

Port Clinton City School District

* * * *

Report Letters

June 30, 2007



Mary Taylor, CPA
Auditor of State

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

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 30, 2008

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PORT CLINTON CITY SCHOOL DISTRICT

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 27, 2007

To the Board of Education
Port Clinton City School District
431 Portage Drive
Port Clinton, Ohio 43452

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Port Clinton City School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Port Clinton City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting, as is disclosed in the accompanying Schedule of Findings and Questioned Costs as item 2007-01.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Port Clinton City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances that we have reported to management of Port Clinton City School District in a separate letter dated December 27, 2007.

This report is intended solely for the information and use of the Board of Education, management, 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.

Hea & Associates, Inc.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 27, 2007

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

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

Compliance

We have audited the compliance of the Port Clinton 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 its major federal program for the year ended June 30, 2007. Port Clinton City School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Port Clinton City School District's management. Our responsibility is to express an opinion on Port Clinton City 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 Circulars 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 Port Clinton 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 Port Clinton City School District's compliance with those requirements.

In our opinion, Port Clinton City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the Port Clinton City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Port Clinton 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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Port Clinton City School Districts' internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over compliance, which we have reported to management of Port Clinton City School District in a separate letter dated December 27, 2007.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Port Clinton City School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements of the Port Clinton City School District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

PORT CLINTON CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
U. S. Department of Education (Passed Through Ohio Department of Education):					
Title I	84.010	C1-S1-2007	\$ 292,472	\$ 280,072	\$ 0
Total Title I			<u>292,472</u>	<u>280,072</u>	<u>0</u>
IDEA - B	84.027	6B-SF-2007	500,110	429,289	0
IDEA - B	84.027	6B-SF-2006	0	84,361	0
Total IDEA - B			<u>500,110</u>	<u>513,650</u>	<u>0</u>
Safe and Drug-Free Schools and Communities	84.186	DR-S1-2007	6,934	6,934	0
Total Safe and Drug-Free Schools and Communities			<u>6,934</u>	<u>6,934</u>	<u>0</u>
Title V	84.298	C2-S1-2007	2,682	2,440	0
Total Title V			<u>2,682</u>	<u>2,440</u>	<u>0</u>
Title II-D	84.318	TJ-S1-2007	3,043	2,971	0
Title II-D	84.318	TJ-S1-2006	0	1,528	0
Total Title II-D			<u>3,043</u>	<u>4,499</u>	<u>0</u>
Title II-A	84.367	TR-S1-2007	108,588	103,868	0
Total Title II-A			<u>108,588</u>	<u>103,868</u>	<u>0</u>
Total Department of Education			<u>913,829</u>	<u>911,463</u>	<u>0</u>
U. S. Department of Agriculture (Passed Through Ohio Department of Education):					
Food Distribution Program (A) (B)	10.550		72,430	0	72,430
Nutrition Cluster:					
National School Lunch Program (B)	10.555	LL-P4-2007	174,275	174,275	0
National School Lunch Program (B)	10.555	LL-P4-2006	59,943	59,943	0
National School Breakfast Program (B)	10.553	05-PU-2007	26,358	26,358	0
National School Breakfast Program (B)	10.553	05-PU-2006	10,593	10,593	0
Fresh Fruit and Vegetables (B)	10.555	VG-S1-2007	21,648	21,648	0
Total Nutrition Cluster			<u>292,817</u>	<u>292,817</u>	<u>0</u>
Total Department of Agriculture			<u>365,247</u>	<u>292,817</u>	<u>72,430</u>
Total Federal Assistance			<u>\$ 1,279,076</u>	<u>\$ 1,204,280</u>	<u>\$ 72,430</u>

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

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

**PORT CLINTON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Special Education Cluster #84.027
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2007-001

Significant Deficiency

Prior Period Adjustment

During the year, management discovered an error in the prior year with the use of information provided by the County to estimate the collectability of delinquent property taxes. This miscommunication resulted in the prior year revenues being overstated.

We recommend that management thoroughly review all information received from the county, when assessing collectability of delinquent property taxes.

Management concurs, and will review all information more thoroughly to ensure clear communication with the County when assessing collectability of delinquent property taxes.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None noted.

Port Clinton City School District

Ottawa County, Ohio

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007**



Issued by:

Dr. Paul R. Lockwood II, Treasurer
Treasurer's Office

Introductory Section



PORT CLINTON CITY SCHOOL DISTRICT
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2007

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PORT CLINTON CITY SCHOOL DISTRICT
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December 27, 2007

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

As the Superintendent and Treasurer of the Port Clinton City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2007 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) Statement Number 34 using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT

The School District

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

Valuation of real property indicates that 80 percent of the District is Residential/Agricultural, 17 percent is Commercial/Industrial and 3 percent is Public Utility.

The School District's 2007 population was 13,804. The District is the center of the Lake Erie vacation area and the host of significant tourist activity in the summer months. These activities include swimming, boating, and fishing.

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

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

Today the District, one of the 613 public school districts in the State and seven in the county, provides education to over 1,800 students in grades K through 12. The District consists of one high school, one middle school, four elementary schools, one administrative building, and a transportation center.

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

The Reporting Entity and Services Provided

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

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

The School District participates in three jointly governed organizations and two insurance purchasing pools. These organizations are the Northern Ohio Educational Computer Association, the San Ott Insurance Consortium, the Bay Area Council of Governments, the Vanguard-Sentinel Joint Vocational School, and the Ohio School Boards Association Worker's Compensation Group Rating Program. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The District has a projected enrollment for June 30, 2008 of 1,786 students, compared to 1,828 actual enrollment of students for June 30, 2007.

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

Economic Condition and Outlook

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

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

Most District residents work outside the District. The Davis-Bessie Nuclear Power Station, a nuclear power plant located eight miles west of Port Clinton is the county's largest employer with 908 workers. Brush-Wellman, Inc. a manufacturing concern between Oak Harbor and Elmore has 560 employees.

The District is currently experiencing growth in its tax base as more and more land is developed for homes and summer get- a-ways. For calendar year 2005, the District's assessed valuation was \$521,065,529, for calendar year 2006 it was \$526,547,636, and in calendar year 2007 it was \$589,975,003.

Contrary to popular belief, the District does not benefit financially in comparison to the percentage increases to assessed valuation from year to year. Rather, the District benefits significantly less due to House Bill 920, which was passed in 1976. House Bill 920 prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of existing property values. Thus, a District must obtain approval of voters for additional revenue through tax levies. Fortunately for the Port Clinton School District, voters have been extremely supportive of operating levies. This was evident in August of 2003, as voters approved an emergency operating levy of 3.89 mills. In March, 2006 the voters approved the renewal of a five-year 2.3 mill current expense levy and in February 1994 a 6.9 mill current expense levy was passed.

Of the District's general fund operations, 69 percent of the general fund revenue comes from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 27 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings and other revenues account for 4 percent.

The District maintains a strategic fiscal plan, which incorporates the State required five-year plan. The current long-term fiscal plan reflects a negative cash balance of \$2,263,872 during the 2012 fiscal year. The School District has a long history of local support. Continued voter support, and a healthy tax base are crucial to the long-term financial health of the District.

Major Initiatives

The Port Clinton City School District has goals in place, set by the Board of Education, to guide our direction for our students and the community. First and foremost is to enhance student achievement. This is being accomplished through alignment of the curriculum to the Ohio Content Standards which has resulted in an increase in achievement test scores. Port Clinton City School District is also committed to being a good steward of taxpayer dollars and continuously strives to maximize district resources. In March of 2008, we will seek a levy renewal of an Emergency issue, passed in 2003, when the Board of Education pledged not to seek any additional operating funds for five years. Through diligent planning and balancing our budget this promise was fulfilled.

Another goal and initiative is to reassess our long range facility needs. This past summer the District was transformed from operating six buildings, with neighborhood elementary schools, to a District of four schools with grade level buildings. The reconfiguration was successful and supported by the staff and community. The District continues to implement new methods to improve communication and relationships within our District and our community.

Outlook for the Future

The successful transformation of the Port Clinton City School District was due to planning and effective communication. These two initiatives will also guide us into the future. By forming a Citizens Advisory Committee, the district has thirty members of the community to use as a sounding board for school issues. The committee provides two-way communication with the community and provides insight to rumors and important topics.

Though the reconfiguration was successful, the district will continue to plan on how to utilize or renovate current facilities to better serve students. The new grade level configuration allows for many opportunities not available in the past. Collaboration is now easier amongst grade level teachers thus enhancing education. Port Clinton City School District has always been committed to fine arts education and through reconfiguration our fine arts teachers at the elementary level have available time to offer activity periods during the school day to nurture those students with special interest and talents in these areas. Our music program is a sense of pride for our entire district and with more instructional time at the elementary level, we anticipate this will continue in the future.

Student achievement and test scores continue to be our primary focus. The Port Clinton City School District will continue our process of curriculum alignment and capitalize on improved test scores so our students continue to Proudly Chart a Course for Success!

FINANCIAL INFORMATION

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

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

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

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAROhio) Investment Pool, certificates of deposit and in repurchase agreements. The amount of investment income in fiscal year 2007 for all District funds was \$517,855. A more detailed description of the District’s investment functions is described in Note 2 to the financial statements.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the District contracted with various insurance companies for general liability insurance with a \$2,000,000 single occurrence limit and a \$6,000,000 aggregate. Buildings and contents are covered under a Commercial Property Comprehensive Building Insurance policy with a \$1,000 deductible.

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

The District joined together with other governments to form the Ohio School Board Association Worker's Compensation Group Rating Program, a public entity currently operating as a common risk management and insurance program for workers' compensation. The District pays an annual premium to the pool for its workers compensation coverage. See Note 15 for further description.

USE OF REPORT

This report is published to provide the Board of Education, the citizens of the Port Clinton City School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during fiscal year 2007. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

PENSION PLANS

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 to the Basic Financial Statements for complete details.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent accountants. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2007, Rea & Associates completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

AWARDS

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the District for its fiscal years ended June 30, 2003, 2004, 2005 and 2006 CAFR. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports.

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

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

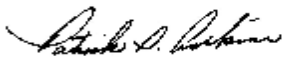
NOTES TO THE BASIC FINANCIAL STATEMENTS

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

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Dr. Paul Lockwood, II, Treasurer/Chief Financial Officer. We are also grateful for the services of Jo Ellen Regal, Ottawa County Auditor, Walter Wehenkel Jr., Regional Planning Director, Pam Kubasek, Julie Riedmaier, Marsha Everett, Toni Letterhos of the Treasurer's Office, Mindee Johnson, Senior Manager, Karen Maize and Joy Fazenbaker, Staff Accountants of Rea & Associates, Inc. for their consulting assistance in preparing this report. We truly appreciate the contributions made by each staff member in the preparation of this report.

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



Patrick D. Adkins
Superintendent



Dr. Paul R. Lockwood II
Treasurer

Port Clinton City School District, Ohio

Members of the Board of Education

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

<i>Member</i>	<i>Present Term Expires</i>
<i>David Belden, President</i>	December 31, 2007
<i>Barbara Drusbacky, Vice-President</i>	December 31, 2008
<i>Walter Wehenkel, Member</i>	December 31, 2008
<i>Michele Mueller,, Member</i>	December 31, 2008
<i>Michael Bassett Jr., Member</i>	December 31, 2007

Superintendent of Schools

The Superintendent is the executive officer of the School District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the School District. The Board appointed Patrick D. Adkins, Superintendent of the Port Clinton School District effective August 25, 2004. His employment contract expires on July 31, 2011.

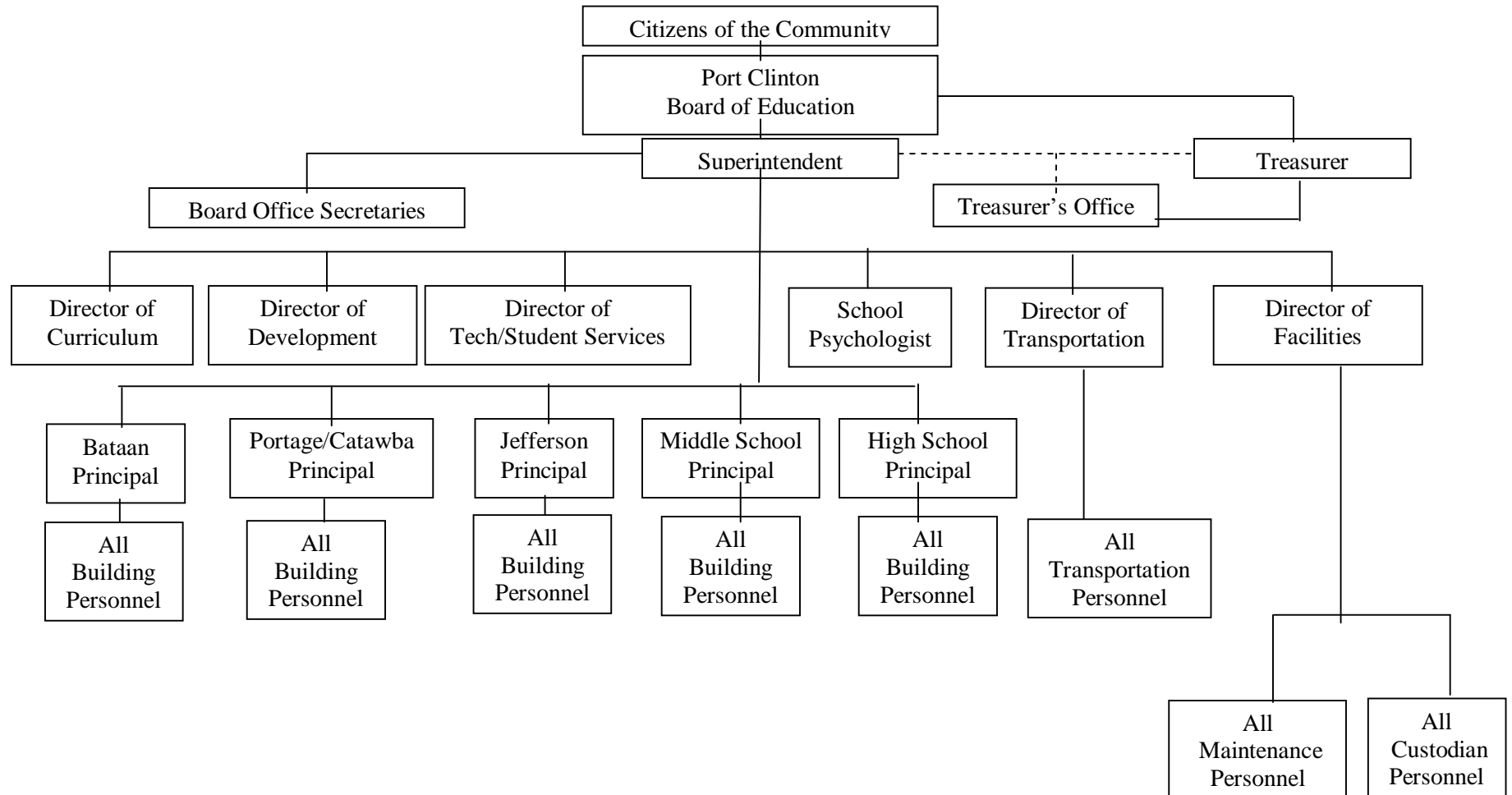
Treasurer/Chief Financial Officer

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

PORT CLINTON CITY SCHOOL DISTRICT, OHIO
Management Team

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

**PORT CLINTON CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART**



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Port Clinton City
School District, Ohio

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

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



President

Executive Director

Financial Section





Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 27, 2007

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2007 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are 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. The accompanying introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

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

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

Financial Highlights

Key financial highlights for 2007 are as follows:

Overall:

- For governmental activities, net assets increased \$1,562,907, which represents a 26.9 percent increase from 2006. Unrestricted grant revenue increased by \$642,054 which represents the primary increase of net assets.
- General revenues accounted for \$20,009,415, in revenue or 88.4 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,634,879 or 11.6 percent of total governmental revenues of \$22,644,294.
- The School District had \$21,081,387 in expenses related to governmental activities; only \$2,634,879 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$20,009,415 were adequate to provide for these programs.
- Among major funds, the general fund had \$19,235,246 in revenues (exclusive of revenue from other financing sources) and \$18,039,282 in expenditures (exclusive of other financing uses). The general fund's fund balance increased to \$4,777,377 from \$4,321,078. The School District is in the early cycle of a recently passed tax levy, which will contribute to the stabilizing of the general fund.

Using this Annual Report

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole 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 and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Port Clinton City School District, the general fund and debt service fund are by far the most significant funds.

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the 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 only had one type of activity:

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

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 financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the debt service fund.

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

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

The School District as a Whole

Governmental Activities

Table 1 shows net assets for fiscal year 2007 compared to 2006 (restated).

(Table 1)
Net Assets
Governmental Activities

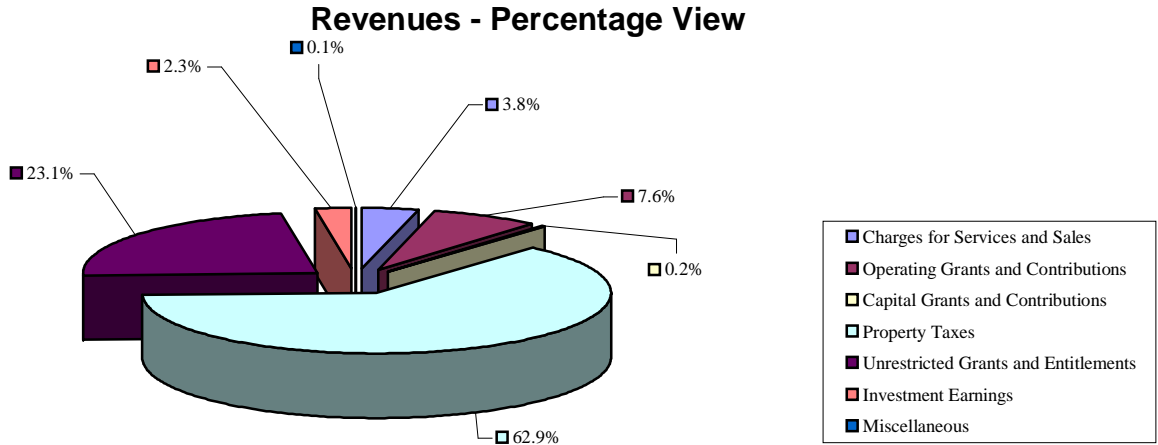
	2007	Restated 2006
Assets:		
Current and Other Assets	\$ 23,730,361	\$ 23,108,449
Capital Assets	3,174,428	3,216,083
Total Assets	26,904,789	26,324,532
Liabilities:		
Current Liabilities	14,682,949	14,995,417
Long-Term Liabilities	4,849,053	5,519,235
Total Liabilities	19,532,002	20,514,652
Net Assets:		
Invested in Capital Assets	1,103,527	473,002
Restricted	4,219,262	3,611,845
Unrestricted	2,049,998	1,725,033
Total Net Assets	\$ 7,372,787	\$ 5,809,880

Total assets increased by \$580,257. This increase is mainly due to an increase in cash. Total liabilities decreased by \$982,650 and was primarily a result of payment of debt.

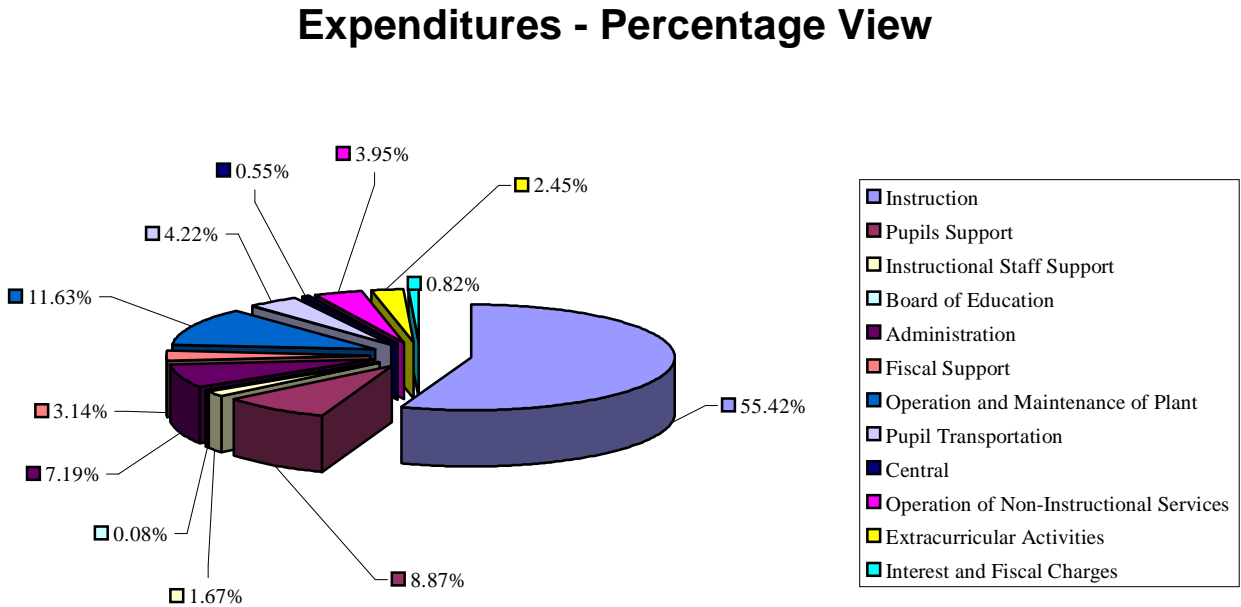
Port Clinton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

What are the School District's Revenue Sources?

The following pie graph provides a summary of the School District's Governmental Activities revenue sources for 2007.



Where does the School District spend its revenues?



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

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

Thus, districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 62.9 percent of revenue for governmental activities for Port Clinton City School District in fiscal year 2007, a slight decrease from prior years.

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

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

(Table 2)
Changes in Net Assets
Governmental Activities

	2007	Restated 2006
Revenues		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$ 856,468	\$ 805,502
Operating Grants and Contributions	1,729,102	1,579,271
Capital Grants and Contributions	49,309	35,644
General Revenues:		
Property Taxes	14,240,932	13,858,797
Grants and Entitlements not Restricted to Specific Programs	5,224,095	4,582,041
Investment Earnings	517,855	326,150
Miscellaneous	26,533	14,129
<i>Total Revenues</i>	22,644,294	21,201,534
<i>Program Expenses</i>		
Instruction:		
Regular	8,650,337	8,974,539
Special	1,623,896	1,938,241
Vocational	149,677	148,618
Other	1,260,013	795,721
Support Services:		
Pupils	1,869,434	1,852,770
Instructional Staff	352,549	416,596
Board of Education	16,706	17,955
Administration	1,515,470	1,520,493
Fiscal	662,309	541,208
Operation and Maintenance of Plant	2,452,144	2,309,324
Pupil Transportation	890,670	935,746
Central	115,924	115,846
Operation of Non-Instructional Services	832,276	852,974
Extracurricular Activities	516,557	562,819
Interest and Fiscal Charges	173,425	181,642
<i>Total Expenses</i>	21,081,387	21,164,492
Increase in Net Assets	\$ 1,562,907	\$ 37,042

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

Governmental Activities

Several revenues sources fund the School Districts governmental activities with grants and entitlements, such as the school foundation program being the largest contributor. Grants and entitlements generated \$7,002,506 in 2007. General revenues from property taxes are also a large revenue generator.

The Statement of Activities shows the cost of program services and charges for services and grants that offset those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

(Table 3)
Total and Net Costs of Program Services
Governmental Activities

	Total Cost of Service 2007	Total Cost of Service 2006	Net Cost of Service 2007	Net Cost of Service 2006
Instruction	\$ 11,683,923	\$ 11,857,119	\$ 10,522,856	\$ 10,730,770
Support Services:				
Pupil and Instructional Staff	2,221,983	2,269,366	1,958,501	2,019,463
Board of Education, Administration				
Fiscal and Central	2,310,409	2,195,501	2,179,616	2,093,221
Operation and Maintenance of Plant	2,452,144	2,309,324	2,405,548	2,272,764
Pupil Transportation	890,670	935,746	865,929	915,022
Operation of Non-Instructional Services	832,276	852,975	(16,143)	117,282
Extracurricular Activities	516,557	562,819	356,776	413,911
Interest and Fiscal Charges	173,425	181,642	173,425	181,642
Total	\$ 21,081,387	\$ 21,164,492	\$ 18,446,508	\$ 18,744,075

The School District's Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$23,410,107 and expenditures and other financing uses of \$22,439,676. The net change in fund balance for the year was most significant in the general fund, where the fund balance increased by \$456,299, or 10.6 percent, in fiscal year 2007.

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

The general fund had total revenues of \$19,235,246, which represents a \$791,421 increase from fiscal year 2006. The majority of this increase is the result of a property tax reappraisal for tax year 2006, which impacted 2007 collections. The reappraisal increased the School District's assessed values by 12 percent. Total expenditures were \$18,039,282, representing a \$518,076 increase from the prior year. Fiscal expenditures increased by approximately \$110,000 due to higher County auditor and treasurer fees withheld from property taxes. Capital outlay expenditures also increased by approximately \$115,000 due to the purchase and installation of three modular classrooms.

The debt service fund had total revenues of \$821,994, which represents a \$41,196 decrease from fiscal year 2006. This decrease was the direct result of a reduction in the School District's debt service tax millage for tax year 2006. Total expenditures were \$873,144, representing a minimal decrease of \$2,526 from the prior year. In fiscal year 2007, the debt service fund balance increased \$88,515, or 3.3 percent.

General Fund Budgeting Highlights

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

During the course of fiscal year 2007 the School District amended its General Fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue, including other financing sources, was \$19,546,763, which was higher than the original budget estimates of \$18,619,076. Of this \$927,687 increase, most was attributable to an increase in intergovernmental revenues. Final appropriations, including other financing uses, of \$20,582,320 were \$1,184,741 lower than original budget appropriations of \$21,767,061. Personal services were lower than anticipated because of significant staff retirements. These positions were replaced with less expensive staff. Employee benefits and retirement services, which were based on 33 percent of salaries, also decreased. Health insurance cost increases were 50 percent less than anticipated. Purchased services declined because additional federal and state grant revenue was received to pay for these services. The planned purchase of a new bus for \$75,000 was postponed.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007, the School District had \$3,174,428 (net) invested in land, buildings and improvements, furniture, equipment and vehicles.

Table 4 shows fiscal 2007 net capital asset balances for governmental type activities compared to the prior fiscal year.

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

Table 4
Capital Assets
(Net of Accumulated Depreciation)

	Governmental Type Activities	
	2007	2006
Land	\$ 58,517	\$ 58,517
Buildings and Improvements	2,521,566	2,632,552
Furniture, Equipment and Vehicles	594,345	525,014
Totals	\$ 3,174,428	\$ 3,216,083

The decrease in capital assets is attributable to depreciation expense exceeding additional purchases. The School District continued its ongoing commitment to maintaining and improving its capital assets. For additional details, see Note 9.

Senate Bill 345 requires the School District to set aside \$158.49 per pupil of certain general fund revenues in each of two areas, one for the purchase of textbooks and materials related to instruction and the other for capital outlay. For fiscal year 2007, this amounted to \$258,031 for each set aside for Port Clinton City School District. The School District had qualifying disbursements or offsets exceeding these requirements for capital improvements and textbooks.

Debt

At June 30, 2007, the School District had \$3,571,963 in outstanding debt with \$759,000 as the amount due within one year. For additional detail, see Note 14. Table 5 summarizes bonds and notes outstanding.

Table 5
Outstanding Debt at June 30,

	2007	2006
2003 School Improvement Serial Bonds	\$ 2,010,000	\$ 2,670,000
Capital Appreciation Bonds	314,994	314,994
Accretion on Capital Appreciation Bonds	236,820	166,064
Unamortized Premium	179,171	215,005
Refunding Loss	(122,422)	(146,907)
House Bill Note	953,400	1,047,400
Total	\$ 3,571,963	\$ 4,266,556

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

Current Financial Related Activities

Port Clinton City School District is strong financially. As the preceding information shows, the School District heavily depends on its property taxpayers. With the passage of a 3.89-mill operating levy and collection beginning in January 2007, the School District has been able to continue its education programs. However, financially the future is not without challenges.

While the School District was successful in increasing its tax revenue base in 2007, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant. Thus management must diligently plan expenses, staying carefully within the School District's five-year forecast.

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

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

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

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

Contacting the School District's Financial Management

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

Port Clinton City School District

Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 4,972,815
Cash and Cash Equivalents in Segregated Accounts	4,500
Investments	4,259,092
Receivables:	
Taxes	14,134,530
Accounts	2,354
Intergovernmental	45,448
Prepaid Items	202,602
Inventory Held for Resale	7,281
Materials and Supplies Inventory	44,992
Deferred Charges	56,747
Non-Depreciable Capital Assets	58,517
Depreciable Capital Assets, Net	<u>3,115,911</u>
<i>Total Assets</i>	<u>26,904,789</u>
Liabilities	
Accounts Payable	26,408
Accrued Wages and Benefits	1,609,214
Contracts Payable	60,334
Intergovernmental Payable	510,698
Accrued Interest Payable	7,866
Unearned Revenue	12,234,688
Matured Compensated Absences Payable	111,514
Early Retirement Incentive Payable	122,227
Long-Term Liabilities:	
Due Within One Year	893,969
Due in More Than One Year	<u>3,955,084</u>
<i>Total Liabilities</i>	<u>19,532,002</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,103,527
Restricted for Debt Service	2,793,700
Restricted for Capital Outlay	268,863
Restricted for Other Purposes	141,011
Restricted for Budgetary Reserve	86,386
Restricted for Severance Payments	805,063
Restricted for Student Activities	55,175
Restricted for Grant Programs	69,064
Unrestricted	<u>2,049,998</u>
<i>Total Net Assets</i>	<u>\$ 7,372,787</u>

The accompanying notes are an integral part of the financial statements.

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

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 8,650,337	\$ 345,688	\$ 230,985	\$ 0	\$ (8,073,664)
Special	1,623,896	0	584,394	0	(1,039,502)
Vocational	149,677	0	0	0	(149,677)
Other	1,260,013	0	0	0	(1,260,013)
Support Services:					
Pupils	1,869,434	15,737	246,645	0	(1,607,052)
Instructional Staff	352,549	0	1,100	0	(351,449)
Board of Education	16,706	0	0	0	(16,706)
Administration	1,515,470	23,689	48,744	0	(1,443,037)
Fiscal	662,309	0	18,332	0	(643,977)
Operation and Maintenance of Plant	2,452,144	0	9,441	37,155	(2,405,548)
Pupil Transportation	890,670	0	12,587	12,154	(865,929)
Central	115,924	0	40,028	0	(75,896)
Operation of Non-Instructional Services:					
Food Service Operations	676,466	325,633	400,443	0	49,610
Community Services	155,810	10,471	111,872	0	(33,467)
Extracurricular Activities	516,557	135,250	24,531	0	(356,776)
Interest and Fiscal Charges	173,425	0	0	0	(173,425)
<i>Total Governmental Activities</i>	<u>\$ 21,081,387</u>	<u>\$ 856,468</u>	<u>\$ 1,729,102</u>	<u>\$ 49,309</u>	<u>(18,446,508)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					13,244,958
Capital Outlay					276,333
Debt Service					719,641
Grants and Entitlements not Restricted to Specific Programs					5,224,095
Investment Earnings					517,855
Miscellaneous					26,533
<i>Total General Revenues</i>					<u>20,009,415</u>
<i>Change in Net Assets</i>					1,562,907
<i>Net Assets Beginning of Year (Restated, See Note 3)</i>					<u>5,809,880</u>
<i>Net Assets End of Year</i>					<u>\$ 7,372,787</u>

The accompanying notes are an integral part of the financial statements.

Port Clinton City School District

Balance Sheet

Governmental Funds

June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 676,113	\$ 2,699,440	\$ 1,486,761	\$ 4,862,314
Cash and Cash Equivalents in Segregated Accounts	0	0	4,500	4,500
Restricted Cash and Cash Equivalents	110,501	0	0	110,501
Investments	4,259,092	0	0	4,259,092
Receivables:				
Taxes	13,083,840	764,365	286,325	14,134,530
Accounts	2,354	0	0	2,354
Interfund	55,000	0	0	55,000
Intergovernmental	0	0	45,448	45,448
Prepaid Items	175,035	0	27,567	202,602
Inventory Held for Resale	0	0	7,281	7,281
Materials and Supplies Inventory	43,950	0	1,042	44,992
<i>Total Assets</i>	<u>\$ 18,405,885</u>	<u>\$ 3,463,805</u>	<u>\$ 1,858,924</u>	<u>\$ 23,728,614</u>
Liabilities				
Accounts Payable	\$ 23,378	\$ 0	\$ 3,030	\$ 26,408
Accrued Wages and Benefits	1,498,981	0	110,233	1,609,214
Contracts Payable	0	0	60,334	60,334
Interfund Payable	0	0	55,000	55,000
Intergovernmental Payable	458,516	0	52,182	510,698
Deferred Revenue	11,413,892	667,440	250,079	12,331,411
Matured Compensated Absences Payable	111,514	0	0	111,514
Early Retirement Incentive Payable	122,227	0	0	122,227
<i>Total Liabilities</i>	<u>13,628,508</u>	<u>667,440</u>	<u>530,858</u>	<u>14,826,806</u>
Fund Balances				
Reserved for Encumbrances	484,127	0	174,991	659,118
Reserved for Prepaid Items	175,035	0	27,567	202,602
Reserved for Property Taxes	1,669,948	96,925	36,246	1,803,119
Reserved for Bus Purchases	24,115	0	0	24,115
Reserved for BWC Refund	86,386	0	0	86,386
Unreserved, Undesignated, Reported in:				
General Fund	2,337,766	0	0	2,337,766
Debt Service Fund	0	2,699,440	0	2,699,440
Special Revenue Funds	0	0	927,774	927,774
Capital Projects Funds	0	0	161,488	161,488
<i>Total Fund Balances</i>	<u>4,777,377</u>	<u>2,796,365</u>	<u>1,328,066</u>	<u>8,901,808</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 18,405,885</u>	<u>\$ 3,463,805</u>	<u>\$ 1,858,924</u>	<u>\$ 23,728,614</u>

The accompanying notes are an integral part of the financial statements.

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

Total Governmental Fund Balances		\$ 8,901,808
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,174,428
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes		96,723
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the bonds on the accrual basis.		
Issuance Costs	\$ 79,447	
Accumulated Amortization	<u>(22,700)</u>	
Total		56,747
In the statement of activities, bond refunding costs are amortized over the term of the bonds, whereas in governmental funds bond refunding expenditure is reported when bonds are issued.		122,422
In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, an interest expenditure is not recorded.		(7,866)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
HB 264 Energy Conservation Notes Payable	(953,400)	
General Obligation Bonds	(2,010,000)	
Capital Appreciation Bonds	(551,814)	
Unamortized Bond Premium	(179,171)	
Compensated Absences	<u>(1,277,090)</u>	
Total		<u>(4,971,475)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 7,372,787</u></u>

The accompanying notes are an integral part of the financial statements.

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

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$ 13,269,378	\$ 721,154	\$ 276,548	\$ 14,267,080
Intergovernmental	5,167,576	100,840	1,666,030	6,934,446
Interest	512,619	0	5,236	517,855
Tuition and Fees	253,941	0	42,204	296,145
Rent	8,194	0	2,620	10,814
Extracurricular Activities	0	0	135,250	135,250
Gifts and Donations	0	0	68,060	68,060
Customer Sales and Services	0	0	414,259	414,259
Miscellaneous	23,538	0	2,995	26,533
<i>Total Revenues</i>	<u>19,235,246</u>	<u>821,994</u>	<u>2,613,202</u>	<u>22,670,442</u>
Expenditures				
Current:				
Instruction:				
Regular	7,973,617	0	446,539	8,420,156
Special	1,069,504	0	550,485	1,619,989
Vocational	150,407	0	0	150,407
Other	1,258,096	0	1,917	1,260,013
Support Services:				
Pupils	1,572,785	0	309,908	1,882,693
Instructional Staff	347,976	0	3,666	351,642
Board of Education	16,706	0	0	16,706
Administration	1,436,534	0	87,056	1,523,590
Fiscal	626,242	15,029	17,652	658,923
Operation and Maintenance of Plant	2,171,503	0	63,299	2,234,802
Pupil Transportation	864,208	0	12,557	876,765
Central	75,718	0	40,206	115,924
Operation of Non-Instructional Services:				
Food Service Operations	0	0	673,905	673,905
Community Services	23,264	0	131,598	154,862
Extracurricular Activities	339,291	0	177,266	516,557
Capital Outlay	113,431	0	271,531	384,962
Debt Service:				
Principal Retirement	0	754,000	0	754,000
Interest and Fiscal Charges	0	104,115	0	104,115
<i>Total Expenditures</i>	<u>18,039,282</u>	<u>873,144</u>	<u>2,787,585</u>	<u>21,700,011</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,195,964</u>	<u>(51,150)</u>	<u>(174,383)</u>	<u>970,431</u>
Other Financing Sources and Uses				
Transfers In	0	139,665	600,000	739,665
Transfers Out	(739,665)	0	0	(739,665)
<i>Total Other Financing Sources and Uses</i>	<u>(739,665)</u>	<u>139,665</u>	<u>600,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	456,299	88,515	425,617	970,431
<i>Fund Balances Beginning of Year</i>	<u>4,321,078</u>	<u>2,707,850</u>	<u>902,449</u>	<u>7,931,377</u>
<i>Fund Balances End of Year</i>	<u>\$ 4,777,377</u>	<u>\$ 2,796,365</u>	<u>\$ 1,328,066</u>	<u>\$ 8,901,808</u>

The accompanying notes are an integral part of the financial statements.

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

Net Change in Fund Balances - Total Governmental Funds \$ 970,431

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

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

Capital Asset Additions	\$ 89,531	
Current Year Depreciation	<u>(294,431)</u>	
Total		(204,900)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. 163,245

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.
Delinquent Property Taxes (26,148)

In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. 1,447

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.
HB 264 Energy Conservation Notes Payable 94,000
2003 School Improvement Bonds 660,000
Total 754,000

Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.
Compensated Absences (24,411)
Loss on Refunding Amortization (24,485)
Bond Issuance Costs Amortization (11,350)
Bond Premium Amortization 35,834
Bond Accretion Amortization (70,756)
Total (95,168)

Change in Net Assets of Governmental Activities \$ 1,562,907

The accompanying notes are an integral part of the financial statements.

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 13,463,700	\$ 13,482,340	\$ 13,482,340	\$ 0
Intergovernmental	4,915,536	5,167,576	5,167,576	0
Tuition and Fees	185,340	252,026	252,026	0
Rent	7,500	8,194	8,194	0
Interest	5,000	508,089	508,089	0
Miscellaneous	7,500	7,099	23,538	16,439
<i>Total Revenues</i>	<u>18,584,576</u>	<u>19,425,324</u>	<u>19,441,763</u>	<u>16,439</u>
Expenditures				
Current:				
Instruction				
Regular:				
Salaries	6,027,350	5,663,282	5,644,116	19,166
Fringe Benefits	2,866,465	2,269,897	1,709,845	560,052
Purchased Services	131,625	102,865	99,846	3,019
Materials and Supplies	667,204	738,784	460,891	277,893
Capital Outlay	141,172	131,676	129,547	2,129
Total - Regular	<u>9,833,816</u>	<u>8,906,504</u>	<u>8,044,245</u>	<u>862,259</u>
Special:				
Salaries	754,000	815,459	815,458	1
Fringe Benefits	202,000	238,369	238,369	0
Purchased Services	5,000	0	0	0
Materials and Supplies	1,000	48	48	0
Other	450,000	32,482	16,553	15,929
Total - Special	<u>1,412,000</u>	<u>1,086,358</u>	<u>1,070,428</u>	<u>15,930</u>
Vocational:				
Salaries	78,600	78,496	78,496	0
Fringe Benefits	22,700	27,084	26,922	162
Purchased Services	45,233	59,407	59,407	0
Total - Vocational	<u>146,533</u>	<u>164,987</u>	<u>164,825</u>	<u>162</u>
Other:				
Purchased Services	839,200	465,867	465,440	427
Other	410,000	799,427	798,508	919
Total - Other	<u>1,249,200</u>	<u>1,265,294</u>	<u>1,263,948</u>	<u>1,346</u>
Total - Instruction	<u>12,641,549</u>	<u>11,423,143</u>	<u>10,543,446</u>	<u>879,697</u>

(Continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
Support Services:				
Pupils:				
Salaries	\$ 1,164,300	\$ 1,162,300	\$ 1,162,287	\$ 13
Fringe Benefits	370,800	359,980	359,982	(2)
Purchases Services	41,695	33,243	32,821	422
Materials and Supplies	4,700	6,829	6,829	0
Capital Outlay	500	428	428	0
Total - Pupils	<u>1,581,995</u>	<u>1,562,780</u>	<u>1,562,347</u>	<u>433</u>
Instructional Staff:				
Salaries	218,400	202,756	202,714	42
Fringe Benefits	66,400	55,933	55,780	153
Purchases Services	57,014	51,208	50,619	589
Materials and Supplies	57,977	26,709	26,505	204
Capital Outlay	37,177	44,703	44,595	108
Total - Instructional Staff	<u>436,968</u>	<u>381,309</u>	<u>380,213</u>	<u>1,096</u>
Board of Education:				
Salaries	12,000	10,620	10,620	0
Fringe Benefits	1,800	1,301	1,301	0
Purchases Services	3,870	1,928	1,808	120
Materials and Supplies	500	0	0	0
Other	5,000	4,705	4,705	0
Total - Board of Education	<u>23,170</u>	<u>18,554</u>	<u>18,434</u>	<u>120</u>
Administration:				
Salaries	869,500	930,412	930,413	(1)
Fringe Benefits	270,200	285,473	285,473	0
Purchased Services	238,827	219,947	168,648	51,299
Materials and Supplies	27,859	26,351	26,080	271
Other	38,984	30,653	30,229	424
Capital Outlay	11,667	5,075	5,075	0
Total - Administration	<u>1,457,037</u>	<u>1,497,911</u>	<u>1,445,918</u>	<u>51,993</u>
Fiscal:				
Salaries	211,600	198,658	198,658	0
Fringe Benefits	65,838	64,556	64,556	0
Purchased Services	36,666	27,289	26,911	378
Materials and Supplies	7,978	6,013	6,013	0
Other	254,700	337,146	336,646	500
Capital Outlay	6,000	2,775	2,775	0
Total - Fiscal	<u>582,782</u>	<u>636,437</u>	<u>635,559</u>	<u>878</u>

(Continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
Operation and Maintenance of Plant:				
Salaries	\$ 861,037	\$ 962,422	\$ 962,422	\$ 0
Fringe Benefits	774,607	620,689	355,367	265,322
Purchased Services	1,001,461	950,519	941,789	8,730
Materials and Supplies	192,984	159,584	157,425	2,159
Other	5,147	8,431	8,432	(1)
Capital Outlay - Replacement	15,077	77	0	77
Total - Operation and Maintenance	2,850,313	2,701,722	2,425,435	276,287
Pupil Transportation:				
Salaries	508,200	462,228	462,155	73
Fringe Benefits	186,900	193,017	193,018	(1)
Purchased Services	61,928	44,975	39,387	5,588
Materials and Supplies	136,623	127,940	127,939	1
Capital Outlay - Replacement	111,855	58,855	58,855	0
Total - Pupil Transportation	1,005,506	887,015	881,354	5,661
Central:				
Salaries	58,000	57,500	57,474	26
Fringe Benefits	32,500	21,135	17,826	3,309
Purchased Services	2,000	0	0	0
Total - Central	92,500	78,635	75,300	3,335
Total - Support Services	8,030,271	7,764,363	7,424,560	339,803
Operation of Non-Instructional Services				
Community Services:				
Purchased Services	35,000	23,264	23,264	0
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries	30,000	22,300	22,120	180
Fringe Benefits	4,000	3,200	3,123	77
Total - Academic Oriented Activities	34,000	25,500	25,243	257
Occupation Oriented Activities:				
Salaries	5,000	2,505	2,505	0
Fringe Benefits	1,000	331	331	0
Total - Occupation Oriented Activities	6,000	2,836	2,836	0

(Continued)

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
Sports Oriented Activities:				
Salaries	\$ 230,000	\$ 250,217	\$ 250,217	\$ 0
Fringe Benefits	41,000	43,355	43,355	0
Purchased Services	1,000	471	471	0
Total - Sports Oriented Activities	272,000	294,043	294,043	0
School and Public Service Co-Curricular Activities:				
Salaries	18,000	15,719	15,719	0
Fringe Benefits	3,000	2,927	2,927	0
Total - School and Public Service Co-Curricular Activities	21,000	18,646	18,646	0
Total - Extracurricular Activities	333,000	341,025	340,768	257
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	25,000	0	0	0
Building Acquisition and Construction Services:				
Purchased Services	52,241	175,860	175,860	0
Total - Capital Outlay	77,241	175,860	175,860	0
Total Expenditures	21,117,061	19,727,655	18,507,898	1,219,757
Excess of Revenues Over (Under) Expenditures	(2,532,485)	(302,331)	933,865	1,236,196
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	0	3,495	0	(3,495)
Refund of Prior Year Expenditures	500	12,944	0	(12,944)
Advances In	34,000	105,000	105,000	0
Advances Out	(100,000)	(115,000)	(115,000)	0
Transfers Out	(550,000)	(739,665)	(739,665)	0
Total Other Financing Sources (Uses)	(615,500)	(733,226)	(749,665)	(16,439)
Net Change in Fund Balance	(3,147,985)	(1,035,557)	184,200	1,219,757
Fund Balance Beginning of Year	3,924,285	3,924,285	3,924,285	0
Prior Year Encumbrances Appropriated	446,456	446,456	446,456	0
Fund Balance End of Year	\$ 1,222,756	\$ 3,335,184	\$ 4,554,941	\$ 1,219,757

The accompanying notes are an integral part of the financial statements.

Port Clinton City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Private Purpose Trust	
	Scholarships	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 14,077	\$ 84,569
Liabilities		
Due to Students	0	\$ 84,569
Net Assets		
Held in Trust for Scholarships	14,077	
<i>Total Net Assets</i>	\$ 14,077	

The accompanying notes are an integral part of the financial statements.

Port Clinton City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2007

	Private Purpose Trust
	Scholarships
Addition	
Interest	\$ 623
Deduction	
Payments in Accordance with Trust Agreements	500
<i>Change in Net Assets</i>	123
<i>Net Assets Beginning of Year</i>	13,954
<i>Net Assets End of Year</i>	\$ 14,077

The accompanying notes are an integral part of the financial statements.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 1 – Description of the School District and Reporting Entity

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

The School District was established through the consolidation of existing land areas and school districts. The School District serves an area of approximately 44 square miles. It is located in Ottawa County, and includes all of the territory of the City of Port Clinton, Bay Township, Catawba Township, Erie Township, and Portage Township. It is staffed by 108 non-certificated employees and 156 certificated full-time teaching personnel that provide services to 1,828 students and other community members. The School District currently operates four instructional buildings, one administrative building, and one garage.

Reporting Entity:

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

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

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

The following activities are included within the reporting entity:

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 1 – Description of the School District and Reporting Entity (Continued)

The School District is involved with the Bay Area Council of Governments, Vanguard-Sentinel Joint Vocational School, and Northern Ohio Educational Computer Association (NOECA), which are defined as jointly governed organizations. The School District is also associated with the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) and San Ott Insurance Consortium, which are defined as insurance purchasing pools. The Ida Rupp Public Library is a related organization of the School District. Additional information about these organizations is presented in Notes 15, 16 and 17 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

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

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

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds account for student activities.

B. Basis of Presentation

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

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

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Fiduciary funds are reported using the economic resources measurement focus and are excluded from the government-wide financial statements.

C. Basis of Accounting

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Budgetary Data

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

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

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

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amount reported as the final budgeted amount in the budgetary statements reflects the amounts in the final amended certificate issued during fiscal year 2007.

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2007, investments were limited to federal securities, STAROhio, a money market and certificates of deposit.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2007. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2007.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2007 amounted to \$512,619, which includes \$235,823 assigned from other School District funds.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

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

F. Restricted Assets

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 imposed by enabling legislation. Restricted assets in the general fund include unspent resources restricted for the purchase of buses and amounts required by state statute to be set aside to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

G. Prepaid Items

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

H. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories in governmental funds consist of expendable supplies held for consumption and donated and purchased food held for resale.

I. Deferred Charges

On the governmental fund statements, bond issuance costs are recorded as an expenditure when incurred. Bond issuance costs are reported as deferred and amortized over the term of the bonds using the straight-line method on the government-wide statements since the results are not significantly different from the effective interest method.

J. Bond Premiums

Bond premiums are recorded as other financing source on the governmental fund statements. On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bond using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Capital Assets

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

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

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. In fiscal year 2007, the School District increased the useful lives of equipment and vehicles. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	40 years
Furniture	10 years
Equipment	5-20 years
Vehicles	5-10 years

L. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

M. Interfund Balances

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

N. Compensated Absences

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement.

A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all classified and non-classified employees who are age fifty with at least ten years of service, or any age with twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements.

O. Accrued Liabilities and Long-term Obligations

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

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

P. Interfund Transactions

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 2 – Summary of Significant Accounting Policies (Continued)

Q. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for BWC refunds represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

R. 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. At June 30, 2007, none of the School District's net assets were restricted by enabling legislation. Net assets restricted for other purposes include instructional activities, grants and extracurricular activities.

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2007.

T. Estimates

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 3 – Restatement of Net Assets

In the prior year, delinquent personal property taxes were overstated. A reduction to net assets was needed to account for the adjustment.

	<u>Governmental Activities</u>
Previously Reported Net Assets at 06/30/06	\$ 6,287,293
Property Tax Revenues	<u>(477,413)</u>
Restated Net Assets at 07/01/06	<u>\$ 5,809,880</u>

Note 4 – Fund Deficits

Fund balances at June 30, 2007 included the following individual fund deficits:

	<u>Deficit</u>
Nonmajor Funds:	
Food Service	\$ 41,309
Auxiliary Services	6,916
Title I	42,811
Improving Teacher Quality	11,145

The deficits in these funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not 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 Balances - Budget (Non-GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 5 – Budgetary Basis of Accounting (Continued)

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

	<u>General Fund</u>
GAAP Basis	\$ 456,299
Net Adjustment for Revenue Accruals	206,517
Advances In	105,000
Net Adjustment for Expenditure Accruals	36,678
Advances Out	(115,000)
Adjustments for Encumbrances	(505,294)
	<hr/>
Budget Basis	\$ 184,200
	<hr/>

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.

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

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.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 6 – Deposits and Investments (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed 30 days in securities listed above that mature within five years from the date of settlement;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period of 180 days in an amount not to exceed 25 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all uninsured public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the School District's name. During 2007, the School District and public depositories complied with the provisions of these statutes.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 6 – Deposits and Investments (Continued)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District’s deposits may not be returned. Uninsured deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District.

At fiscal year end, the carrying amount of the School District’s deposits (excluding change funds of \$1,000) was \$4,962,906 and the bank balance was \$5,247,566. Of the bank balance, \$1,284,080 was covered by federal depository insurance and \$3,963,486 was uninsured, but collateralized with securities held by the pledging financial institution’s trust department or agent not in the School District’s name.

Investments

As of June 30, 2007, the School District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 Months or Less</u>	<u>7 to 12 Months</u>	<u>13 to 18 Months</u>	<u>19 to 24 Months</u>	<u>More than 24 Months</u>
STAROhio	\$ 1,301,644	\$ 1,301,644	\$ 0	\$ 0	\$ 0	\$ 0
FHLB	2,707,018	513,611	0	997,312	598,469	597,626
FHLMC	262,985	0	0	0	0	262,985
FFCB	99,500	0	0	0	0	99,500
Total Investments	<u>\$ 4,371,147</u>	<u>\$ 1,815,255</u>	<u>\$ 0</u>	<u>\$ 997,312</u>	<u>\$ 598,469</u>	<u>\$ 960,111</u>

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

Credit Risk- The School Districts’ investments in FHLB, FHLMC and FFCB were all rated AAA and Aaa by Standard & Poor’s Investor Services and Moody’s, Investor Services, respectively. STAROhio has been given an AAA rating by Standard & Poor’s. The School District’s investment policy requires certain credit ratings for some investments as allowed by state law.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 6 – Deposits and Investments (Continued)

Concentration of Credit Risk- The School District’s investment policy is to be diversified in its holding of investments by avoiding concentrations of specific users. The following table includes the percentage total of each investment type held by the School District at June 30, 2007:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAROhio	\$ 1,301,644	30%
FHLB	2,707,018	62%
FHLMC	262,985	6%
FFCB	99,500	2%
Total Investments	<u>\$ 4,371,147</u>	<u>100%</u>

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, 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 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2004, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. 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.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 7 – Property Taxes (Continued)

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

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

The amount available as an advance at June 30, 2007 was \$1,669,948 in the general fund, \$96,925 in the debt service fund, and \$36,246 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2006, was \$1,882,910 in the general fund, \$110,909 in the debt service fund, and \$35,690 in the permanent improvement capital projects fund.

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

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

	2006 Second-Half Collections		2007 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	\$ 389,132,740	74%	\$ 454,037,600	77%
Other	93,175,860	18%	98,506,800	17%
Public Utilities	92,030	0%	133,480	0%
Tangible Personal Property:				
Personal	26,774,456	5%	20,163,683	3%
Public Utilities	17,372,550	3%	17,133,440	3%
Total Assessed Value	<u>\$ 526,547,636</u>	<u>100%</u>	<u>\$ 589,975,003</u>	<u>100%</u>
Tax rate per \$1,000 of assessed value	<u>\$ 60.40</u>		<u>\$ 59.85</u>	

Note 8 - Receivables

Receivables at June 30, 2007, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental receivable. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 9 – Capital Assets

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

	<u>Balance 6/30/2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/2007</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 58,517	\$ 0	\$ 0	\$ 58,517
<i>Capital Asset, being depreciated:</i>				
Buildings and Improvements	9,372,625	0	0	9,372,625
Furniture, Equipment and Vehicles	<u>4,304,505</u>	<u>89,531</u>	<u>(786,822)</u>	<u>3,607,214</u>
Total Capital Assets, being depreciated:	<u>13,677,130</u>	<u>89,531</u>	<u>(786,822)</u>	<u>12,979,839</u>
Less Accumulated Depreciation:				
Building and Improvements	(6,740,073)	(110,986)	0	(6,851,059)
Furniture, Equipment and Vehicles	<u>(3,779,491)</u>	<u>(183,445)</u>	<u>950,067</u> *	<u>(3,012,869)</u>
Total Accumulated Depreciation	<u>(10,519,564)</u>	<u>(294,431)</u>	<u>950,067</u>	<u>(9,863,928)</u>
Total Capital Assets being depreciated, net	<u>3,157,566</u>	<u>(204,900)</u>	<u>163,245</u>	<u>3,115,911</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,216,083</u>	<u>\$ (204,900)</u>	<u>\$ 163,245</u>	<u>\$ 3,174,428</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 245,736
Support Services:	
Administration	7,477
Operation and Maintenance	10,802
Public Transportation	29,257
Operations of Non-Instructional Services:	
Food Service Operations	<u>1,159</u>
	<u>\$ 294,431</u>

*This amount includes a \$204,658 adjustment for changes in the estimated useful lives of equipment and vehicles made in fiscal year 2007.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 10 – Risk Management

A. General Insurance

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 2007, the School District has entered into contracts with various insurance agencies for various insurance.

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

<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Building and Contents	\$ 58,185,558	\$ 1,000
Extra expenses	1,000,000	0
Money and Securities	15,000	250
Non-bus vehicles		
- liability - bodily injury	(a)	0
- liability - property damage	(a)	0
- uninsured Motorists	1,000,000	0
Physical damage	cash value	0
Bus vehicles		
- liability	2,000,000	0
- uninsured motorists	1,000,000	0

(a) Non-bus vehicle liability insurance is limited to \$6,000,000 under the umbrella in the aggregate and \$6,000,000 per incident.

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

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

B. Workers' Compensation

The School District joined together with other governments to form the Ohio School Boards Association Workers' Compensation Group Rating Plan, a public entity currently operating as a common risk management and insurance program for workers' compensation. The School District pays an annual premium to the pool for its workers compensation coverage. See Note 15 for further description.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 10 – Risk Management (Continued)

C. Employee Health Insurance

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

Note 11 – Pension Plans

A. School Employees Retirement System of Ohio

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2007, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2006, 10.57 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 statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006 and 2005 were \$433,020, \$431,952 and \$435,960, respectively; 50 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$214,440 representing the unpaid contribution for fiscal year 2007, is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The Port Clinton City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling 614-227-4090 or by visiting the STRS website at www.strsoh.org.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 11 – Pension Plans (Continued)

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.

Plan members were required to contribute 10 percent of their annual covered salaries and the School District was required to contribute 14 percent. 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,256,844, \$1,169,688 and \$1,175,640; 83 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$210,416 represents the unpaid contributions for fiscal year 2007 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2007, all members of the Board of Education have elected School Employees' Retirement System.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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

All retirees of the DC and combined plan and their dependents are eligible for health care coverage.

The State Teachers Retirement 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, 2007 the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$89,774 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available), the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006 (the latest information available), net health care costs paid by STRS were \$282,743,000 and STRS Ohio had 119,184 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 health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the year ended June 30, 2007 employer contributions to fund health care benefits were 3.42 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credits. For fiscal year ended June 30, 2006, the minimum pay was established at \$35,800. For the School District, the amount to fund health care benefits, including surcharge, during 2007 fiscal year equaled \$164,892.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for the maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Net expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$158,751,207. As of June 30, 2006, the value of the health care fund was \$295.6 million, which is about 221 percent of next year's projected net health care costs of 133,775,656. On the basis of actuarial projections, the allocated contributions will be insufficient in the long-term to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. SERS has approximately 59,492 participants currently receiving health care benefits.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 13 – Other Employee Benefits

A. Sick Leave

Each full time professional staff member is entitled to fifteen (15) days sick leave with pay for each year under contract and accrues sick leave at the rate of one and one-fourth (1 1/4) days for each calendar month under contract. Sick leave is cumulative to two hundred sixty-five (265) days.

B. Service Retirement

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

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

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

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

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 13 – Other Employee Benefits (Continued)

C. Vacation

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

(12) month administrators:

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

Classified employees:

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

Secretaries:

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

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

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PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 14 – Long-Term Obligations

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

	Amount Outstanding 06/30/2006	Additions	Deductions	Amount Outstanding 06/30/2007	Amount Due in One Year
<i>Governmental Activities</i>					
General Obligation Bonds:					
2003 School Improvement					
Refunding Bonds:					
Serial Bonds-\$3,960,000 - 2.00%-3.15%	\$ 2,670,000	\$ 0	\$ (660,000)	\$ 2,010,000	\$ 665,000
Capital Appreciation Bonds	314,994	0	0	314,994	0
Accretion on Capital					
Appreciation Bonds	166,064	70,756	0	236,820	0
Unamortized Premium	215,005	(35,834)	0	179,171	0
Refunding Loss	(146,907)	24,485	0	(122,422)	0
	<u>3,219,156</u>	<u>59,407</u>	<u>(660,000)</u>	<u>2,618,563</u>	<u>665,000</u>
House Bill Notes					
11/28/02 4.250%	<u>1,047,400</u>	<u>0</u>	<u>(94,000)</u>	<u>953,400</u>	<u>94,000</u>
Total Long-Term Debt	4,266,556	59,407	(754,000)	3,571,963	759,000
Compensated Absences	<u>1,252,679</u>	<u>233,918</u>	<u>(209,507)</u>	<u>1,277,090</u>	<u>134,969</u>
Total Governmental Activities	<u>\$ 5,519,235</u>	<u>\$ 293,325</u>	<u>\$ (963,507)</u>	<u>\$ 4,849,053</u>	<u>\$ 893,969</u>

General obligation bonds and notes will be paid from property tax revenues in the debt service fund.

Compensated absences will be paid from the funds from which the employees’ salaries are paid. In prior years this has primarily been the general fund.

The voted legal debt margin for the School District was \$53,569,121 with an unvoted debt margin of \$589,975 at June 30, 2007.

2003 School Improvement Refunding General Obligation Bonds

On September 15, 2003, the School District issued \$4,274,994 of general obligation bonds, which included serial and capital appreciation (deep discount) bonds in the amount of \$3,960,000 and \$314,994, respectively. The bonds refunded \$4,466,111 of outstanding 1989 School Improvement General Obligation Bonds and 1993 Library Bonds. The bonds were issued for an eight -year period with final maturity at December 1, 2011. At the date of refunding, \$4,470,871 (including premium and after underwriting fees, and other issuance costs) was received to pay off old debt.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 14 – Long-Term Obligations (Continued)

These refunding bonds were issued with a premium of \$286,673, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of the premium for fiscal year 2007 was \$35,834. The issuance costs of \$90,796 are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The amortization of the issuance costs for fiscal year 2007 was \$11,350. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$195,877. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2007 was \$24,485.

The capital appreciation bonds mature December 1, 2008. These bonds were purchased at a substantial discount at the time of issuance. At maturity, all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as principal liability. The maturity amount of the bonds is \$670,000. For fiscal year 2007, the accretion amount was \$70,756.

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

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2007 are:

Year	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 665,000	\$ 45,200	\$ 0	\$ 0
2009	0	38,550	314,994	355,006
2010	585,000	30,945	0	0
2011	600,000	14,190	0	0
2012	160,000	2,520	0	0
	<u>\$ 2,010,000</u>	<u>\$ 131,405</u>	<u>\$ 314,994</u>	<u>\$ 355,006</u>
Year	House Bill Notes		Totals	
	Principal	Interest	Principal	Interest
2008	\$ 94,000	\$ 41,492	\$ 759,000	\$ 86,692
2009	94,000	37,318	408,994	430,874
2010	94,000	33,145	679,000	64,090
2011	94,000	28,970	694,000	43,160
2012	94,000	24,797	254,000	27,317
2013-2017	483,400	60,751	483,400	60,751
	<u>\$ 953,400</u>	<u>\$ 226,473</u>	<u>\$ 3,278,394</u>	<u>\$ 712,884</u>

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 15 – Public Entity Risk Pools

A. Insurance Purchasing Pool

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

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

The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates, McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

B. Risk Sharing Pool

The School District participates in the San Ott Insurance Consortium, a shared risk pool with participants from Sandusky and Ottawa counties. The Consortium is governed by an assembly which consists of one representative from each participant (usually the superintendent or designee). The assembly exercises control over the operation of the consortium. All consortium revenues are generated from charges for services. Financial information can be obtained by writing to San Ott Insurance Consortium, Shane Baumgardner, Danbury Local Schools, 9451 E. Harbor Road, Lakeside Marblehead, Ohio 43440.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 16 – Jointly Governed Organizations

Bay Area Council of Governments

The Bay Area Council of Governments is a jointly governed organization. Members of the organization consist of twenty-six school districts representing seven counties (Ottawa, Sandusky, Seneca, Erie, Huron, Wood, and Crawford). The jointly governed organization was formed for the purpose of purchasing goods and services at a lower cost. The items currently being purchased through the council of governments is natural gas and insurance. The only cost to the district is an administrative charge if they participate in purchasing through the council. The Bay Area Council of Governments consists of the superintendent of each school district. The Board of Directors of the Bay Area Council of Governments consists of one elected representative of each county and the superintendent of the fiscal agent, and two non-voting members (administrator and fiscal agent). Members of the Board serve two-year terms which are staggered. Financial information can be obtained by contacting Betty Schwiefert, EHOESC Treasurer, who serves as fiscal agent, at 2900 South Columbus Avenue, Sandusky, Ohio 44870.

Vanguard-Sentinel Joint Vocational School

The Vanguard-Sentinel Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of two representatives from Fremont City Schools and one representative from the Port Clinton City School District and each of the other twelve participating school districts' elected boards, which possess its own budgeting and taxing authority. To obtain financial information write to Vanguard-Sentinel Joint Vocational School, Jay Valasek, Treasurer, at 1306 Cedar Street, Fremont, Ohio 43420.

Northern Ohio Educational Computer Association

The Northern Ohio Educational Computer Association (NOECA) is a computer consortium. It is comprised of thirty-eight area school districts. The association was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports NOECA based upon a per pupil charge dependent upon the software package utilized. In the event of dissolution of the organization, all current members will share in net obligations or asset liquidations in ratio proportionate to their last twelve months financial contributions. The NOECA assembly consists of a superintendent from each participating school district and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and two Assembly members from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting Betty Schwiefert, EHOESC Treasurer, who serves as controller, at 2900 South Columbus Avenue, Sandusky, Ohio 44870.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 – Related Organization

Ida Rupp Public Library

The library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The trustees are appointed by the Port Clinton Board of Education. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the school district for operational subsidies.

Note 18 - Contingencies

A. Grants

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

B. Litigation

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

Note 19 – Set-Aside Requirements

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2007, only the unspent portion of certain workers' compensation refunds continues to be set-aside.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2007

Note 19 – Set-Aside Requirements (Continued)

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

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>BWC Refunds</u>	<u>Total</u>
Set-Aside Reserve Balance as of June 30, 2006	\$ (707,754)	\$ 0	\$ 86,386	\$ (621,368)
Current Year Set-Aside Requirement	258,031	258,031	0	516,062
Qualifying Disbursements	<u>(731,612)</u>	<u>(373,400)</u>	<u>0</u>	<u>(1,105,012)</u>
Totals	<u>\$ (1,181,335)</u>	<u>\$ (115,369)</u>	<u>\$ 86,386</u>	<u>\$ (1,210,318)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$ (1,181,335)</u>	<u>\$ 0</u>	<u>\$ 86,386</u>	<u>\$ (621,368)</u>
Set-aside Reserve Balance as of June 30, 2007	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,386</u>	<u>\$ 83,686</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years.

PORT CLINTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 20 – Interfund Transactions

A. Interfund Balances

The interfund receivable/payable consisted of the following at June 30, 2007, as reported on the fund financial statements:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 55,000	\$ 0
Other Governmental Fund: Food Service	0	55,000
Total	<u>\$ 55,000</u>	<u>\$ 55,000</u>

The primary purpose of the interfund balance is to cover costs where revenues were not received by June 30. This interfund balance will be repaid once the anticipated revenues are received.

B. Interfund Transfers

The interfund transfers consisted of the following at June 30, 2007, as reported on the fund financial statements:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 739,665	\$ 0
Debt Service	0	139,665
Other Governmental Funds: Severance Retirement	0	600,000
Total	<u>\$ 739,665</u>	<u>\$ 739,665</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 21 – Subsequent Event

Subsequent to year end, the Board of Education elected to close Portage Elementary School and Catawba Elementary School, due to declining projected enrollment for the fiscal year 2008.

Port Clinton City School District

**Combining and Individual
Statements and Schedules**

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Port Clinton City School District

Combining Statements – Nonmajor Funds
Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

Auxiliary Services Fund – This fund accounts for monies used to provide services and materials to pupils attending non-public schools within the District

Local Professional Development Fund – This fund accounts for state monies in support of locally developed professional development programs.

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

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

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

Port Clinton City School District

Combining Statements – Nonmajor Funds
Nonmajor Special Revenue Funds
(Continued)

SchoolNet Professional Development Fund – This fund accounts for a limited number of professional development subsidy grants.

Data Communications Subsidy Fund – This fund accounts for money appropriated for Ohio Educational Computer Network Connections.

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

Poverty Based Assistance Fund – This fund accounts for monies appropriated for poverty based assistance as part of the state foundation system. Programs include academic intervention, all-day kindergarten, class-size reduction, limited English proficient students, professional development, dropout prevention, and community outreach.

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

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

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

Title V Innovative Education Programs Fund – This fund accounts for federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

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

Improving Teacher Quality Fund – This fund accounts for federal monies used to reduce class sizes in elementary schools.

Miscellaneous Federal Grants Fund – This fund is used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Port Clinton City School District

Nonmajor Capital Projects Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities. A description of the School District's capital projects fund follows:

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 1,214,597	\$ 272,164	\$ 1,486,761
Cash and Cash Equivalents in Segregated Accounts	4,500	0	4,500
Taxes Receivable	0	286,325	286,325
Inventory Held for Resale	7,281	0	7,281
Materials and Supplies Inventory	1,042	0	1,042
Intergovernmental Receivable	45,448	0	45,448
Prepaid Items	8,725	18,842	27,567
<i>Total Assets</i>	<u>\$ 1,281,593</u>	<u>\$ 577,331</u>	<u>\$ 1,858,924</u>
Liabilities			
Accounts Payable	\$ 3,030	\$ 0	\$ 3,030
Contracts Payable	0	60,334	60,334
Accrued Wages and Benefits	110,233	0	110,233
Interfund Payable	55,000	0	55,000
Intergovernmental Payable	52,182	0	52,182
Deferred Revenue	0	250,079	250,079
<i>Total Liabilities</i>	<u>220,445</u>	<u>310,413</u>	<u>530,858</u>
Fund Balances			
Fund Balance:			
Reserved for Encumbrances	124,649	50,342	174,991
Reserved for Prepaid Items	8,725	18,842	27,567
Reserved for Property Taxes	0	36,246	36,246
Unreserved:			
Undesignated Reported In:			
Special Revenue Funds	927,774	0	927,774
Capital Projects Funds	0	161,488	161,488
<i>Total Fund Balances</i>	<u>1,061,148</u>	<u>266,918</u>	<u>1,328,066</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,281,593</u>	<u>\$ 577,331</u>	<u>\$ 1,858,924</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 276,548	\$ 276,548
Intergovernmental	1,628,875	37,155	1,666,030
Interest	5,232	4	5,236
Tuition and Fees	42,204	0	42,204
Rent	2,620	0	2,620
Extracurricular Activities	135,250	0	135,250
Gifts and Donations	68,060	0	68,060
Customer Sales and Services	414,259	0	414,259
Miscellaneous	2,995	0	2,995
<i>Total Revenues</i>	<u>2,299,495</u>	<u>313,707</u>	<u>2,613,202</u>
Expenditures			
Current:			
Instruction:			
Regular	446,539	0	446,539
Special	550,485	0	550,485
Other	1,917	0	1,917
Support Services:			
Pupils	309,908	0	309,908
Instructional Staff	3,666	0	3,666
Administration	87,056	0	87,056
Fiscal	12,112	5,540	17,652
Operation and Maintenance of Plant	63,299	0	63,299
Pupil Transportation	12,557	0	12,557
Central	40,206	0	40,206
Operation of Non-Instructional Services:			
Food Service Operations	673,905	0	673,905
Community Services	131,598	0	131,598
Extracurricular Activities	177,266	0	177,266
Capital Outlay	87	271,444	271,531
<i>Total Expenditures</i>	<u>2,510,601</u>	<u>276,984</u>	<u>2,787,585</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(211,106)	36,723	(174,383)
Other Financing Sources			
Transfers In	600,000	0	600,000
<i>Net Change in Fund Balances</i>	388,894	36,723	425,617
<i>Fund Balances Beginning of Year</i>	<u>672,254</u>	<u>230,195</u>	<u>902,449</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,061,148</u>	<u>\$ 266,918</u>	<u>\$ 1,328,066</u>

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

	Food Service Fund	Special Trust Fund	Performing Arts Center Fund	Public School Support Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 10,199	\$ 333	\$ 2,980	\$ 100,151
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Intergovernmental Receivable	45,448	0	0	0
Prepaid Items	6,092	0	0	0
Inventory Held for Resale	7,281	0	0	0
Materials and Supplies Inventory	1,042	0	0	0
<i>Total Assets</i>	<u>\$ 70,062</u>	<u>\$ 333</u>	<u>\$ 2,980</u>	<u>\$ 100,151</u>
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	31,735	0	0	0
Interfund Payable	55,000	0	0	0
Intergovernmental Payable	24,636	0	0	0
<i>Total Liabilities</i>	<u>111,371</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	1,204	53	0	5,980
Reserved for Prepaid Items	6,092	0	0	0
Unreserved:				
Undesignated Reported In:				
Special Revenue Funds	(48,605)	280	2,980	94,171
<i>Total Fund Balances</i>	<u>(41,309)</u>	<u>333</u>	<u>2,980</u>	<u>100,151</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 70,062</u>	<u>\$ 333</u>	<u>\$ 2,980</u>	<u>\$ 100,151</u>

Local Grants Fund	Champions for Children Fund	Severance Retirement Fund	Athletic and Music Fund	Auxiliary Services Fund	Ohio Reads Grant Fund	Miscellaneous State Grants
\$ 48,746	\$ 85,100	\$ 810,007	\$ 53,148	\$ 652	\$ 9,035	\$ 5,981
0	0	0	4,500	0	0	0
0	0	0	0	0	0	0
0	0	0	32	416	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 48,746</u>	<u>\$ 85,100</u>	<u>\$ 810,007</u>	<u>\$ 57,680</u>	<u>\$ 1,068</u>	<u>\$ 9,035</u>	<u>\$ 5,981</u>
\$ 0	\$ 0	\$ 0	\$ 2,505	\$ 0	\$ 0	\$ 0
0	0	0	0	6,045	0	0
0	0	0	0	0	0	0
0	3,283	4,944	0	1,939	952	0
0	3,283	4,944	2,505	7,984	952	0
2,356	5,959	0	10,663	652	9,035	1,008
0	0	0	32	416	0	0
<u>46,390</u>	<u>75,858</u>	<u>805,063</u>	<u>44,480</u>	<u>(7,984)</u>	<u>(952)</u>	<u>4,973</u>
<u>48,746</u>	<u>81,817</u>	<u>805,063</u>	<u>55,175</u>	<u>(6,916)</u>	<u>8,083</u>	<u>5,981</u>
<u>\$ 48,746</u>	<u>\$ 85,100</u>	<u>\$ 810,007</u>	<u>\$ 57,680</u>	<u>\$ 1,068</u>	<u>\$ 9,035</u>	<u>\$ 5,981</u>

(Continued)

Port Clinton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2007

	Title VI-B Fund	Title I Fund	Title V Fund	Drug Free Schools Grant Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 70,821	\$ 12,401	\$ 241	\$ 0
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	68	2,117	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$ 70,889</u>	<u>\$ 14,518</u>	<u>\$ 241</u>	<u>\$ 0</u>
Liabilities				
Accounts Payable	\$ 525	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	9,172	49,623	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	6,505	7,706	0	0
<i>Total Liabilities</i>	<u>16,202</u>	<u>57,329</u>	<u>0</u>	<u>0</u>
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	70,295	12,401	241	0
Reserved for Prepaid Items	68	2,117	0	0
Unreserved:				
Undesignated Reported In:				
Special Revenue Funds	(15,676)	(57,329)	0	0
<i>Total Fund Balances</i>	<u>54,687</u>	<u>(42,811)</u>	<u>241</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 70,889</u>	<u>\$ 14,518</u>	<u>\$ 241</u>	<u>\$ 0</u>

Improving Teacher Quality Fund	Miscellaneous Federal Grants	Totals
\$ 4,730	\$ 72	\$ 1,214,597
0	0	4,500
0	0	45,448
0	0	8,725
0	0	7,281
0	0	1,042
<u>\$ 4,730</u>	<u>72</u>	<u>\$ 1,281,593</u>
\$ 0	\$ 0	\$ 3,030
13,658	0	110,233
0	0	55,000
2,217	0	52,182
<u>15,875</u>	<u>0</u>	<u>220,445</u>
4,730	72	124,649
0	0	8,725
<u>(15,875)</u>	<u>0</u>	<u>927,774</u>
<u>(11,145)</u>	<u>72</u>	<u>1,061,148</u>
<u>\$ 4,730</u>	<u>\$ 72</u>	<u>\$ 1,281,593</u>

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

	Food Service Fund	Special Trust Fund	Performing Arts Center Fund	Public School Support Fund
Revenues				
Intergovernmental	\$ 400,443	\$ 0	\$ 0	\$ 0
Interest	555	3	0	0
Tuition and Fees	0	0	0	42,204
Rent	0	0	2,620	0
Extracurricular Activities	0	0	0	8,933
Gifts and Donations	0	804	300	1,036
Customer Sales and Services	325,633	0	0	0
Miscellaneous	0	0	0	428
<i>Total Revenues</i>	<u>726,631</u>	<u>807</u>	<u>2,920</u>	<u>52,601</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	25,478
Special	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	316	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	673,905	0	0	0
Community Services	0	947	0	0
Extracurricular Activities	0	0	0	41,773
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>673,905</u>	<u>947</u>	<u>316</u>	<u>67,251</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>52,726</u>	<u>(140)</u>	<u>2,604</u>	<u>(14,650)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	52,726	(140)	2,604	(14,650)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(94,035)</u>	<u>473</u>	<u>376</u>	<u>114,801</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (41,309)</u>	<u>\$ 333</u>	<u>\$ 2,980</u>	<u>\$ 100,151</u>

Local Grants Fund	Champions for Children Fund	Severance Retirement Fund	Athletics and Music Fund	Auxiliary Services Fund	Local Professional Development Fund	Educational Management Information Systems Fund
\$ 3,200	\$ 0	\$ 0	\$ 0	\$ 71,325	\$ 0	\$ 5,895
138	4,051	0	0	485	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	126,317	0	0	0
34,418	9,107	0	22,395	0	0	0
0	88,626	0	0	0	0	0
0	2,565	0	0	0	2	0
<u>37,756</u>	<u>104,349</u>	<u>0</u>	<u>148,712</u>	<u>71,810</u>	<u>2</u>	<u>5,895</u>
4,138	66,189	158,860	0	0	0	0
33	0	0	0	0	0	0
1,917	0	0	0	0	0	0
183	17,402	0	0	0	0	0
1,534	37	0	0	0	0	0
0	31,705	0	0	0	0	3,005
0	0	0	0	0	0	2,869
0	0	54,034	0	0	0	0
0	198	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,381	2,842	0	0	79,721	0	0
1,232	0	0	134,261	0	0	0
87	0	0	0	0	0	0
<u>13,505</u>	<u>118,373</u>	<u>212,894</u>	<u>134,261</u>	<u>79,721</u>	<u>0</u>	<u>5,874</u>
<u>24,251</u>	<u>(14,024)</u>	<u>(212,894)</u>	<u>14,451</u>	<u>(7,911)</u>	<u>2</u>	<u>21</u>
<u>0</u>	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
24,251	(14,024)	387,106	14,451	(7,911)	2	21
24,495	95,841	417,957	40,724	995	(2)	(21)
<u>\$ 48,746</u>	<u>\$ 81,817</u>	<u>\$ 805,063</u>	<u>\$ 55,175</u>	<u>\$ (6,916)</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

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

	Public School Preschool Fund	Entry Level Fund	SchoolNet Professional Development Fund	Data Communications Subsidy Fund
Revenues				
Intergovernmental	\$ 104,895	\$ 800	\$ 3,300	\$ 18,000
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Customer Sales and Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>104,895</u>	<u>800</u>	<u>3,300</u>	<u>18,000</u>
Expenditures				
Current:				
Instruction:				
Regular	34,165	0	4,142	0
Special	0	0	0	0
Special	0	0	0	0
Support Services:				
Pupils	13,595	0	0	0
Instructional Staff	1,000	761	0	0
Administration	4,538	0	0	0
Fiscal	9,243	0	0	0
Operation and Maintenance of Plant	9,265	0	0	0
Pupil Transportation	12,359	0	0	0
Central	21,845	0	0	18,361
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>106,010</u>	<u>761</u>	<u>4,142</u>	<u>18,361</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,115)</u>	<u>39</u>	<u>(842)</u>	<u>(361)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(1,115)	39	(842)	(361)
<i>Fund Balances Beginning of Year</i>	1,115	(39)	842	361
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Ohio Reads Grant Fund	Poverty Based Assistance Fund	Miscellaneous State Grants	Title VI-B Fund	Title I Fund	Title V Fund	Drug Free Schools Grant Fund
\$ 46,378	\$ 34,705	\$ 26,095	\$ 500,110	\$ 292,472	\$ 2,682	\$ 6,934
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
46,378	34,705	26,095	500,110	292,472	2,682	6,934
37,494	0	0	0	0	2,418	0
0	0	3,421	233,805	313,226	0	0
0	0	0	0	0	0	0
0	34,564	0	227,057	0	0	6,858
0	0	18	0	0	0	0
0	0	100	47,708	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
1,687	0	21,648	11,554	8,815	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
39,181	34,564	25,187	520,124	322,041	2,418	6,858
7,197	141	908	(20,014)	(29,569)	264	76
0	0	0	0	0	0	0
7,197	141	908	(20,014)	(29,569)	264	76
886	(141)	5,073	74,701	(13,242)	(23)	(76)
\$ 8,083	\$ 0	\$ 5,981	\$ 54,687	\$ (42,811)	\$ 241	\$ 0

(Continued)

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

	Improving Teacher Quality Fund	Miscellaneous Federal Grants	Totals
Revenues			
Intergovernmental	\$ 108,598	\$ 3,043	\$ 1,628,875
Interest	0	0	5,232
Tuition and Fees	0	0	42,204
Tuition and Fees	0	0	2,620
Extracurricular Activities	0	0	135,250
Gifts and Donations	0	0	68,060
Customer Sales and Services	0	0	414,259
Miscellaneous	0	0	2,995
<i>Total Revenues</i>	<u>108,598</u>	<u>3,043</u>	<u>2,299,495</u>
Expenditures			
Current:			
Instruction:			
Regular	109,159	4,496	446,539
Special	0	0	550,485
Special	0	0	1,917
Support Services:			
Pupils	10,249	0	309,908
Instructional Staff	0	0	3,666
Administration	0	0	87,056
Fiscal	0	0	12,112
Operation and Maintenance of Plant	0	0	63,299
Pupil Transportation	0	0	12,557
Central	0	0	40,206
Operation of Non-Instructional Services:			
Food Service Operations	0	0	673,905
Community Services	0	3	131,598
Extracurricular Activities	0	0	177,266
Capital Outlay	0	0	87
<i>Total Expenditures</i>	<u>119,408</u>	<u>4,499</u>	<u>2,510,601</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(10,810)</u>	<u>(1,456)</u>	<u>(211,106)</u>
Other Financing Sources (Uses)			
Transfers In	0	0	600,000
<i>Net Change in Fund Balances</i>	(10,810)	(1,456)	388,894
<i>Fund Balances Beginning of Year</i>	(335)	1,528	672,254
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (11,145)</u>	<u>\$ 72</u>	<u>\$ 1,061,148</u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 282,565	\$ 282,565	\$ 0
Interest	555	555	0
Customer Sales and Services	325,633	325,633	0
<i>Total Revenues</i>	<u>608,753</u>	<u>608,753</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations			
Salaries	270,609	270,611	(2)
Fringe Benefits	108,014	108,015	(1)
Purchased Services	2,889	2,889	0
Materials and Supplies	232,979	232,979	0
Capital Outlay	192	192	0
<i>Total Expenditures</i>	<u>614,683</u>	<u>614,686</u>	<u>(3)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,930)</u>	<u>(5,933)</u>	<u>(3)</u>
Other Financing Sources (Uses)			
Advances In	102,000	102,000	0
Advances Out	(92,000)	(92,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,070	4,067	(3)
<i>Fund Balance Beginning of Year</i>	760	760	0
Prior Year Encumbrances Appropriated	4,164	4,164	0
<i>Fund Balance End of Year</i>	<u>\$ 8,994</u>	<u>\$ 8,991</u>	<u>\$ (3)</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$ 804	\$ 804	\$ 0
Interest	3	3	0
<i>Total Revenues</i>	<u>807</u>	<u>807</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	<u>70</u>	<u>0</u>	<u>70</u>
Operation of Non-Instructional Services:			
Community Services			
Other	<u>1,200</u>	<u>1,000</u>	<u>200</u>
<i>Total Expenditures</i>	<u>1,270</u>	<u>1,000</u>	<u>270</u>
<i>Net Change in Fund Balance</i>	(463)	(193)	270
<i>Fund Balance Beginning of Year</i>	<u>474</u>	<u>474</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 11</u>	<u>\$ 281</u>	<u>\$ 270</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Performing Arts Center Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Rent	\$ 2,620	\$ 2,620	\$ 0
Gifts and Donations	300	300	0
<i>Total Revenues</i>	<u>2,920</u>	<u>2,920</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff			
Materials and Supplies	14	15	(1)
Capital Outlay Replacement	661	301	360
<i>Total Expenditures</i>	<u>675</u>	<u>316</u>	<u>359</u>
<i>Net Change in Fund Balance</i>	2,245	2,604	359
<i>Fund Balance Beginning of Year</i>	<u>375</u>	<u>375</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,620</u>	<u>\$ 2,979</u>	<u>\$ 359</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$ 37,427	\$ 37,427	\$ 0
Extracurricular Activities	8,933	8,933	0
Gifts and Donations	1,036	1,036	0
Miscellaneous	428	428	0
<i>Total Revenues</i>	<u>47,824</u>	<u>47,824</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	63,260	25,259	38,001
Other	4,443	2,698	1,745
Total - Instruction:	<u>67,703</u>	<u>27,957</u>	<u>39,746</u>
Support Services:			
Instructional Staff			
Materials and Supplies	3,227	0	3,227
Total Support Services:	<u>3,227</u>	<u>0</u>	<u>3,227</u>
Extracurricular Activities			
Academic Oriented Activities			
Purchased Services	11,417	3,467	7,950
Materials and Supplies	29,382	20,271	9,111
Other	2,759	2,047	712
Capital Outlay	6,024	5,955	69
Total - Academic Oriented Activities	<u>49,582</u>	<u>31,740</u>	<u>17,842</u>
Occupation Oriented Activities			
Materials and Supplies	11,498	8,588	2,910
Sport Oriented Activities			
Other	220	220	0
Total - Extracurricular Activities	<u>61,300</u>	<u>40,548</u>	<u>20,752</u>
<i>Total Expenditures</i>	<u>132,230</u>	<u>68,505</u>	<u>63,725</u>

(Continued)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Over (Under) Expenditures</i>	(84,406)	(20,681)	63,725
Other Financing Sources (Uses)			
Transfers In	5,997	5,997	0
Advances In	13,754	13,754	0
Advances Out	(19,504)	(19,504)	0
Transfers Out	(1,220)	(1,220)	0
<i>Total Other Financing Sources (Uses)</i>	(973)	(973)	0
<i>Net Change in Fund Balance</i>	(85,379)	(21,654)	63,725
<i>Fund Balance Beginning of Year</i>	106,230	106,230	0
Prior Year Encumbrances Appropriated	9,589	9,589	0
<i>Fund Balance End of Year</i>	\$ 30,440	\$ 94,165	\$ 63,725

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 3,200	\$ 3,200	\$ 0
Interest	138	138	0
Gifts and Donations	34,418	34,418	0
<i>Total Revenues</i>	<u>37,756</u>	<u>37,756</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	2,710	0	2,710
Fringe Benefits	600	0	600
Purchases Services	2,716	1,968	748
Materials and Supplies	10,452	3,415	7,037
Capital Outlay	1,600	0	1,600
Total - Regular	<u>18,078</u>	<u>5,383</u>	<u>12,695</u>
Special			
Other	33	33	0
Other			
Materials and Supplies	3,200	2,317	883
Total - Instruction:	<u>21,311</u>	<u>7,733</u>	<u>13,578</u>
Support Services:			
Pupils			
Other	894	183	711
Instructional Staff			
Materials and Supplies	1,534	1,534	0
Total - Instructional Staff	<u>1,534</u>	<u>1,534</u>	<u>0</u>
Total - Support Services	<u>2,428</u>	<u>1,717</u>	<u>711</u>
Operation of Non-Instructional Services:			
Community Services			
Other	4,381	4,381	0

(Continued)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Extracurricular Activities:			
Academic Oriented Activities			
Materials and Supplies	2,113	943	1,170
Other	4,300	1,000	3,300
Total - Extracurricular Activities	6,413	1,943	4,470
Capital Outlay:			
Other Facilities Acquisition and Construction			
Purchased Services	87	87	0
<i>Total Expenditures</i>	34,620	15,861	18,759
<i>Net Change in Fund Balance</i>	3,136	21,895	18,759
<i>Fund Balance Beginning of Year</i>	23,556	23,556	0
Prior Year Encumbrances Appropriated	938	938	0
<i>Fund Balance End of Year</i>	\$ 27,630	\$ 46,389	\$ 18,759

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Champions for Children Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Customer Sales and Service	\$ 88,626	\$ 88,626	\$ 0
Gifts and Donations	9,107	9,107	0
Interest	4,051	4,051	0
Other	2,567	2,567	0
<i>Total Revenues</i>	<u>104,351</u>	<u>104,351</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	56,395	56,215	180
Fringe Benefits	8,757	8,757	0
Purchased Services	1,128	1,036	92
Materials and Supplies	3,213	2,202	1,011
Total - Instruction	<u>69,493</u>	<u>68,210</u>	<u>1,283</u>
Support Services:			
Pupils			
Salaries	16,611	15,216	1,395
Fringe Benefits	3,924	2,278	1,646
Purchased Services	405	375	30
Total - Pupils	<u>20,940</u>	<u>17,869</u>	<u>3,071</u>
Administration			
Salaries	25,449	25,338	111
Fringe Benefits	3,997	3,997	0
Purchased Services	4,480	3,244	1,236
Materials and Supplies	1,324	1,118	206
Capital Outlay	250	0	250
Total - Administration	<u>35,500</u>	<u>33,697</u>	<u>1,803</u>
Operation and Maintenance of Plant			
Salaries	300	0	300
Fringe Benefits	48	0	48
Total - Operation and Maintenance of Plant	<u>348</u>	<u>0</u>	<u>348</u>

(Continued)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Champions for Children Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation			
Salaries	3,050	798	2,252
Fringe Benefits	400	100	300
Purchased Services	300	100	200
Total - Pupil Transportation	3,750	998	2,752
Total - Support Services	60,538	52,564	7,974
Operation of Non-Instructional Services:			
Food Service Operations			
Materials and Supplies	6,182	4,842	1,340
Total Expenditures	136,213	125,616	10,597
Excess of Revenues Over (Under) Expenditures	(31,862)	(21,265)	10,597
Other Financing Sources (Uses)			
Transfers In	24,533	24,533	0
Transfers Out	(24,533)	(24,533)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(31,862)	(21,265)	10,597
Fund Balance Beginning of Year	94,451	94,451	0
Prior Year Encumbrances Appropriated	5,696	5,696	0
Fund Balance End of Year	\$ 68,285	\$ 78,882	\$ 10,597

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Severance Retirement Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	\$ 350,000	\$ 160,165	\$ 189,835
Support Services:			
Operation and Maintenance of Plant			
Salaries	50,000	49,342	658
<i>Total Expenditures</i>	400,000	209,507	190,493
<i>Excess of Revenues Over (Under) Expenditures</i>	(400,000)	(209,507)	190,493
Other Financing Sources			
Transfers In	600,000	600,000	0
<i>Net Change in Fund Balance</i>	200,000	390,493	190,493
<i>Fund Balance Beginning of Year</i>	419,514	419,514	0
<i>Fund Balance End of Year</i>	\$ 619,514	\$ 810,007	\$ 190,493

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 126,417	\$ 126,317	\$ (100)
Gifts and Donations	22,295	22,395	100
<i>Total Revenues</i>	<u>148,712</u>	<u>148,712</u>	<u>0</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented Activities			
Purchased Services	375	0	375
Materials and Supplies	300	13	287
Other	59	59	0
Capital Outlay	228	228	0
Total - Academic Oriented Activities	<u>962</u>	<u>300</u>	<u>662</u>
Sport Oriented Activities			
Salaries	700	700	0
Purchased Services	58,640	53,086	5,554
Materials and Supplies	30,973	26,028	4,945
Other	25,143	23,315	1,828
Capital Outlay	3,571	3,550	21
Capital Outlay Replacement	35,271	34,047	1,224
Total - Sport Oriented Activities	<u>154,298</u>	<u>140,726</u>	<u>13,572</u>
School and Public Service Co-Curricular Activities			
Purchased Services	4,000	2,858	1,142
Materials and Supplies	272	0	272
Total - School and Public Co-Curricular Activities	<u>4,272</u>	<u>2,858</u>	<u>1,414</u>
<i>Total Expenditures</i>	<u>159,532</u>	<u>143,884</u>	<u>15,648</u>
<i>Net Change in Fund Balance</i>	(10,820)	4,828	15,648
<i>Fund Balance Beginning of Year</i>	31,352	31,352	0
Prior Year Encumbrances Appropriated	<u>9,849</u>	<u>9,849</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 30,381</u>	<u>\$ 46,029</u>	<u>\$ 15,648</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 71,325	\$ 71,325	\$ 0
Interest	485	485	0
<i>Total Revenues</i>	<u>71,810</u>	<u>71,810</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	40,111	40,112	(1)
Fringe Benefits	15,135	15,135	0
Purchased Services	18,703	18,703	0
Materials and Supplies	8,445	8,445	0
Other	2,818	2,818	0
<i>Total Expenditures</i>	<u>85,212</u>	<u>85,213</u>	<u>(1)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(13,402)</u>	<u>(13,403)</u>	<u>(1)</u>
Other Financing Sources (Uses)			
Advances In	4,000	4,000	0
Advances Out	0	(4,000)	(4,000)
<i>Total Other Financing Sources (Uses)</i>	<u>4,000</u>	<u>0</u>	<u>(4,000)</u>
<i>Net Change in Fund Balance</i>	(9,402)	(13,403)	(4,001)
<i>Fund Balance Beginning of Year</i>	3	3	0
Prior Year Encumbrances Appropriated	13,401	13,400	0
<i>Fund Balance End of Year</i>	<u>\$ 4,002</u>	<u>\$ 0</u>	<u>\$ (4,001)</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information System Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 5,895	\$ 5,895	\$ 0
Expenditures			
Current:			
Support Services:			
Fiscal			
Salaries	5,895	5,895	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Preshcool Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 104,895	\$ 104,895	\$ 0
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	22,190	22,190	0
Fringe Benefits	6,657	6,657	0
Purchased Services	746	746	0
Materials and Supplies	4,652	4,652	0
Total - Instruction	34,245	34,245	0
Support Services:			
Pupils			
Salaries	5,920	5,920	0
Fringe Benefits	1,775	1,775	0
Purchased Services	5,400	5,400	0
Materials and Supplies	510	510	0
Total - Pupils	13,605	13,605	0
Instructional Staff			
Purchased Services	1,000	1,000	0
Administration			
Purchased Services	4,538	4,538	0
Fiscal			
Salaries	4,702	4,702	0
Fringe Benefits	1,835	1,835	0
Purchased Services	772	772	0
Materials and Supplies	1,937	1,937	0
Total - Fiscal	9,246	9,246	0

(Continued)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Preshcool Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant			
Salaries	1,360	1,360	0
Fringe Benefits	408	408	0
Purchased Services	6,585	6,585	0
Materials and Supplies	420	420	0
Other	500	500	0
Total - Operation and Maintenance of Plant	<u>9,273</u>	<u>9,273</u>	<u>0</u>
Pupil Transportation			
Salaries	5,281	5,281	0
Fringe Benefits	1,583	1,583	0
Purchased Services	1,850	1,850	0
Materials and Supplies	3,645	3,645	0
Total - Pupil Transportation	<u>12,359</u>	<u>12,359</u>	<u>0</u>
Central			
Salaries	13,561	13,561	0
Fringe Benefits	4,068	4,068	0
Purchased Services	1,050	1,050	0
Other	3,166	3,166	0
Total - Central	<u>21,845</u>	<u>21,845</u>	<u>0</u>
Total - Support Services:	<u>71,866</u>	<u>71,866</u>	<u>0</u>
<i>Total Expenditures</i>	<u>106,111</u>	<u>106,111</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,216)	(1,216)	0
<i>Fund Balance Beginning of Year</i>	20	20	0
Prior Year Encumbrances Appropriated	<u>1,197</u>	<u>1,197</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 0</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Level Fund
For the Fiscal Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 800	\$ 800	\$ 0
Expenditures			
Current:			
Support Services			
Instructional Staff			
Salaries	800	800	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenue			
Intergovernmental	\$ 3,300	\$ 3,300	\$ 0
Expenditure			
Current:			
Instruction:			
Regular			
Purchased Services	4,142	4,142	0
<i>Net Change in Fund Balance</i>	(842)	(842)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	842	842	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communications Subsidy Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 18,000	\$ 18,000	\$ 0
Expenditures			
Current:			
Support Services:			
Central			
Capital Outlay	18,361	18,361	0
<i>Net Change in Fund Balance</i>	(361)	(361)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	361	361	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 46,378	\$ 46,378	\$ 0
Expenditures			
Current:			
Instruction			
Regular			
Salaries	20,035	20,035	0
Fringe Benefits	3,290	3,290	0
Purchased Services	6,043	6,043	0
Materials and Supplies	17,873	17,873	0
Total - Instruction	47,241	47,241	0
Operation of Non-Instructional Services:			
Community Services			
Materials and Supplies	1,928	1,928	0
<i>Total Expenditures</i>	49,169	49,169	0
<i>Net Change in Fund Balance</i>	(2,791)	(2,791)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	2,791	2,791	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Based Assistance Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 34,705	\$ 34,705	\$ 0
Expenditures			
Current:			
Support Services:			
Pupils			
Salaries	34,705	34,705	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 26,095	\$ 26,095	\$ 0
Expenditures			
Current:			
Instruction			
Special			
Other	4,429	4,429	0
Support Services			
Instructional Staff			
Materials and Supplies	18	18	0
Administration			
Materials and Supplies	100	100	0
Total - Support Services	118	118	0
Operation of Non-Instructional Services			
Food Service Operations			
Materials and Supplies	21,648	21,648	0
<i>Total Expenditures</i>	26,195	26,195	0
<i>Excess of Revenues Under Expenditures</i>	(100)	(100)	0
Other Financing Sources (Uses)			
Advances In	12,000	12,000	0
Advances Out	0	(12,000)	(12,000)
<i>Total Other Financing Sources (Uses)</i>	12,000	0	(12,000)
<i>Net Change in Fund Balance</i>	11,900	(100)	(12,000)
<i>Fund Balance Beginning of Year</i>	5,074	5,074	0
<i>Fund Balance End of Year</i>	\$ 16,974	\$ 4,974	\$ (12,000)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 500,110	\$ 500,110	\$ 0
Expenditures			
Current:			
Instruction			
Special			
Salaries	131,693	131,694	(1)
Fringe Benefits	25,024	25,024	0
Purchased Services	52,868	52,868	0
Materials and Supplies	22,947	22,947	0
Capital Outlay	24,405	24,405	0
Total - Instruction	256,937	256,938	(1)
Support Services			
Pupils			
Salaries	15,437	15,436	1
Fringe Benefits	129	129	0
Purchased Services	254,536	254,537	(1)
Capital Outlay	185	185	0
Total - Pupils	270,287	270,287	0
Administration			
Salaries	30,547	30,546	1
Fringe Benefits	9,911	9,911	0
Purchased Services	400	400	0
Materials and Supplies	2,184	2,184	0
Capital Outlay	2,650	2,650	0
Total - Administration	45,692	45,691	1
Total - Support Services	315,979	315,978	1
Operation of Non-Instructional Services			
Community Services			
Purchased Services	11,554	11,554	0
<i>Total Expenditures</i>	584,470	584,470	0
<i>Excess of Revenues Under Expenditures</i>	(84,360)	(84,360)	0

(Continued)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Advances In	10,000	10,000	0
Advances Out	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
<i>Net Change in Fund Balance</i>	(74,360)	(84,360)	(10,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>84,360</u>	<u>84,360</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Disadvantaged Children Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 292,472	\$ 292,472	\$ 0
Expenditures			
Current:			
Instruction:			
Special			
Salaries	238,009	238,008	1
Fringe Benefits	34,497	34,498	(1)
Purchased Services	1,000	1,000	0
Materials and Supplies	7,463	7,463	0
Capital Outlay	2,688	2,688	0
Total - Instruction	283,657	283,657	0
Operation of Non-Instructional Services:			
Community Services			
Salaries	7,723	7,723	0
Fringe Benefits	1,092	1,092	0
Total Operation of Non-Instructional Services	8,815	8,815	0
<i>Total Expenditures</i>	292,472	292,472	0
<i>Excess of Revenue Over Expenditures</i>	0	0	0
Other Financing Sources (Uses)			
Advances In	10,000	10,000	0
Advances Out	0	(10,000)	(10,000)
<i>Total Other Financing Sources (Uses)</i>	10,000	0	(10,000)
<i>Net Change in Fund Balance</i>	10,000	0	(10,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 10,000	\$ 0	\$ (10,000)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Innovative Education Programs Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 2,682	\$ 2,682	\$ 0
Expenditures			
Current:			
Instruction			
Regular			
Salaries	2,440	2,440	0
Operation of Non-Instructional Services			
Community Services			
Purchased Services	242	242	0
<i>Total Expenditures</i>	2,682	2,682	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	1	1	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Balance End of Year</i>	\$ 1	\$ 1	\$ 0

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 6,934	\$ 6,934	\$ 0
Expenditures			
Current:			
Support Services			
Pupils			
Salaries	6,434	6,434	0
Materials and Supplies	500	500	0
Total - Pupils	6,934	6,934	0
Total - Support Services	6,934	6,934	0
<i>Total Expenditures</i>	6,934	6,934	0
<i>Excess of Revenue Over Expenditures</i>	0	0	0
Other Financing Sources (Uses)			
Advances In	1,000	1,000	0
Advances Out	0	(1,000)	(1,000)
<i>Total Other Financing Sources (Uses)</i>	1,000	0	(1,000)
<i>Net Change in Fund Balance</i>	1,000	0	1,000
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 1,000	\$ 0	\$ 1,000

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 108,598	\$ 108,598	\$ 0
Expenditures			
Current:			
Instruction			
Regular			
Salaries	89,931	89,932	(1)
Fringe Benefits	8,417	8,417	0
Total - Instruction	98,348	98,349	(1)
Support Services			
Pupils			
Purchased Services	10,250	10,249	1
<i>Total Expenditures</i>	108,598	108,598	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 3,043	\$ 3,043	\$ 0
Expenditures			
Current:			
Instruction			
Regular			
Purchased Services	1,785	1,786	(1)
Materials and Supplies	98	98	0
Capital Outlay	2,612	2,612	0
Total - Instruction	4,495	4,496	(1)
Operation of Non-Instructional Services			
Community Services			
Materials and Supplies	75	75	0
<i>Total Expenditures</i>	4,570	4,571	(1)
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,527)	(1,528)	1
<i>Net Change in Fund Balance</i>	(1,527)	(1,528)	1
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,528	1,528	0
<i>Fund Balance End of Year</i>	\$ 1	\$ 0	\$ (1)

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 735,138	\$ 735,138	\$ 0
Intergovernmental	100,840	100,840	0
<i>Total Revenues</i>	<u>835,978</u>	<u>835,978</u>	<u>0</u>
Expenditures			
Current:			
Support Services			
Fiscal			
Other	15,133	15,029	104
Debt Service			
Principal Retirement	754,000	754,000	0
Interest	104,115	104,115	0
Total Debt Service	858,115	858,115	0
<i>Total Expenditures</i>	<u>873,248</u>	<u>873,144</u>	<u>104</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(37,270)</u>	<u>(37,166)</u>	<u>104</u>
Other Financing Sources			
Transfers In	139,665	139,665	0
<i>Net Change in Fund Balance</i>	102,395	102,499	104
<i>Fund Balance Beginning of Year</i>	<u>2,596,942</u>	<u>2,496,942</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,699,337</u>	<u>\$ 2,599,441</u>	<u>\$ 104</u>

Port Clinton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 275,992	\$ 275,992	\$ 0
Intergovernmental	37,155	37,155	0
Interest	4	4	0
<i>Total Revenues</i>	<u>313,151</u>	<u>313,151</u>	<u>0</u>
Expenditures			
Current:			
Support Services			
Fiscal	5,539	5,540	(1)
Capital Outlay	341,364	340,628	736
<i>Total Expenditures</i>	<u>346,903</u>	<u>346,168</u>	<u>735</u>
<i>Net Change in Fund Balance</i>	(33,752)	(33,017)	735
<i>Fund Balance Beginning of Year</i>	159,250	159,250	0
Prior Year Encumbrances Appropriated	35,254	35,254	0
<i>Fund Balance End of Year</i>	<u>\$ 160,752</u>	<u>\$ 161,487</u>	<u>\$ 735</u>

Port Clinton City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Interest	<u>\$ 623</u>	<u>\$ 623</u>	<u>\$ 0</u>
Expenses			
Payments in Accordance with Trust Agreements	<u>500</u>	<u>500</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	<u>123</u>	<u>123</u>	<u>0</u>
<i>Fund Equity Beginning of Year</i>	<u>13,954</u>	<u>13,954</u>	<u>13,954</u>
<i>Fund Equity End of Year</i>	<u><u>\$ 14,077</u></u>	<u><u>\$ 14,077</u></u>	<u><u>\$ 13,954</u></u>

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

	Balance 06/30/06	Additions	Deductions	Balance 06/30/07
Student Managed Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 95,315	\$ 137,457	\$ 148,203	\$ 84,569
	<u>\$ 95,315</u>	<u>\$ 137,457</u>	<u>\$ 148,203</u>	<u>\$ 84,569</u>
Liabilities				
Accounts Payable	\$ 5,541	\$ 0	\$ 5,541	\$ 0
Due to Students	89,774	137,457	142,662	84,569
Total Liabilities	<u>\$ 95,315</u>	<u>\$ 137,457</u>	<u>\$ 148,203</u>	<u>\$ 84,569</u>

Statistical Section



Statistical Section

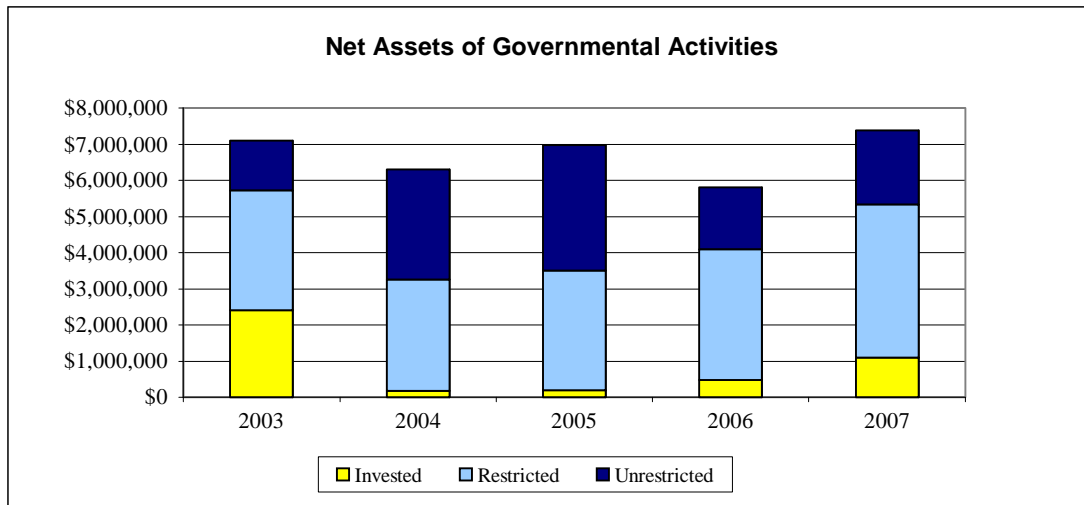
This part of Port Clinton City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	102-108
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source which is property tax.	109-118
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	119-125
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	126-127
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	128-134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

Port Clinton City School District
Net Assets by Component
Last Five Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$2,401,163	\$184,758	\$203,024	\$473,002	\$1,103,527
Restricted for:					
Capital Projects	160,042	129,132	167,724	232,355	268,863
Debt Service	2,201,622	2,444,559	2,593,378	2,705,251	2,793,700
Other Purposes	951,214	501,727	545,586	674,239	1,156,699
Unrestricted (Deficit)	<u>1,389,782</u>	<u>3,042,175</u>	<u>3,471,807</u>	<u>1,725,033</u>	<u>2,049,998</u>
Total Governmental Activities Net Assets	<u>\$7,103,823</u>	<u>\$6,302,351</u>	<u>\$6,981,519</u>	<u>\$5,809,880</u>	<u>\$7,372,787</u>
Business-type Activities:					
Invested in Capital Assets, Net of Related Debt	\$129,983	\$4,467	\$0	\$0	\$0
Unrestricted (Deficit)	<u>(44,973)</u>	<u>(24,773)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Business-type Activities Net Assets	<u>\$85,010</u>	<u>(\$20,306)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	\$2,531,146	\$189,225	\$203,024	\$473,002	\$1,103,527
Restricted	3,312,878	3,075,418	3,306,688	3,611,845	4,219,262
Unrestricted (Deficit)	<u>1,344,809</u>	<u>3,017,402</u>	<u>3,471,807</u>	<u>1,725,033</u>	<u>2,049,998</u>
Total Primary Government Net Assets	<u>\$7,188,833</u>	<u>\$6,282,045</u>	<u>\$6,981,519</u>	<u>\$5,809,880</u>	<u>\$7,372,787</u>



Port Clinton City School District
Changes in Net Assets
Last Five Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
Regular Instruction	\$8,279,767	\$7,644,195	\$8,920,104	\$8,974,539	\$8,650,376
Special Instruction	2,044,738	1,888,795	2,038,648	1,938,241	1,623,896
Vocational Instruction	120,003	96,417	153,591	148,618	149,677
Other Instruction	429,752	430,006	574,941	795,721	1,260,013
Pupil Support	1,452,659	1,576,735	1,761,180	1,852,770	1,869,434
Instructional Staff Support	376,684	396,087	348,950	416,596	352,512
Board of Education	15,826	12,079	26,399	17,955	16,706
Administration	1,301,249	1,571,627	1,507,848	1,520,493	1,515,470
Fiscal	243,313	265,342	672,995	541,208	662,309
Operation and Maintenance of Plant	1,873,713	2,060,611	1,837,266	2,309,324	2,452,144
Pupil Transportation	960,795	1,007,086	927,084	935,746	890,670
Central	45,870	67,736	94,644	115,846	115,924
Operation of Non-Instructional Services	172,005	206,807	847,633	852,974	832,276
Extracurricular Activities	533,785	527,975	538,827	562,819	516,557
Interest and Fiscal Charges	718,744	865,248	149,207	181,642	173,425
<i>Total Governmental Activities Expenses</i>	<u>18,568,903</u>	<u>18,616,746</u>	<u>20,399,317</u>	<u>21,164,492</u>	<u>21,081,389</u>
Business-type Activities:					
Food Service	581,575	630,943	0	0	0
<i>Total Business-type Activities Expenses</i>	<u>581,575</u>	<u>630,943</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Expenses</i>	<u>19,150,478</u>	<u>19,247,689</u>	<u>20,399,317</u>	<u>21,164,492</u>	<u>21,081,389</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Regular Instruction	37,097	81,757	169,031	300,599	345,688
Pupil Support	0	0	0	29,450	39,426
Fiscal	2,720	0	0	0	0
Operation and Maintenance of Plant	816	0	0	0	0
Operation of Non-Instructional Services	0	0	0	341,671	336,104
Extracurricular Activities	68,597	125,605	125,569	133,782	135,250
Operating Grants and Contributions					
Regular Instruction	450,173	554,441	297,023	232,951	230,985
Special Instruction	0	398,877	755,339	592,799	584,394
Pupil Support	0	226,358	101,796	219,921	246,645
Staff Support	0	0	0	532	1,100
Board of Education	0	0	5,896	0	0
Administration	0	55,000	0	50,342	48,744
Fiscal	0	0	0	14,891	18,332
Operation and Maintenance of Plant	0	6,805	2,072	9,281	9,441
Pupil Transportation	0	0	0	12,359	12,587
Central	0	0	0	37,047	40,028
Operation of Non-Instructional Services	0	74,653	319,539	394,022	512,315
Extracurricular Activities	0	0	0	15,126	24,531
Capital Grants and Contributions					
Operation and Maintenance of Plant	0	0	0	27,279	37,155
Pupil Transportation	0	0	0	8,365	12,154
<i>Total Governmental Activities Program Revenues</i>	<u>559,403</u>	<u>1,523,496</u>	<u>1,776,265</u>	<u>2,420,417</u>	<u>2,634,879</u>

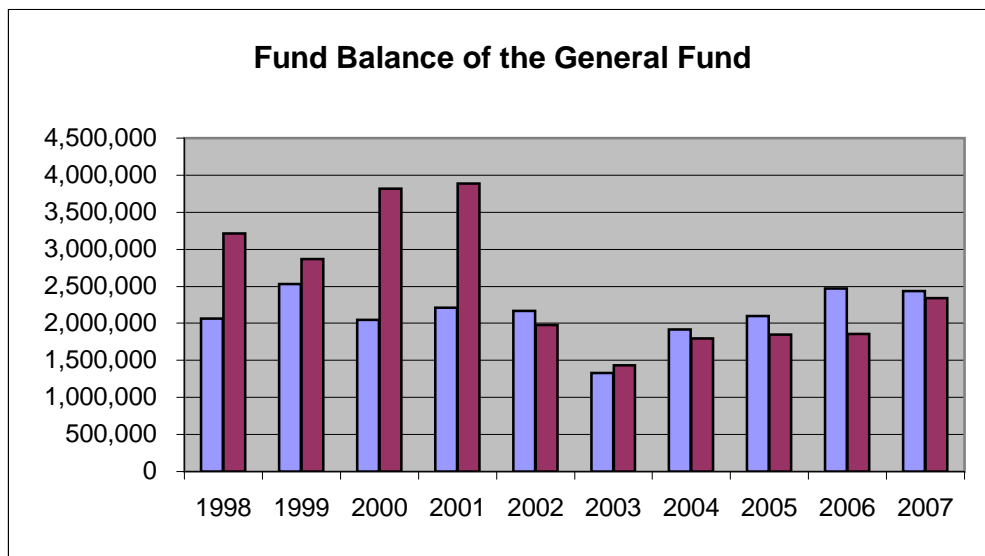
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Port Clinton City School District
Changes in Net Assets
Last Five Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
Business-type Activities:					
Charges for Services					
Food Service	\$324,089	\$330,577	\$0	\$0	\$0
Operating Grants and Contributions	232,543	273,635	0	0	0
<i>Total Business-type Activities Program Revenues</i>	<u>556,632</u>	<u>604,212</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government Program Revenues</i>	<u>1,116,035</u>	<u>2,127,708</u>	<u>1,776,265</u>	<u>2,420,417</u>	<u>2,634,879</u>
Net (Expense)/Revenue					
Governmental Activities	(18,009,500)	(17,093,250)	(18,623,052)	(18,744,075)	(18,446,510)
Business-type Activities	(24,943)	(26,731)	0	0	0
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$18,034,443)</u>	<u>(\$17,119,981)</u>	<u>(\$18,623,052)</u>	<u>(\$18,744,075)</u>	<u>(\$18,446,510)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	\$9,931,343	\$12,011,958	\$13,431,484	\$12,852,578	\$13,244,958
Debt Service	643,119	752,994	812,422	759,394	719,641
Capital Outlay	111,900	172,142	254,116	246,825	276,333
Grants and Entitlements not					
Restricted to Specific Programs	5,123,349	4,550,036	5,019,349	4,582,041	5,224,095
Investment Earnings	159,821	85,058	184,809	326,150	517,855
Miscellaneous	362,281	481,767	512,816	14,129	26,535
<i>Total Governmental Activities</i>	<u>16,331,813</u>	<u>18,053,955</u>	<u>20,215,476</u>	<u>18,781,117</u>	<u>20,009,417</u>
Business-type Activities:					
Investment Earnings	195	0	0	0	0
<i>Total Business-type Activities</i>	<u>195</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>16,332,008</u>	<u>18,053,955</u>	<u>20,215,476</u>	<u>18,781,117</u>	<u>20,009,417</u>
Change in Net Assets					
Governmental Activities	(1,677,687)	960,705	1,592,424	37,042	1,562,907
Business-type Activities	(24,748)	(26,731)	0	0	0
<i>Total Primary Government Change in Net Assets</i>	<u>(\$1,702,435)</u>	<u>\$933,974</u>	<u>\$1,592,424</u>	<u>\$37,042</u>	<u>\$1,562,907</u>

Port Clinton City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001
General Fund				
Reserved	\$2,066,087	\$2,527,609	\$2,049,238	\$2,208,136
Unreserved	3,214,302	2,870,729	3,818,003	3,883,880
<i>Total General Fund</i>	<u>5,280,389</u>	<u>5,398,338</u>	<u>5,867,241</u>	<u>6,092,016</u>
All Other Governmental Funds				
Reserved	1,658,007	305,602	260,458	332,464
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	202,202	819,688	940,619	1,057,659
Debt Service Funds	0	1,664,096	2,005,153	2,159,209
Capital Projects Funds	42,330	44,193	66,666	106,438
<i>Total All Other Governmental Funds</i>	<u>1,902,539</u>	<u>2,833,579</u>	<u>3,272,896</u>	<u>3,655,770</u>
<i>Total Governmental Funds</i>	<u><u>\$7,182,928</u></u>	<u><u>\$8,231,917</u></u>	<u><u>\$9,140,137</u></u>	<u><u>\$9,747,786</u></u>



<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$2,171,361	\$1,329,367	\$1,921,651	\$2,102,636	\$2,465,959	\$2,439,611
<u>1,975,067</u>	<u>1,436,654</u>	<u>1,800,824</u>	<u>1,844,854</u>	<u>1,855,119</u>	<u>2,337,766</u>
<u>4,146,428</u>	<u>2,766,021</u>	<u>3,722,475</u>	<u>3,947,490</u>	<u>4,321,078</u>	<u>4,777,377</u>
262,690	426,688	394,657	292,710	309,912	316,887
981,492	732,268	322,710	518,026	544,195	927,774
2,067,572	2,085,009	2,321,908	2,457,778	2,596,941	2,699,440
<u>(359,572)</u>	<u>24,735</u>	<u>45,444</u>	<u>62,859</u>	<u>159,251</u>	<u>180,330</u>
<u>2,952,182</u>	<u>3,268,700</u>	<u>3,084,719</u>	<u>3,331,373</u>	<u>3,610,299</u>	<u>4,124,431</u>
<u>\$7,098,610</u>	<u>\$6,034,721</u>	<u>\$6,807,194</u>	<u>\$7,278,863</u>	<u>\$7,931,377</u>	<u>\$8,901,808</u>

Port Clinton City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001
Revenues				
Property and Other Local Taxes	\$ 10,951,963	\$ 11,534,898	\$ 11,400,256	\$ 11,760,399
Intergovernmental	4,667,286	4,895,305	5,087,657	5,346,394
Interest	460,938	483,830	597,664	687,450
Tuition and Fees	102,603	114,796	0	0
Extracurricular Activities	112,442	109,557	122,118	128,748
Contributions and Donations	0	0	0	0
Classroom Materials and Fees	0	298	98,162	106,639
Charges for Services	0	0	0	0
Miscellaneous	171,409	110,901	102,332	97,734
<i>Total Revenues</i>	<u>16,466,641</u>	<u>17,249,585</u>	<u>17,408,189</u>	<u>18,127,364</u>
Expenditures				
Current:				
Instruction:				
Regular	8,232,797	8,773,307	9,259,605	9,692,452
Special	0	0	0	0
Vocational	0	0	0	0
Other				
Support Services:				
Pupil	1,032,581	1,123,910	1,217,897	1,274,601
Instructional Staff	419,926	398,127	370,326	351,656
Board of Education	11,204	12,543	8,931	9,854
Administration	1,235,441	1,430,375	1,426,513	1,592,781
Fiscal	216,817	249,303	246,822	254,763
Business	0	618	184	0
Operation and Maintenance of Plant	1,522,640	1,613,084	1,768,328	1,833,685
Pupil Transportation	671,007	766,120	748,557	951,757
Central	2,174	27,505	2,055	2,055
Operation of Non-Instructional Services	61,819	106,501	87,253	81,139
Operation of Food Services	0	0	0	0
Operation of Community Services	0	0	0	0
Extracurricular Activities	364,887	380,389	333,786	415,283
Capital Outlay	183,623	433,930	116,312	193,925
Debt Service:				
Principal Retirement	575,000	580,000	257,429	242,857
Interest and Fiscal Charges	308,129	283,841	609,669	643,884
<i>Total Expenditures</i>	<u>14,838,045</u>	<u>16,179,553</u>	<u>16,453,667</u>	<u>17,540,692</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,628,596</u>	<u>1,070,032</u>	<u>954,522</u>	<u>586,672</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	884	2,016	230	1,647
Premium on Bonds	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0
Proceeds of Refunding Debt	0	0	0	0
Payment to Refunded Debt Escrow Agent	0	0	0	0
Refund of Prior Year Expenditures	73,788	33,352	13,468	60,419
Refund of Prior Year Receipts	0	(836)	0	0
Transfers In	294,847	896,643	100,594	126,015
Transfers Out	(340,922)	(952,218)	(160,594)	(167,104)
<i>Total Other Financing Sources (Uses)</i>	<u>28,597</u>	<u>(21,043)</u>	<u>(46,302)</u>	<u>20,977</u>
<i>Net Change in Fund Balances</i>	<u>\$1,657,193</u>	<u>\$1,048,989</u>	<u>\$908,220</u>	<u>\$607,649</u>
Debt Service as a Percentage of Noncapital Expenditures	6.03%	5.49%	5.31%	5.11%

2002	2003	2004	2005	2006	2007
\$ 10,360,805	\$ 10,567,950	\$ 13,030,860	\$ 14,295,265	\$ 14,405,440	\$ 14,267,080
5,353,784	5,573,522	5,866,170	6,501,014	6,147,996	6,934,446
367,550	159,821	85,058	184,809	326,150	517,855
0	0	86,877	102,967	224,871	296,145
141,645	140,403	125,605	125,569	133,782	135,250
0	0	0	0	48,960	68,060
86,513	77,312	81,757	66,064	0	0
0	0	0	0	438,482	414,259
45,060	190,813	206,412	508,794	14,129	37,347
<u>16,355,357</u>	<u>16,709,821</u>	<u>19,482,739</u>	<u>21,784,482</u>	<u>21,748,177</u>	<u>22,670,442</u>
10,181,159	7,784,174	7,930,519	8,633,553	8,439,668	8,420,156
0	2,033,158	1,839,406	2,024,896	1,951,095	1,619,989
0	119,889	96,417	153,591	146,187	150,407
0	429,752	430,006	574,941	795,721	1,260,013
1,338,307	1,430,329	1,520,333	1,752,118	1,800,267	1,882,693
365,488	403,463	398,416	348,869	382,768	351,642
15,884	15,826	12,079	26,399	17,955	16,706
1,825,825	1,355,445	1,505,653	1,507,141	1,418,627	1,523,590
332,001	233,263	273,191	669,423	500,699	658,923
0	0	0	0	0	0
1,907,033	1,902,761	2,007,477	1,971,091	2,121,474	2,234,802
1,014,587	909,146	899,186	919,991	951,152	876,765
1,749	17,385	67,083	94,644	115,846	115,924
98,973	167,439	207,076	844,340	0	0
0	0	0	0	729,137	673,905
0	0	0	0	120,209	154,862
1,670,745	528,033	518,665	538,290	497,281	516,557
21,533	303,735	261,744	0	242,189	384,962
230,831	271,216	174,000	734,000	744,000	754,000
<u>638,142</u>	<u>718,744</u>	<u>865,248</u>	<u>138,463</u>	<u>121,389</u>	<u>104,115</u>
<u>19,642,257</u>	<u>18,623,758</u>	<u>19,006,499</u>	<u>20,931,750</u>	<u>21,095,664</u>	<u>21,700,011</u>
<u>(3,286,900)</u>	<u>(1,913,937)</u>	<u>476,240</u>	<u>852,732</u>	<u>652,513</u>	<u>970,431</u>
375	4,521	3,386	4,022	0	0
0	0	292,847	0	0	0
676,000	700,400	0	0	0	0
0	0	4,274,994	0	0	0
0	0	(4,274,994)	0	0	0
11,369	58,462	0	0	0	0
0	0	0	0	0	0
117,461	209,590	153,677	579,198	553,930	739,665
<u>(167,481)</u>	<u>(209,590)</u>	<u>(153,677)</u>	<u>(578,718)</u>	<u>(553,930)</u>	<u>(739,665)</u>
<u>637,724</u>	<u>763,383</u>	<u>296,233</u>	<u>4,502</u>	<u>0</u>	<u>0</u>
<u>(\$2,649,176)</u>	<u>(\$1,150,554)</u>	<u>\$772,473</u>	<u>\$857,234</u>	<u>\$652,513</u>	<u>\$970,431</u>
4.43%	5.40%	5.54%	4.17%	4.15%	4.03%

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Public Utility	
			Assessed Value	Estimated Actual Value
1998	\$317,069,370	\$905,912,486	\$25,699,310	\$29,203,761
1999	320,827,330	916,649,514	25,955,520	29,494,909
2000	324,814,930	928,042,657	24,043,690	27,322,375
2001	375,200,140	1,072,000,400	23,807,370	27,053,830
2002	380,852,500	1,088,150,000	18,992,240	21,582,091
2003	387,411,300	1,106,889,429	19,373,720	22,015,591
2004	452,700,720	1,293,430,629	18,345,930	20,847,648
2005	467,835,110	1,336,671,743	18,393,820	20,902,068
2006	482,400,630	1,378,287,514	17,372,550	19,741,534
2007	552,677,880	1,579,079,657	17,133,440	19,469,818

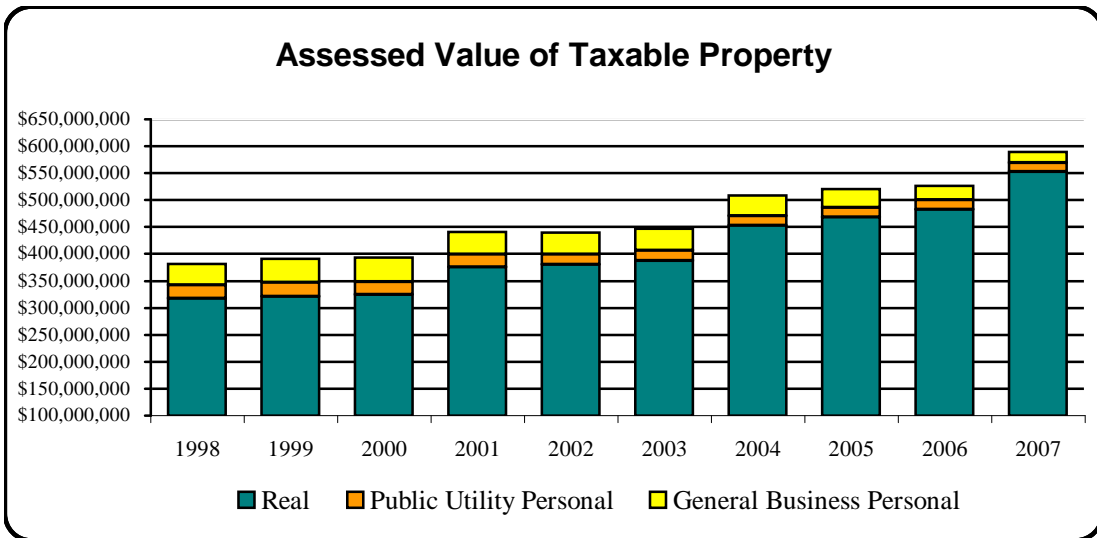
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

Source: Office of the County Auditor, Ottawa County, Ohio

Tangible Personal Property				
General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$39,246,903	\$156,987,612	\$382,015,583	\$1,092,103,859	35%
43,687,877	174,751,508	390,470,727	1,120,895,931	35%
44,570,971	178,283,884	393,429,591	1,133,648,916	35%
42,362,220	169,448,880	441,369,730	1,268,503,110	35%
40,122,425	160,489,700	439,967,165	1,270,221,791	35%
39,880,548	159,522,192	446,665,568	1,288,427,211	35%
37,436,521	149,746,084	508,483,171	1,464,024,360	35%
34,836,599	139,346,396	521,065,529	1,496,920,207	35%
26,774,456	107,097,824	526,547,636	1,505,126,872	35%
20,163,683	80,654,732	589,975,003	1,679,204,207	35%



Port Clinton City School District

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Unvoted Millage				
Operating	3.50	3.50	3.50	3.50
Permanent Improvement	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>	<u>0.30</u>
Voted Millage - by Levy				
1976 Operating - Continuing	30.20	30.20	30.20	30.20
Effective Millage Rates				
Residential/Agricultural Real	6.52	6.53	6.56	5.62
Commercial/Industrial	7.44	7.50	7.47	7.28
1981 Operating - Continuing	5.90	5.90	5.90	5.90
Effective Millage Rates				
Residential/Agricultural Real	2.37	2.37	2.39	2.04
Commercial/Industrial	2.83	2.85	2.84	2.77
1985 Operating - Continuing	3.90	3.90	3.90	3.90
Effective Millage Rates				
Residential/Agricultural Real	1.97	1.97	1.98	1.70
Commercial/Industrial	2.12	2.14	2.13	2.08
1991 Operating - Continuing	4.90	4.90	4.90	4.90
Effective Millage Rates				
Residential/Agricultural Real	3.29	3.29	3.31	2.83
Commercial/Industrial	3.63	3.66	3.64	3.55
1994 Operating - Continuing	6.90	6.90	6.90	6.90
Effective Millage Rates				
Residential/Agricultural Real	5.27	5.28	5.30	4.54
Commercial/Industrial	5.44	5.48	5.46	5.33
1989 Bond (\$6,800,000)	2.30	2.30	2.30	1.60
1990 Bond (\$1,200,000)	0.50	0.50	0.50	0.10
2003 Emergency Operating	0.00	0.00	0.00	0.00
Total Voted Millage by Type of Property				
Residential/Agricultural Real	22.22	22.25	22.34	18.44
Commercial/Industrial	<u>24.25</u>	<u>24.43</u>	<u>24.34</u>	<u>22.71</u>

2001	2002	2003	2004	2005	2006
3.50	3.25	3.25	3.25	3.25	3.25
0.30	0.55	0.55	0.55	0.55	0.55
30.20	30.20	30.20	30.20	30.20	30.20
5.63	5.64	6.48	6.54	6.59	7.15
7.23	7.13	6.59	6.55	6.47	6.21
5.90	5.90	5.90	5.90	5.90	5.90
2.05	2.04	2.02	2.02	2.01	1.99
2.75	2.71	2.51	2.49	2.46	2.36
3.90	3.90	3.90	3.90	3.90	3.90
1.70	1.70	1.61	1.60	1.60	1.54
2.06	2.03	1.88	1.87	1.85	1.77
4.90	4.90	4.90	4.90	4.90	4.90
2.84	2.83	2.58	2.56	2.54	2.37
3.53	3.48	3.22	3.20	3.16	3.03
6.90	6.90	6.90	6.90	6.90	6.90
4.55	4.54	4.07	4.04	4.01	3.69
5.29	5.22	4.82	4.80	4.74	4.54
1.60	1.60	1.60	1.60	1.60	1.30
0.10	0.10	0.10	0.10	-	-
0.00	0.00	3.89	3.30	3.20	2.95
18.46	18.45	22.34	21.75	21.55	21.00
22.56	22.28	24.59	23.91	23.48	22.17

(Continued)

Port Clinton City School District

Property Tax Rates

(per \$1,000 of assessed value)

Last Ten Years

	1997	1998	1999	2000
Overlapping Rates by Taxing District				
Vanguard-Sentinel JVS	1.60	1.60	1.60	1.60
Effective Millage Rates				
Residential/Agricultural Real	1.60	1.60	1.60	1.60
Commercial/Industrial	1.60	1.60	1.60	1.60
Bay Township	3.70	3.70	3.70	3.70
Effective Millage Rates				
Residential/Agricultural Real	3.70	3.70	3.70	3.70
Commercial/Industrial	3.70	3.70	3.70	3.70
Catawba Township	7.20	7.20	7.20	7.20
Effective Millage Rates				
Residential/Agricultural Real	4.04	4.04	4.04	3.88
Commercial/Industrial	3.79	3.81	3.81	3.79
Erie Township	3.45	3.45	3.45	3.45
Effective Millage Rates				
Residential/Agricultural Real	2.66	2.67	2.67	2.61
Commercial/Industrial	2.85	2.85	2.85	2.83
Portage Township	4.65	4.65	4.95	5.80
Effective Millage Rates				
Residential/Agricultural Real	4.54	4.55	4.86	5.51
Commercial/Industrial	4.49	4.49	4.78	5.77
Port Clinton City	3.90	3.90	3.90	3.90
Effective Millage Rates				
Residential/Agricultural Real	3.90	3.90	3.90	3.90
Commercial/Industrial	3.90	3.90	3.90	3.90
Ottawa County	4.90	4.70	4.70	4.70
Effective Millage Rates				
Residential/Agricultural Real	3.52	3.87	3.88	4.31
Commercial/Industrial	3.79	4.10	4.10	4.61

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

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

Source: Ohio Department of Taxation

2001	2002	2003	2004	2005	2006
1.60	1.60	1.60	1.60	1.60	1.60
1.60	1.60	1.60	1.60	1.60	1.60
1.60	1.60	1.60	1.60	1.60	1.60
3.70	3.70	3.70	3.70	4.80	4.80
3.70	3.70	3.70	3.70	4.80	4.69
3.70	3.70	3.70	3.70	4.80	4.73
7.20	7.20	7.20	7.20	7.20	7.20
3.89	3.88	3.73	3.71	3.70	3.59
3.78	3.78	3.72	3.72	3.70	3.64
3.45	3.45	3.45	3.45	3.45	3.45
2.60	2.60	2.52	2.52	2.51	2.45
2.81	2.81	2.75	2.75	2.75	2.71
5.80	5.80	5.80	5.80	5.80	5.80
5.51	5.50	5.27	5.27	5.79	5.53
5.75	5.67	5.57	5.55	5.76	5.74
3.90	4.20	4.20	4.20	4.20	6.10
3.90	4.20	4.20	4.20	4.20	5.90
3.90	4.20	4.20	4.20	4.20	6.04
4.70	4.70	6.10	6.40	6.40	6.40
4.31	4.30	5.19	5.45	5.41	4.95
4.61	4.59	5.73	6.00	5.97	5.77

Port Clinton City School District
Property Tax Levies and Collections (1)
Last Six Years (4)

<u>Collection Year (2)</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2001	\$15,811,841	\$ 595,708	\$16,407,549	\$13,037,365	82.45%	N/A	\$13,037,365	82.45%
2002	14,900,844	466,758	15,367,602	13,088,976	87.84	N/A	13,088,976	87.84
2003	12,046,711	1,249,452	13,296,163	10,978,643	91.13	N/A	10,978,643	91.13
2004	13,220,423	871,328	14,091,751	11,814,114	89.36	N/A	11,814,114	89.36
2005	15,319,601	960,903	16,280,504	14,819,068	96.73	N/A	14,819,068	96.73
2006	15,075,407	935,382	16,010,789	14,205,556	94.23	N/A	14,205,556	94.23

Source: Office of the County Auditor, Sample County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.
- (3) The County does not identify delinquent tax collections by tax year.
- (4) 1997-2000 information is not available. Ten years of information will be presented when available.

Port Clinton City School District

Principal Taxpayers

Real Estate Tax

2006 and 2002

Name of Taxpayer	2006	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Presbyterian (The Vineyards)	\$ 1,014,321	0.21%
Port Clinton MHP	1,073,422	0.22%
Baker Family Ltd Partnership	1,325,464	0.27%
R & M Co.	1,347,455	0.28%
Fenner Dunlap	1,450,971	0.30%
Marina Alliance LTD	1,510,509	0.31%
The Kroger Co.	1,789,645	0.37%
Untied States Gypsum	2,122,645	0.44%
Knoll Crest Village	2,274,871	0.47%
Wal-Mart Stores	2,838,969	0.59%
Totals	<u>\$16,748,270</u>	<u>3.47%</u>
Total Assessed Valuation	<u>\$482,400,630</u>	

Name of Taxpayer	2002	
	Assessed Value (1)	Percent of Real Property Assessed Value
SMBR Realty	\$ 648,680	0.17%
Wal-Mart Stores	934,500	0.24%
Knoll Crest Village	1,047,740	0.27%
Bassets IGA	1,183,950	0.31%
Baker Family Ltd Partnership	1,303,050	0.34%
Marina Alliance LTD	1,473,320	0.38%
R & M Co.	1,510,260	0.39%
USCO Logistics Services	1,610,660	0.42%
The Kroger Co.	1,742,540	0.45%
Untied States Gypsum	1,803,750	0.47%
Totals	<u>\$13,258,450</u>	<u>3.42%</u>
Total Assessed Valuation	<u>\$387,411,300</u>	

(1) The amounts presented represent the assessed values upon which 2006 and 2002 collections were based. Information prior to 2002 was not available.

Source: Office of the County Auditor, Ottawa County, Ohio

Port Clinton City School District

Principal Taxpayers

Tangible Personal Property Tax

2006 and 2002

Name of Taxpayer	2006	
	Assessed Value (1)	Percent of Tangible Assessed Value
Untied States Gypsum	\$3,610,220	13.48%
Silgan Plastics Corporation	2,332,160	8.71%
Scandura Ohio Inc	1,847,440	6.90%
Marinermax of Ohio Inc	1,077,470	4.02%
Bauman Chevy-Cad-Buick-Pontiac	688,350	2.57%
Wal Mart Stores East LP	554,940	2.07%
Happy Days Boating	416,770	1.56%
Kroger Co.	276,510	1.03%
Mike Tell Char Inc.	269,440	1.01%
Verizon North Inc.	208,060	0.78%
Total	\$11,281,360	42.13%
Total Assessed Valuation	\$26,774,456	

Name of Taxpayer	2002	
	Assessed Value (1)	Percent of Tangible Assessed Value
Courtesy Auto World	\$52,605	0.13%
Adelphia Communications	51,798	0.13%
Walmart Stores	55,539	0.14%
Vern Miller Chevrolet	59,628	0.15%
Metaldyne Corp	73,128	0.18%
Marinemax of Ohio	117,503	0.29%
Scandura Ohio	204,405	0.51%
United States Gypsum	335,779	0.84%
Silgan Plastics Corp	374,451	0.94%
Total	\$1,324,836	3.32%
Total Assessed Valuation	\$39,880,548	

(1) The amounts presented represent the assessed values upon which 2006 and 2002 collections were based. Information prior to 2002 was not available.

Source: Office of the County Auditor, Ottawa County, Ohio

Port Clinton City School District

Principal Taxpayers

Public Utilities Tax

2006 and 2002

Name of Taxpayer	2006	
	Assessed Value (1)	Percent of Public Utility Assessed Value
Columbia Gas	\$130,420	0.75%
American Transmission	134,510	0.77%
Verizon North	136,680	0.79%
Put in Bay Boat Line	380,850	2.19%
Ohio Telephone & Telegraph	884,050	5.09%
Ohio Edison	892,080	5.13%
Norfolk Southern Combined Railroad	1,059,490	6.10%
New Par	1,252,650	7.21%
Level 3	1,698,520	9.78%
Columbia Gas Transmission	9,955,560	57.31%
Total	\$16,524,810	95.12%
Total Assessed Valuation	\$17,372,550	

Name of Taxpayer	2002	
	Assessed Value	Percent of Public Utility Assessed Value
Columbia Gas Transmission	\$363,510	1.88%
Ohio Telephone & Telegraph	383,050	1.98%
Columbia Gas	871,170	4.50%
Norfolk Southern	1,384,890	7.15%
American Transmission	1,507,300	7.78%
Verizon North	2,639,560	13.62%
Ohio Edison	6,361,630	32.84%
Total	\$13,511,110	69.74%
Total Assessed Valuation	\$19,373,720	

(1) The amounts presented represent the assessed values upon which 2006 and 2002 collections were based. Information prior to 2002 was not available.

Source: Office of the County Auditor, Ottawa County, Ohio

Port Clinton City School District
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loans Payable	Capital Leases			
1998	5,924,957	0	1,122	5,926,079	1%	406.34
1999	5,344,947	0	0	5,344,947	1%	366.49
2000	5,087,528	0	0	5,087,528	1%	368.55
2001	4,844,671	0	0	4,844,671	1%	350.96
2002	4,613,840	676,000	0	5,289,840	1%	383.21
2003	4,389,624	1,329,400	0	5,719,024	1%	414.30
2004	4,194,994	1,235,400	0	5,430,394	1%	393.39
2005	3,554,994	1,141,400	0	4,696,394	1%	340.22
2006	2,984,994	1,047,400	0	4,032,394	1%	292.12
2007	2,324,994	953,400	0	3,278,394	1%	237.50

Port Clinton City School District
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1998	5,924,957	1.55	406.26
1999	5,344,947	1.37	366.49
2000	5,087,528	1.29	368.55
2001	4,844,671	1.10	350.96
2002	4,613,840	1.05	334.24
2003	4,389,624	0.98	318.00
2004	4,194,994	0.83	303.90
2005	3,554,994	0.68	257.53
2006	2,984,994	0.57	216.24
2007	2,324,994	0.39	168.43

Port Clinton City School District
Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property(2)	General Bonded Debt		
				General Bonded Debt Outstanding	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1998	14,584	a	382,015,583	5,924,957	1.55	406.26
1999	14,584	a	390,470,727	5,344,947	1.37	366.49
2000	13,804	b	393,429,591	5,087,528	1.29	368.55
2001	13,804	b	441,369,730	4,844,671	1.10	350.96
2002	13,804	b	439,967,165	4,613,840	1.05	334.24
2003	13,804	b	446,665,568	4,389,624	0.98	318.00
2004	13,804	b	508,483,171	4,194,994	0.83	303.90
2005	13,804	b	521,065,509	3,554,994	0.68	257.53
2006	13,804	b	526,547,636	2,984,994	0.57	216.24
2007	13,804	b	589,975,003	2,324,994	0.39	168.43

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Office of the County Auditor, Ottawa County, Ohio

General Debt					
General Bonded Debt Outstanding	Loans Payable	Total Debt	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income	General Debt Per Capita
5,924,957	0	5,924,957	0.02	1%	406.26
5,344,947	0	5,344,947	0.01	1%	366.49
5,087,528	0	5,087,528	0.01	1%	368.55
4,844,671	0	4,844,671	0.01	1%	350.96
4,613,840	676,000	5,289,840	0.01	1%	383.21
4,389,624	1,329,400	5,719,024	0.01	1%	414.30
4,194,994	1,235,400	5,430,394	0.01	1%	393.39
3,554,994	1,141,400	4,696,394	0.01	1%	340.22
2,984,994	1,047,400	4,032,394	0.01	1%	292.12
2,324,994	953,400	3,278,394	0.01	1%	237.50

Port Clinton City School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*
June 30, 2007

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Ottawa County	\$18,373,230	34.96%	\$6,423,281
Port Clinton City	<u>\$1,120,812</u>	100.00%	<u>1,120,812</u>
 Total Overlapping Debt	 <u>\$19,494,042</u>		 <u>\$7,544,093</u>
 Direct Debt	 <u>3,278,394</u>	100.00%	 <u>3,278,394</u>
 Total Direct and Overlapping Debt	 <u><u>\$22,772,436</u></u>		 <u><u>\$10,822,487</u></u>

Source: Office of the Auditor, Ottawa County, Ohio

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2007 collection year.

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

	1998	1999	2000
Tax Valuation	<u>\$325,305,608</u>	<u>\$390,470,727</u>	<u>\$393,429,591</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$29,277,505</u>	<u>\$35,142,365</u>	<u>\$35,408,663</u>
Amount of Debt Applicable to Debt Limit			
General Obligation Bonds	5,924,957	5,344,957	5,087,528
Capital Appreciations Bonds	0	0	0
House Bill Notes	0	0	0
Less: Amount Available in Debt Service	<u>(1,353,474)</u>	<u>(1,664,096)</u>	<u>(2,005,153)</u>
Total	4,571,483	3,680,861	3,082,375
Exemptions:			
House Bill Notes	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>4,571,483</u>	<u>3,680,861</u>	<u>3,082,375</u>
Legal Debt Margin	<u>\$24,706,022</u>	<u>\$31,461,504</u>	<u>\$32,326,288</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.39%	89.53%	91.29%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$325,306	\$390,471	\$393,430
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$325,306</u>	<u>\$390,471</u>	<u>\$393,430</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%

Source: Ottawa County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2001	2002	2003	2004	2005	2006	2007
<u>\$441,369,730</u>	<u>\$439,967,165</u>	<u>\$446,665,568</u>	<u>\$508,483,171</u>	<u>\$521,065,509</u>	<u>\$526,547,636</u>	<u>\$589,975,003</u>
<u>\$39,723,276</u>	<u>\$39,597,045</u>	<u>\$40,199,901</u>	<u>\$45,763,485</u>	<u>\$46,895,896</u>	<u>\$47,389,287</u>	<u>\$53,097,750</u>
4,844,671	4,613,840	4,388,962	3,800,000	3,320,000	2,670,000	2,010,000
0	0	0	314,994	314,994	314,994	314,994
0	676,000	1,329,400	1,235,400	1,141,400	1,047,400	953,400
<u>(2,159,209)</u>	<u>(2,067,572)</u>	<u>(2,085,009)</u>	<u>(2,416,485)</u>	<u>(2,457,780)</u>	<u>(2,596,942)</u>	<u>(2,796,365)</u>
2,685,462	3,222,268	3,633,353	2,933,909	2,318,614	1,435,452	482,029
0	(676,000)	(1,329,400)	(1,235,400)	(1,141,400)	(1,047,400)	(953,400)
<u>2,685,462</u>	<u>2,546,268</u>	<u>2,303,953</u>	<u>1,698,509</u>	<u>1,177,214</u>	<u>388,052</u>	<u>(471,371)</u>
<u>\$37,037,814</u>	<u>\$37,050,777</u>	<u>\$37,895,948</u>	<u>\$44,064,976</u>	<u>\$45,718,682</u>	<u>\$47,001,235</u>	<u>\$53,569,121</u>
93.24%	93.57%	94.27%	96.29%	97.49%	99.18%	100.89%
\$441,370	\$439,967	\$446,666	\$508,483	\$521,066	\$526,548	\$589,975
0	0	0	0	0	0	0
<u>\$441,370</u>	<u>\$439,967</u>	<u>\$446,666</u>	<u>\$508,483</u>	<u>\$521,066</u>	<u>\$526,548</u>	<u>\$589,975</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Port Clinton City School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)
1998	14,584	571,401,000	39,180	7.60%
1999	14,584	579,918,000	39,764	7.80%
2000	13,804	565,577,000	40,972	7.90%
2001	13,804	343,272,000	24,868	8.90%
2002	13,804	569,746,000	41,274	9.00%
2003	13,804	594,248,000	43,049	9.50%
2004	13,804	592,702,000	42,937	9.60%
2005	13,804	592,702,000	42,937	8.10%
2006	13,804	592,702,000	42,937	7.80%
2007	13,804	592,702,000	42,937	7.00%

Sources: 1) US Census
2) Ohio Department of Taxation
3) Ottawa County

Port Clinton City School District

Principal Employers

Current Year and One Year Ago

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Ottawa County Government	Service	612	1	9.99%
U.S. Gypsum Co.	Manufacturing	395	2	6.45%
H.B. Magruder Hospital	Health Care	329	3	5.37%
Silgan Plastics Co.	Manufacturing	325	4	5.31%
Port Clinton Schools	Education	254	5	4.15%
Walmart	Retail	200	6	3.27%
Fenner-Dunlap	Manufacturing	125	7	2.04%
Edgewood Manor Nursing Home	Health Care	94	8	1.53%
Ares, Inc.	Manufacturing	47	9	0.77%
Fellhauer Mechanical Systems	Construction	40	10	0.65%
Total		<u>2,421</u>		<u>39.53%</u>
Total Employment within the School District		<u>6,125</u>		

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
U.S. Gypsum Co.	Manufacturing	395	1	7.51%
Silgan Plastics Co.	Manufacturing	325	2	6.18%
H.B. Magruder Hospital	Health Care	317	3	6.03%
Walmart	Retail	200	4	3.80%
Fenner-Dunlap	Manufacturing	125	5	2.38%
Edgewood Manor Nursing Home	Health Care	94	6	1.79%
Ares, Inc.	Manufacturing	47	7	0.89%
Fellhauer Mechanical Systems	Construction	40	8	0.76%
Marineax	Retail	40	9	0.76%
O.C. Transportation Agency	Service	33	10	0.63%
Total		<u>1,616</u>		<u>30.73%</u>
Total Employment within the School District		<u>5,258</u>		

Source: Number of employees obtained from the W2's from our Tax Department

(1) Information prior to 2006 was not available.

Port Clinton City School District
School District Employees by Function/Program
Last Four Fiscal Years

Function/Program	2004	2005	2006	2007
Regular Instruction				
Elementary Classroom Teachers	40	40	40	41
Middle School Classroom Teachers	18	18	18	20
High School Classroom Teachers	34	34	34	35
Special Instruction				
Elementary Classroom Teachers	5	5	5	8
Middle School Classroom Teachers	2	2	2	3
High School Classroom Teachers	4	4	4	5
Title I	4	5	4	4
Vocational Instruction				
Middle School	2	2	2	2
High School Classroom Teachers	5	5	5	5
Pupil Support Services				
Guidance Counselors	5	5	5	6
Aides	35	31	39	38
Psychologists	1	1	1	1
Nurse	4	4	4	3
Administrators				
Elementary	3	3	3	3
Middle School	1	1	1	1
High School	2	2	2	2
Operation of Plant				
Director	1	1	1	1
Custodians/Cleaning	18	18	18	18
Maintenance	4	4	4	4
Pupil Transportation				
Director	1	1	1	1
Bus Drivers	17	16	16	16
Bus Aides	4	6	6	6
Mechanics	2	2	2	2
Van Drivers	0	0	1	1
Food Service Program				
Director	1	1	1	1
Cooks/Servers	23	27	25	25

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: School District Records

Note: Information prior to 2004 was not available.

Port Clinton City School District

*Operating Statistics
Last Five Fiscal Years*

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>
2003	\$ 19,150,478	1,906	\$ 10,047	16.00%	130	14.7
2004	19,247,689	1,901	10,125	0.77%	140	13.6
2005	20,399,317	1,930	10,570	4.39%	133	14.5
2006	21,164,492	1,870	11,318	7.08%	133	14.1
2007	22,672,160	1,815	12,491	10.36%	131	13.9

Source: School District Records. Expense information is not available prior to 2003.

Note: The information for the percentage of free lunches and reduced lunch prices were not available.

Port Clinton City School District

*Building Statistics
Last Ten Fiscal Years*

	1998	1999	2000	2001
Jefferson Elementary School				
Constructed in 1950				
Total Building Square Footage 26,335				
Enrollment Grades K-6	276	264	284	285
Student Capacity	310	310	310	310
Regular Instruction Classrooms	16	16	16	16
Regular Instruction Teachers	16	16	16	16
Special Instruction Classrooms	2	2	2	2
Special Instruction Teachers	2	2	2	2
Bataan Elementary School				
Constructed in 1956				
Total Building Square Footage 43,350				
Enrollment Grades K-6	310	310	311	303
Student Capacity	347	347	347	347
Regular Instruction Classrooms	18	18	18	18
Regular Instruction Teachers	18	18	18	18
Special Instruction Classrooms	3	3	3	3
Special Instruction Teachers	3	3	3	3
Catawba Elementary				
Constructed in 1913				
Total Building Square Footage 19,850				
Enrollment Grades K-3	76	79	71	79
Student Capacity	159	159	159	159
Regular Instruction Classrooms	4	4	4	4
Regular Instruction Teachers	4	4	4	4
Special Instruction Classrooms	1	1	1	1
Special Instruction Teachers	1	1	1	1
Portage Elementary				
Constructed in 1921				
Total Building Square Footage 38,460				
Enrollment Grades K-6	266	232	233	225
Student Capacity	307	307	307	307
Regular Instruction Classrooms	13	12	12	11
Regular Instruction Teachers	13	12	12	11
Special Instruction Classrooms	3	3	3	3
Special Instruction Teachers	3	3	3	3

2002	2003	2004	2005	2006	2007
267	264	263	284	273	298
310	310	310	310	310	310
17	17	17	17	17	17
17	17	17	17	17	17
2	2	2	2	2	2
2	2	2	2	2	2
296	283	301	328	345	335
347	347	347	347	347	347
18	19	19	19	19	18
18	19	19	19	19	18
2	2	2	2	2	3
2	2	2	2	2	3
76	76	75	76	84	83
159	159	159	159	159	159
4	4	4	4	4	4
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
223	233	254	246	235	197
307	307	307	307	307	307
11	12	12	12	12	12
11	12	12	12	12	12
3	3	2	2	2	2
3	3	2	2	2	2

(Continued)

Port Clinton City School District

*Building Statistics
Last Ten Fiscal Years*

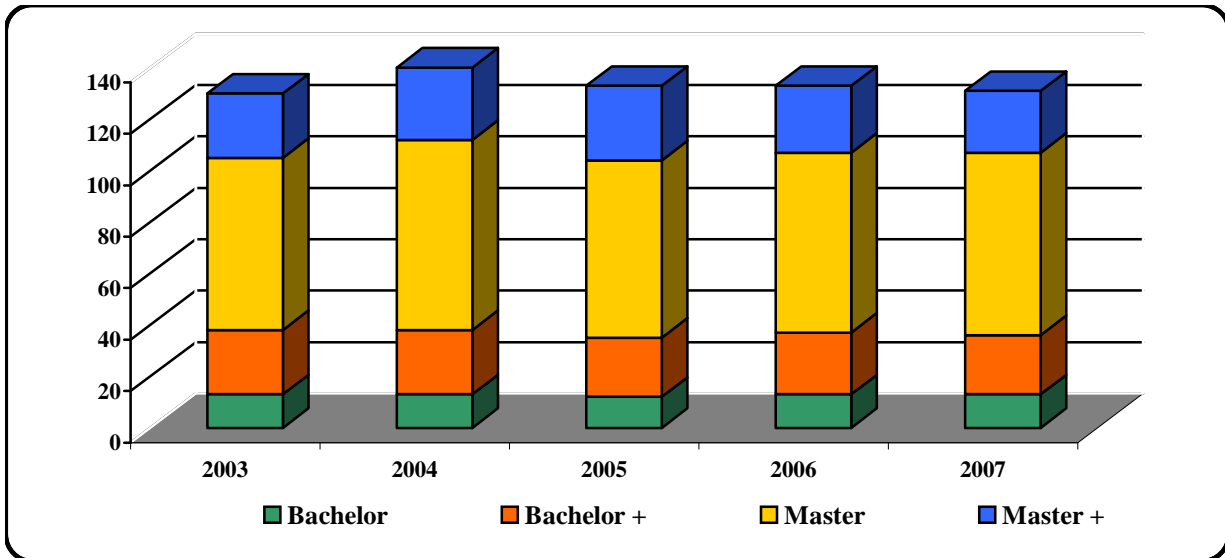
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Port Clinton Middle				
Constructed in 1922				
Total Building Square Footage 70,100				
Enrollment Grades 7th-8th	371	347	336	318
Student Capacity	464	464	464	464
Regular Instruction Classrooms	22	21	20	19
Regular Instruction Teachers	22	21	20	19
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	4	4	4	4
 Port Clinton High School				
Constructed in 1963				
Total Building Square Footage 172,210				
Enrollment Grades 9th-12th	757	749	735	704
Student Capacity	1031	1031	1031	1031
Regular Instruction Classrooms	41	40	40	39
Regular Instruction Teachers	41	40	40	39
Special Instruction Classrooms	4	4	4	4
Special Instruction Teachers	4	4	4	4

Source: School District records.

2002	2003	2004	2005	2006	2007
338	322	289	292	262	279
464	464	464	464	464	464
19	18	18	18	18	18
19	18	18	18	18	18
4	4	4	4	4	4
4	4	4	4	4	4
673	651	678	628	556	520
1031	1031	1031	1031	1031	1031
37	34	34	34	34	34
37	34	34	34	34	34
4	4	4	4	4	4
4	4	4	4	4	4

Port Clinton City School District
Full-Time Equivalent Teachers by Education
Last Five Fiscal Years

Degree	2003	2004	2005	2006	2007
Bachelor's Degree	13	13	12	13	13
Bachelor + 150	25	25	23	24	23
Master's Degree	67	74	69	70	71
Master + 30	25	28	29	26	24
Total	130	140	133	133	131



Source: School District Records. Information prior to 2003 is not available.



Mary Taylor, CPA
Auditor of State

PORT CLINTON CITY SCHOOL DISTRICT

OTTAWA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2008**