$83,726,240
1996	141,850,170	405,286,200	22,090,230	88,360,920
1997	141,026,710	402,933,457	21,516,880	86,067,520
1998	141,235,420	403,529,771	22,090,230	88,360,920
1999	158,735,190	453,529,114	22,661,750	90,647,000
2000	157,272,420	449,349,771	23,413,060	93,652,240
2001	157,450,420	449,858,343	23,567,270	94,269,080
2002	180,207,160	514,877,600	26,114,910	104,459,640
2003	179,959,540	514,170,114	22,834,840	91,339,360
2004	181,636,310	518,960,886	22,408,920	89,635,680

Source: Scioto County Auditor

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

TABLE 6

Public Utilities Personal		Total		Ratio (2)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$23,087,510	\$65,964,314	\$185,372,460	\$553,557,383	33.49%
22,362,290	63,892,257	186,302,690	557,539,377	33.42%
21,558,640	61,596,114	184,102,230	550,597,091	33.44%
22,979,800	65,656,571	186,305,450	557,547,263	33.42%
22,045,820	62,988,057	203,442,760	607,164,171	33.51%
20,295,220	57,986,343	200,980,700	600,988,354	33.44%
20,616,890	58,905,400	201,634,580	603,032,823	33.44%
15,320,670	43,773,343	221,642,740	663,110,583	33.42%
15,329,070	43,797,343	218,123,450	649,306,817	33.59%
15,627,110	44,648,886	219,672,340	653,245,452	33.63%

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

Collection Year	1995	1996	1997	1998
Portsmouth City School District	\$34.53	\$34.53	\$34.53	\$34.53
Scioto County	7.98	7.98	7.98	7.98
City of Portsmouth	12.35	12.35	12.35	12.35
Scioto County Joint Vocational School	5.37	5.37	5.37	5.37

Source: Scioto County Auditor

TABLE 7

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$34.53	\$34.53	\$34.53	\$41.03	\$41.03	\$41.03
7.98	7.98	7.98	7.98	7.98	7.98
12.35	12.25	12.25	12.25	9.55	12.50
5.37	5.37	5.37	5.37	5.37	5.37

TABLE 8

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Legal Debt Margin

June 30, 2004

Assessed Valuation of District		<u>\$219,672,340</u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$19,770,511
Amount available in Debt Service Fund		981,047
Gross indebtedness	<u>16,494,990</u>	
Net indebtedness		<u>(16,494,990)</u>
Legal debt margin within 9% limitation		<u>\$4,256,568</u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$219,672
Gross indebtedness	<u>49,990</u>	
Net indebtedness		<u>(49,990)</u>
Legal debt margin within 0.1% limitation		<u>\$169,682</u>

Source: Portsmouth City School District records.

TABLE 9

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

<u>Year (1)</u>	<u>General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
2002	\$17,070,000	\$221,642,740	20,909	7.70%	\$816.39
2003	16,795,000	218,123,450	20,909	7.70%	803.24
2004	16,445,000	219,672,340	20,909	7.49%	786.50

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

TABLE 10

PORTSMOUTH CITY SCHOOL DISTRICT
*Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Government Expenditures
Last Two Fiscal Years*

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures (2)</u>	<u>Ratio of Debt Service to General Expenditures (%)</u>
2003	\$275,000	\$805,419	\$1,080,419	\$31,643,017	3.41%
2004	350,000	746,322	1,096,322	39,674,932	2.76%

Source: Portsmouth City School District records.

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

TABLE 11

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

June 30, 2004

<u>Governmental Unit</u>	<u>Gross General Obligation Bonded Debt</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Portsmouth City School District	<u>\$16,445,000</u>	100.00%	<u>\$16,445,000</u>
Overlapping:			
Scioto County	15,737,699	27.75%	4,367,211
City of Portsmouth	<u>2,005,000</u>	100.00%	<u>2,005,000</u>
Total overlapping:	<u>17,742,699</u>		<u>6,372,211</u>
Total direct and overlapping debt:	<u>\$34,187,699</u>		<u>\$22,817,211</u>

Source: Ohio Municipal Advisory Council

TABLE 12

PORTSMOUTH CITY SCHOOL DISTRICT
Construction, Bank Deposits and Property Values
Last Ten Calendar Years

<u>Year</u>	<u>Construction (1)</u>		<u>County Bank Deposits (2) (in thousands)</u>	<u>Property Values (3)</u>
	<u>Residential and Commercial Number of Permits</u>	<u>Property Values</u>		
1995	352	\$5,021,936	\$199,554	\$403,866,829
1996	366	12,324,500	197,797	405,286,200
1997	345	24,623,057	0	402,933,457
1998	302	8,477,714	0	403,529,771
1999	199	4,320,294	0	453,529,114
2000	209	2,734,850	0	449,349,771
2001	272	5,254,757	0	449,858,343
2002	219	4,731,467	0	514,877,600
2003	225	3,729,549	0	514,170,114
2004	202	20,649,664	0	518,960,886

- Sources:
- (1) City of Portsmouth Building Department
2004 information is based on January through July only.
 - (2) Federal Reserve Bank of Cleveland
For 1997 through 2004 this information was not applicable.
Effective May 1997, Bank One Portsmouth became a branch
office of Bank One National Association of Columbus.
 - (3) Scioto County Auditor, calendar year basis - estimated actual
value of real property only.

TABLE 13

PORTSMOUTH CITY SCHOOL DISTRICT

*Demographic Statistics
Last Ten Calendar Years*

<u>Year</u>	<u>Scioto County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Scioto County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A (3)</u>
1995	81,097	22,694	3,466	9.70%	4.80%	5.60%
1996	80,905	22,625	3,406	9.90%	4.90%	5.40%
1997	80,756	22,676	3,307	9.90%	4.60%	4.90%
1998	80,756	22,676	3,180	10.70%	4.40%	4.70%
1999	80,756	22,676	3,059	9.16%	4.35%	4.42%
2000	80,756	22,676	2,918	8.30%	3.90%	4.10%
2001	79,195	20,909	2,628	6.30%	4.00%	4.90%
2002	78,435	20,909	2,257	8.50%	5.60%	5.90%
2003	79,195	20,909	2,188	8.10%	5.50%	5.80%
2004	77,453	20,909	2,172	8.10%	6.00%	5.50%

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

(2) Portsmouth City School District

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

TABLE 14**PORTSMOUTH CITY SCHOOL DISTRICT***Top Ten Principal Taxpayers*

Name of Taxpayer	Total Assessed Valuation	% of Total School District Assessed Valuation
Columbia Gas of Ohio	\$8,185,270	3.73%
Ohio Power	8,004,410	3.64%
SOMC Title Holding Company	4,429,150	2.02%
Verizon North	2,820,200	1.28%
Hatcher, Neal & Vicky	2,338,030	1.06%
N & S Railway Company	2,149,930	0.98%
Hillview Retirement Center	1,813,110	0.83%
Fifth Third Bank	1,029,840	0.47%
Scioto Memorial Hospital	912,420	0.42%
OSCO Industries	833,310	0.38%
Total Principal Taxpayers	32,515,670	14.81%
Total School District	\$219,672,340	100.00%

Source: Scioto County Auditor.

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PORTSMOUTH CITY SCHOOL DISTRICT

Enrollment

Last Ten Fiscal Years

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1995	15	296	278	263	251	271	239
1996	12	309	268	269	252	258	267
1997	15	289	274	238	251	249	243
1998	15	262	259	240	218	239	243
1999	12	276	244	235	225	215	241
2000	27	191	292	223	224	218	200
2001	20	204	195	240	209	211	208
2002	22	173	194	169	233	186	204
2003	11	213	200	165	158	233	172
2004	27	209	223	167	166	172	240

Source: Portsmouth City School District records.

TABLE 15

<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
260	276	291	313	248	224	241	3,466
240	267	271	362	241	196	194	3,406
261	259	263	325	249	212	183	3,311
235	243	251	306	234	231	204	3,180
234	240	231	289	211	201	205	3,059
239	226	225	295	171	190	197	2,918
198	236	206	194	208	174	125	2,628
192	156	168	144	130	172	114	2,257
207	156	144	134	135	132	128	2,188
177	142	163	129	142	116	99	2,172

TABLE 16

PORTSMOUTH CITY SCHOOL DISTRICT
Miscellaneous Statistical Data
 June 30, 2004

Original Charter:	April 21, 1857
Form of Government:	Public School District
Area of District:	20 square miles
Number of Miles Traveled by Transportation Fleet for the Fiscal 2004 School Year:	21,980
Number of Meals Served by Food Service Department for the Fiscal 2004 School Year:	279,641

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Harding Elementary	K - 6	311
Roosevelt Elementary	PK - 3	317
Wilson Elementary	K - 3	305
McKinley Elementary School	4 - 6	448
U.S. Grant Middle School	7 - 8	305
Portsmouth High School	9 - 12	486
Total		2,172

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	16	9.64%
Bachelor +15	53	31.93%
Masters	97	58.43%
Total	166	100.00%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	22	13.25%
6 - 10	29	17.47%
11 - 15	21	12.65%
16 - 20	39	23.50%
21 - 25	22	13.25%
26 and over	33	19.88%
Total	166	100.00%

Source: Portsmouth City School records

TABLE 17

PORTSMOUTH CITY SCHOOL DISTRICT
Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Portsmouth City All Funds</u>	<u>State Average</u>	<u>Difference + (-)</u>
1995	\$5,962	\$5,218	\$744
1996	6,089	5,545	544
1997	6,741	5,932	809
1998	6,326	6,285	41
1999	6,615	6,642	(27)
2000	6,791	7,094	(303)
2001	7,037	6,891	146
2002	9,258	8,057	1,201
2003	9,267	8,073	1,194
2004	9,406	8,768	638

Source: Portsmouth City School District records.

TABLE 18

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO
Levy History

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

Source: Portsmouth City School District Records.

TABLE 19

PORTSMOUTH CITY SCHOOL DISTRICT

Statistical Data

June 30, 2004

Median Income	\$23,004	Proficiency Tests:	
Average Teacher Salary	\$42,058	Percentage of Students	
Average Number of Students to a Teacher	18	Required to Take the Test	
Percentage of 4th graders promoted to 5th	100.0%	Who Demonstrated Proficiency	
Percentage of 6th graders promoted to 7th	100%		
High School Graduation Rate	63.1%	Grade 3:	
Student Attendance Rate	93.0%	Reading	63%
Staff Attendance Rate	94.7%		
		Grade 4:	
Revenue Received by District		Math	38%
Revenue Per Pupil (all funds)	\$11,962	Reading	43%
Expenditure Per Pupil (all funds)	\$9,406	Writing	65%
		Citizenship	30%
Student Demographics		Science	36%
Racial Ethnic Data Percentage			
White	86.9%	Grade 6:	
Black	7.9%	Math	55%
Hispanic	0.4%	Reading	58%
Asian	0.4%	Writing	85%
American Indian, Alaskan	0.2%	Citizenship	52%
Multi-Racial	4.2%	Science	40%
Disability Condition		Grade 9:	
Number of Students with Disabilities	250	Math	68%
		Reading	97%
		Writing	98%
		Citizenship	91%
		Science	82%

Source: Ohio Department of Education

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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 22, 2005**