

Portsmouth City School District  
Scioto County  
Single Audit  
For the Fiscal Year Ended June 30, 2011



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# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Portsmouth City School District, Scioto County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

January 18, 2012

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**Portsmouth City School District**  
**Scioto County**  
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*For the Fiscal Year Ended June 30, 2011*

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**Portsmouth City School District**  
*Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2011*

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>United States Department of Agriculture</u></b>						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$230,953	\$0	\$230,953	\$0
National School Lunch Program	3L60	10.555	659,354	110,983	659,354	110,983
Total Child Nutrition Cluster			890,307	110,983	890,307	110,983
Fresh Fruit and Vegetable Program	3L60	10.582	17,439	0	17,439	0
<b>Total United States Department of Agriculture</b>			<b>907,746</b>	<b>110,983</b>	<b>907,746</b>	<b>110,983</b>
<b><u>United States Department of Education</u></b>						
<i>Direct from Department of Education</i>						
Impact Aid	N/A	84.041	23,101	0	23,101	0
<i>Passed through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	587,517	0	571,937	0
Special Education-Grants to States, Recovery Act	3DJ0	84.391	252,289	0	264,351	0
Special Education - Preschool Grants	3C50	84.173	11,512	0	10,835	0
Special Education - Preschool Grants, Recovery Act	3DL0	84.392	2,902	0	3,313	0
Total Special Education Cluster			854,220	0	850,436	0
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	2,153,457	0	2,157,826	0
Title I Grants to Local Educational Agencies, Recovery Act	3DK0	84.389	254,860	0	275,172	0
Total Title I Cluster			2,408,317	0	2,432,998	0
Education for Homeless Children and Youth Cluster:						
Education for Homeless Children and Youth	3EJ0	84.196	36,287	0	37,048	0
Education for Homeless Children and Youth, Recovery Act	3DG0	84.387	4,782	0	3,571	0
Total Education for Homeless Children and Youth Cluster			41,069	0	40,619	0
State Fiscal Stabilization Fund (SFSF)-Education State Grants, Recovery Act						
Safe and Drug-Free Schools and Communities-State Grants	GRF	84.394	1,463,696	0	1,504,501	0
Educational Technology State Grants	3D10	84.186	2,674	0	2,888	0
Reading First State Grants	3S20	84.318	4,714	0	5,937	0
Rural Education	3Y40	84.357	488,138	0	493,441	0
Improving Teacher Quality State Grants	3Y80	84.358	41,687	0	33,085	0
School Improvement Grants	3Y60	84.367	302,658	0	303,369	0
School Improvement Grants	3AN0	84.377	5,566	0	6,950	0
<b>Total United States Department of Education</b>			<b>5,635,840</b>	<b>0</b>	<b>5,697,325</b>	<b>0</b>
<b>Total Federal Financial Assistance</b>			<b>\$6,543,586</b>	<b>\$110,983</b>	<b>\$6,605,071</b>	<b>\$110,983</b>

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

**Portsmouth City School District**  
**Scioto County**  
*Notes to the Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2011*

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**Note 1 – Significant Accounting Policies**

The accompanying schedule of federal awards expenditures includes the federal grant activity of the School District and has been prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 – Child Nutrition Cluster**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first. Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the schedule using the entitlement value of the commodities received. The School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



**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***

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

We have audited the financial statements the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District, Scioto County, (the School District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 19, 2011, wherein we noted the School District implemented Governmental Accounting Standards Board Statements No. 54 and 59. 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**

Management of the School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

Portsmouth City School District  
Scioto County

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*

Page 2

We noted certain matters that we reported to management of the School District in a separate letter dated  
December 19, 2011.

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



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

December 19, 2011

**Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

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

**Compliance**

We have audited Portsmouth City School District's, Scioto County, (the School District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2011. The School District's major federal programs are 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 each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

### **Internal Control Over Compliance (Continued)**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

### **Schedule of Federal Awards Expenditures**

We have audited the financial statements the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 19, 2011, wherein we noted the School District implemented Governmental Accounting Standards Board Statements No. 54 and 59. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

December 19, 2011

**Portsmouth City School District**  
**Scioto County**  
*Schedule of Findings and Questioned Costs*  
*OMB Circular A-133 Section .505*  
*For the Fiscal Year Ended June 30, 2011*

**Section I – Summary of Auditor’s Results**

<i>Financial Statements</i>		
Type of financial statement opinion:		Unqualified
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?		No
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:		Unqualified
Any auditing findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?		No
Identification of major program(s):		Special Education Cluster (CFDA #84.027, #84.391, #84.173, #84.392)  State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (CFDA #84.394)  Reading First State Grants (CFDA #84.357)
Dollar threshold used to distinguish between type A and type B programs:		\$300,000
Auditee qualified as low-risk auditee?		Yes

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**Independent Accountant's Report on Applying Agreed-Upon Procedures**

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

Ohio Revised Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Portsmouth City School District (the School District) has updated its anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board did not amend its anti-harassment policy to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

However, we did note that the Board adopted a new policy on December 15, 2011, which encompassed all requirements.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than this specified party.



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

December 19, 2011

# *PORTSMOUTH CITY SCHOOL DISTRICT*

724 Findlay Street, Portsmouth, Ohio 45662



*We Are 1*

**Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2011

***PORTSMOUTH CITY SCHOOL DISTRICT***

**PORTSMOUTH, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Issued by:

Treasurer's Office

Kyle F. Smith, Treasurer



# **INTRODUCTORY SECTION**

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*Portsmouth City School District  
Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2011*

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## Office of the Treasurer

December 19, 2011

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Portsmouth City School District for the fiscal year ended June 30, 2011. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the Portsmouth City School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision-making.

State law requires that every general-purpose local government file with the Auditor of State and publish the availability of its financial statements within five months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

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

Millhuff-Stang, CPA, Inc. has issued an unqualified ("clean") opinion on the Portsmouth City School District's financial statements for the fiscal year ended June 30, 2011. The independent auditor's report is located at the front of the Financial Section of this report.

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

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

## **FORM OF GOVERNMENT AND REPORTING ENTITY**

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

The Current Board members, their terms and years on the Board as of June 30, 2011, are:

<b>Board Member</b>	<b>Current Term</b>	<b>Total Years</b>
Mr. Clarence M. Parker	Jan. 2008 – Dec. 2011	11 - 1/2
Dr. George P. Pettit	Jan. 2010 – Dec. 2013	10 - 3/4
Mr. Thomas E. Smith***	Ap. 2011 – Dec. 2011	1/4
Mrs. Barbara Borden-Gibson	Jan. 2010 – Dec. 2013	5 - 1/2
Mrs. Mary L. Sommer	Jan. 2008 – Dec. 2011	5

\*\*\*Former Board Member Mr. Ray Thompson passed away March 25, 2011 and Thomas E. Smith was appointed by the Board of Education to fulfill the unexpired term.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. The Board hired G. Scott Dutey for a three year term beginning August 1, 2010. Mr. Dutey started with the School District in July 2009 as Curriculum Director but before that he served as Assistant Superintendent at the Dawson Bryant School District in Lawrence County.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and custody of all School District funds and assets, and also serves as Secretary to the Board. The Board appointed Mr. Kyle F. Smith as Treasurer beginning April 1, 2009 and has since renewed his contract until July 31, 2014. Mr. Smith was the Assistant Treasurer before the appointment.

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



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

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

The School Board adopts an annual budget by July 1 which may be amended any time during the fiscal year as new information becomes available. This annual budget serves as the foundation of the Portsmouth City School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

## **ECONOMIC CONDITION AND OUTLOOK**

The Portsmouth City School District is located in Scioto County, on the beautiful Ohio River. The Portsmouth City School District is the gateway to three states, seven counties, and within 90 miles of major metropolitan markets. The City of Portsmouth, the county seat, is just 89 miles south of Columbus, OH on U.S. 23; 112 miles east of Cincinnati, OH, via U.S. 52 (a scenic route) or State Route 32; and 54 miles west of Huntington, WV on U.S. 52. Portsmouth is ideally located on the Ohio and Scioto Rivers, to provide for all types of water related activities. The annual River Days is held over Labor Day weekend and draws many visitors.

Portsmouth was a city bent on industry until the 1970's when a number of companies closed down their plants over labor union disputes and foreign influence. The city's industry has been going in a downward trend since the 1990's.

Since this time the Portsmouth area has seen growth in education opportunities as well as health services. Shawnee State University (1987) and Southern Ohio Medical Center

have both been expanding and added over one hundred million dollars of facility improvement or additions to meet the increased enrollments or patients. These two institutions are keeping our local economy afloat.

Unemployment Rates

Data obtained from the U.S. Bureau of Labor Statistics indicates that the percentage of unemployment for Portsmouth and Scioto County for June 2011 was 12.5 percent, which is above the State rate of 8.8 percent and the national rate of 9.2 percent. While the unemployment number is high in comparison to the State and national average, local initiatives are serving to promote a renewed spirit of pride in the community.

**THE SCHOOL DISTRICT AND ITS FACILITIES**

The School District served 2,120 students during the 2011 fiscal year. Facilities include one high/junior high school and two elementary schools. Preschool is offered at both elementary schools. The enrollment per school is as follows:

<u>School</u>	<u>Date Established</u>	<u>Grades</u>	<u>Enrollment</u>
East Portsmouth Elementary	2006	K – 8	246
Portsmouth Elementary	2006	K – 6	1,097
Portsmouth High/Junior High	2006	7 – 12	777

Since 2000, the School District's enrollment has decreased from 2,918 to the 2010-2011 enrollment of 2,120. The decrease in enrollment was due primarily to a declining population, open enrollment and the creation of the Sciotoville Community School. However, over the last five years enrollment has not dropped below 2,100 or gone above 2,200. The School District expects student enrollment to remain consistent from school year to school year.

**EMPLOYEE RELATIONS**

The School District currently employs 265 full-time and part-time employees

The teachers, educational specialists, and counselors of the School District are represented by the Portsmouth City Teacher’s Association (PCTA), which is one of two organizations representing School District employees. In October 2010, the Board adopted a three-year contract with PCTA beginning July, 2010 and extending through June 30, 2013. This included a one time bonus for the 2010-2011 school year and a 2% raise on the base for the 2011-2012 year. The final year will be reopened for salary and benefits. The beginning teacher’s salary for the 2011 fiscal year was \$32,004.

Classified employees are represented by the Ohio Council 8 AFSCME Local 2684. The Board of Education and Local 2684 agreed on a “me too” clause for the negotiated contract for Fiscal Years 2008, 2009 and 2010. The “me too” clause stipulates that if any

bargaining group of employees of the Portsmouth City School District receives an increase in wages or benefits, Local 2684 bargaining unit employees shall receive the same percentage. The Local 2684 settled negotiations in August of 2010 to last for one year. After the teachers negotiations the Local 2684 contract was amended and extended to follow the same bonus, salary and benefit package changes per the “me too” clause.

The School District’s administrators are not organized.

## **MAJOR INITIATIVES**

### FOR THE YEAR

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

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

The School District has seen substantial academic improvement over the last couple of years. The 2010-2011 School District Report cards shows the District achieving Continuous Improvement Status and meeting 11 of the 26 State indicators. It is projected the School District will meet 13 of the 26 indicators for the 2011-2012 school year. Prior to these two years the School District was meeting 3-6 indicators per year.

### FOR THE FUTURE

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

Also, with donations from the Clyde and Maycel Clark Foundation, Inc. and the Scioto Foundation a new Athletic/Administrative Complex was completed adjacent to the new Portsmouth High/Junior High School. The fiscal agent for the project is the Clark Education Foundation, LLC. Phase I was completed in the fall of 2009 and the first home football game was held September 5, 2009. The completion date for the “Complex” (Phase II) is projected to be sometime during 2011-2012. The “Complex” is being leased to the School District during the financing period, approximately 28 years, for \$10,000 per year. This lease payment will be deposited into a supplemental account, along with a \$10,000 donation each year from both the Scioto Foundation and the Clyde and Maycell Clark Foundation, by the LLC in the event of a short fall in making the debt payment. No “short fall” is anticipated, and the balance of this supplemental account is to be given back to the School District at the end of the financing period. After the Clark Education Foundation, LLC debt is paid via donations as mentioned above, the entire complex is anticipated to be donated to the School District.

## **FINANCIAL TRENDS**

The School District relies heavily on funding from the State of Ohio and the federal government due to property values being lower in comparison with similar values across the State. Federal dollars are usually tied to the economic status of the students.

For the State's biennial budget for the fiscal years 2010 and 2011, the School District did not see any drastic cuts in overall funding. Through the American Recovery and Reinvestment Act (ARRA) of 2009, the State was able to supplant federal dollars into the funding model for education. Had this not occurred, the School District would have been faced with over \$2 million in cuts.

At the conclusion of fiscal year 2011, the Governor and State legislature passed House Bill 153 for fiscal years 2012 and 2013. Many of the requirements and the funding formula were wiped out from the previous administration. Throughout the 2011 fiscal year, the School District was preparing for major cuts.

In HB 153, the School District lost all of the Tangible Personal Property Reimbursement from the State. This was not due to be completely phased out until 2018 but instead the phase out was expedited for budget purposes. This will amount to approximately a \$375,000 loss in revenue to the School District. HB 153 did however restore dollars (for the most part) that were going to be lost due the expiration of ARRA grants. When creating the formula for school districts, it was shared that total State dollars (tangible personal property, basic aid, special education, ARRA) were all totaled together along with per student property values. Using this approach, the School District will lose approximately \$679,000.

Governor Kasich is also planning to create a new funding formula for K-12 education and this will have an impact on the finances of the School District. This model could be implemented as soon as fiscal year 2013.

## **FINANCIAL PLANNING AND POLICIES**

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

Using the Performance Audit recommendations, the School District considered the series of ideas and suggestions when making the important decisions necessary to establish

financial stability, to meet the needs of students and to improve educational standards. Certain recommendations are dependent on labor negotiations.

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

1. Reducing the number of teachers, administrators, and classified staff via natural attrition or reduction-in-force;
2. Reducing/eliminating extended service and supplemental contracts;
3. Restricting or minimizing salary increases;
4. Reducing health costs by requiring employees to increase healthcare contributions, insure only School District employees and not spouses who are insured by other agencies, or through insurance plan modification; and
5. Eliminating certain programs or courses.

On March 25, 2009 Roger Hardin from the Office of School Funding and Fiscal Support Services sent the School District a letter. This letter confirmed that the School District had an estimated negative fund balance for Fiscal Years 2010 and beyond. At this point the School District had to revise the Financial Recovery Plan. In addition to the cost saving measures above the following was added:

1. Reduction of Transportation Coordinator.
2. Reduction of 7 teachers and ½ Librarian with the usage of American Recovery and Reinvestment Act funds to facilitate a new Education Model in the School District.
3. Energy cost saving measures in each School District building.

In addition, as a result of being placed in fiscal caution, the School District also receives, on a bi-monthly basis, state management assistance through the Ohio Department of Education, Regions 14 and 15 Coordinator's Office. This assistance provides reviews of School District finances and suggestions are offered to improve the financial condition of the School District.

## **OTHER INFORMATION**

### **INDEPENDENT AUDIT**

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Millhuff-Stang, CPA, Inc. conducted the School District's audit for fiscal year 2011. The Auditor's report on the School District's basic financial statements, combining statements and individual fund schedules are included in the financial section of this comprehensive annual financial report.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This was the twelfth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

## **ASBO CERTIFICATE**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.

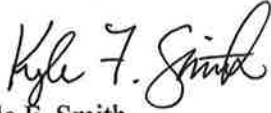
A Certificate of Excellence is awarded to those school districts that have voluntarily submitted a Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met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

## **ACKNOWLEDGMENTS**

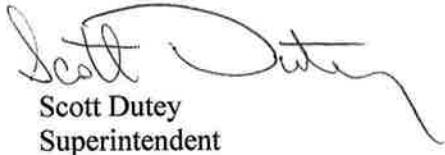
A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. Appreciation is expressed to the Assistant Treasurer, Dianna Reedy; retired Treasurer and School District Consultant, Paula J. Butler; and Accounts Payable Clerks, Cathi Evans and Pam Ervin. In addition, a special recognition goes to the Portsmouth High School Trojan Print Shop: Arthur Lard, Instructor, and students for their expertise in assembling and printing this report. This year's cover picture was provided by Portsmouth High School Alum, Sean Gowdy. A special thank you is also extended to the Auditor of State's Local Government Services Section for all of their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Kyle F. Smith".

Kyle F. Smith  
Treasurer

A handwritten signature in cursive script that reads "Scott Dutey".  
Scott Dutey  
Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Portsmouth City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**PORTSMOUTH CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

*Portsmouth City School District*

*List of Principal Officials  
June 30, 2011*

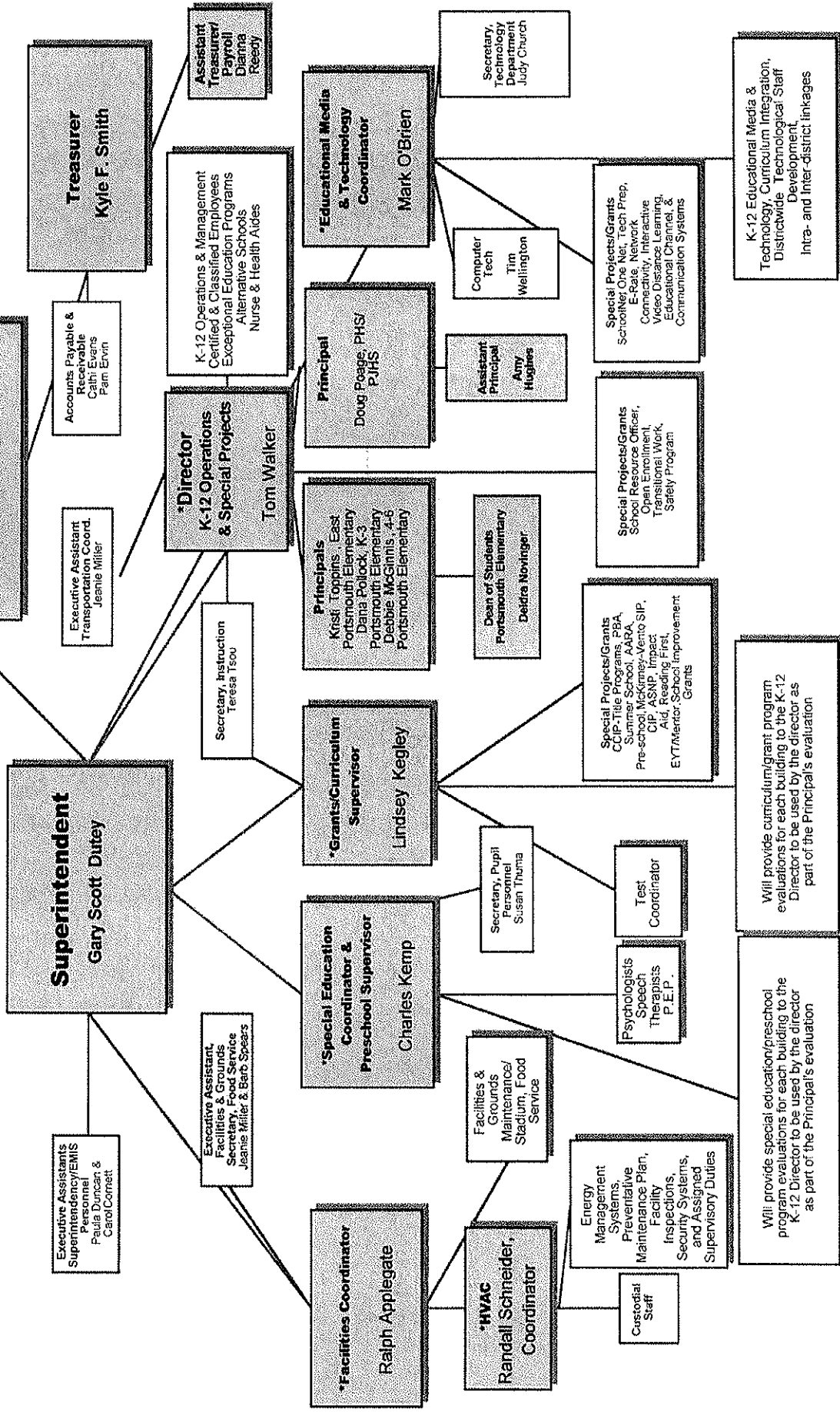
ELECTED OFFICIALS

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

ADMINISTRATIVE OFFICIALS

Superintendent.....Gary (Scott) Dutey  
Treasurer..... Kyle F. Smith  
Facility Coordinator ..... Ralph Applegate  
Coordinator of State and Federal Funds .....Lindsey Kegley  
Director of Curriculum/Instruction. ....Lindsey Kegley  
Director of Operations ..... Thomas Walker  
Coordinator of Educational Media/Technology ..... Mark O'Brien  
Facilitator of Special Needs ..... Charles Kemp  
Gifted Coordinator / Curriculum .....Elizabeth Mounts  
Safe Drug Free Coordinator..... Heather Johnson

2010-2011 Portsmouth City School District Organization Chart



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

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# **FINANCIAL SECTION**

**Independent Auditor's Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Portsmouth City School District, Scioto County, (the School District) as of and for the year ended June 30, 2011, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Portsmouth City School District, Scioto County, as of June 30, 2011, and the respective changes in financial position thereof, and the respective budgetary comparisons for the General Fund and Title I 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 19, 2011 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Portsmouth City School District  
Scioto County  
Independent Auditor's Report  
Page 2

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

As described in Note 20, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB No. 59, *Financial Instruments Omnibus*.



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

December 19, 2011

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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The discussion and analysis of the Portsmouth City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

- In total, net assets of governmental activities decreased \$519,355 from the prior fiscal year. This is primarily due to a decrease in the American Reinvestment and Recovery Act grants.
- General revenues accounted for \$24,095,834. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$8,415,761. Total revenues for the School District were \$32,511,595.
- The School District had \$33,030,950 in expenses related to governmental activities; only \$8,415,761 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$24,095,834 were not adequate to provide for these programs.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

**Reporting the School District as a Whole**

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2011?" The Statement of Net Assets and the Statement of Activities, which appear first in the School District's financial statements, report information on



**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

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

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major funds begins on page eight. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds, which are the General Fund, the Title I Special Revenue Fund, and the Bond Retirement Debt Service Fund.

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

**Portsmouth City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

**Fiduciary Funds** - The School District's fiduciary funds are a private purpose trust fund and an agency fund. The School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the accrual basis of accounting.

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net assets for fiscal year 2011 and fiscal year 2010:

Table 1			
Net Assets			
	2011	Restated 2010	Change
	<u>2011</u>	<u>2010</u>	<u>Change</u>
<b><u>Assets:</u></b>			
Current and Other Assets	\$15,255,685	\$16,883,559	(\$1,627,874)
Capital Assets, Net	58,434,686	58,368,537	66,149
<i>Total Assets</i>	<u>73,690,371</u>	<u>75,252,096</u>	<u>(1,561,725)</u>
<b><u>Liabilities:</u></b>			
Other Liabilities	7,679,356	8,100,885	(421,529)
Long-Term Liabilities	15,514,974	16,135,815	(620,841)
<i>Total Liabilities</i>	<u>23,194,330</u>	<u>24,236,700</u>	<u>(1,042,370)</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	44,790,154	44,092,020	698,134
Restricted	4,874,569	5,972,961	(1,098,392)
Unrestricted	831,318	950,415	(119,097)
<i>Total Net Assets</i>	<u>\$50,496,041</u>	<u>\$51,015,396</u>	<u>(\$519,355)</u>

Current and Other Assets decreased \$1,627,874 primarily due to a significant decrease in cash and cash equivalents. This decrease was the result of purchasing a large amount of land. Capital Assets, Net increased \$66,149 which was insignificant.

**Portsmouth City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

Total Liabilities of the School District decreased \$1,042,370 from the prior fiscal year. The largest decrease was in Long-Term Liabilities which decreased due to annual debt payments made by the School District.

The primary factor contributing to the increase in Invested in Capital Assets, Net of Related Debt from the prior fiscal year was the payment of related debt and the purchase of land for the Stadium Project.

The decrease in Restricted Net Assets was primarily the result of monies that were restricted for capital projects being used to purchase the land.

Unrestricted Net Assets of the School District decreased \$119, 097 when compared to the prior fiscal year. This is related to the School District utilizing its unrestricted monies to support its various programs.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

Table 2  
**Change in Net Assets**

	2011	Restated 2010	Increase/ (Decrease)
<b><u>Revenues:</u></b>			
Program Revenues:			
Charges for Services and Sales	\$1,195,250	\$1,306,115	(\$110,865)
Operating Grants, Contributions, and Interest	7,220,511	8,124,682	(904,171)
Capital Grants and Contributions	0	30,123	(30,123)
<i>Total Program Revenues</i>	<u>8,415,761</u>	<u>9,460,920</u>	<u>(1,045,159)</u>
General Revenues:			
Property Taxes	5,594,788	5,627,768	(32,980)
Grants and Entitlements not Restricted to Specific Programs	18,375,417	18,319,840	55,577
Contributions and Donations	33,469	6,566	26,903
Investment Earnings	18,364	27,280	(8,916)
Miscellaneous	73,796	74,005	(209)
<i>Total General Revenues</i>	<u>24,095,834</u>	<u>24,055,459</u>	<u>40,375</u>
<i>Total Revenues</i>	<u>\$32,511,595</u>	<u>\$33,516,379</u>	<u>(\$1,004,784)</u>

*(continued)*

**Portsmouth City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**Unaudited**

Table 2  
**Change in Net Assets**  
(continued)

	2011	Restated 2010	Increase/ (Decrease)
<b><u>Program Expenses:</u></b>			
Instruction:			
Regular	\$13,689,351	\$13,753,627	(\$64,276)
Special	6,090,527	5,879,260	211,267
Vocational	441,427	480,887	(39,460)
Student Intervention Services	883,606	1,164,825	(281,219)
Intergovernmental	37,500	29,000	8,500
Support Services:			
Pupils	1,237,058	1,430,317	(193,259)
Instructional Staff	2,200,333	2,372,062	(171,729)
Board of Education	20,334	30,589	(10,255)
Administration	1,762,928	1,776,063	(13,135)
Fiscal	590,995	669,614	(78,619)
Business	96,868	82,268	14,600
Operation and Maintenance of Plant	2,886,014	3,114,874	(228,860)
Pupil Transportation	633,169	595,484	37,685
Central	96,569	62,866	33,703
Operation of Non-Instructional Services	1,492,981	1,461,701	31,280
Extracurricular Activities	250,238	477,581	(227,343)
Interest and Fiscal Charges	621,052	637,143	(16,091)
<b>Total Expenses</b>	<b>33,030,950</b>	<b>34,018,161</b>	<b>(987,211)</b>
Change in Net Assets	(519,355)	(501,782)	(17,573)
<i>Net Assets at Beginning of Year</i>	<i>51,015,396</i>	<i>51,517,178</i>	<i>(501,782)</i>
<i>Net Assets at End of Year</i>	<i>\$50,496,041</i>	<i>\$51,015,396</i>	<i>(\$519,355)</i>

Program revenues, which are primarily represented by charges for tuition, fees, sales, and extracurricular activities, as well as restricted intergovernmental revenue were \$8,415,761 for fiscal year 2011. The most significant decrease in program revenues was in the form of Operating Grants, Contributions, and Interest which decreased from the prior fiscal year primarily due to a decrease in the American Reinvestment and Recovery Act grants.

As previously mentioned, general revenues were \$24,095,834 for fiscal year 2011. The majority of these revenues are in the form of Grants and Entitlements not Restricted to Specific Programs and Property Taxes. General revenues increased \$40,375, which was insignificant.

As should be expected, Instruction costs represent the largest of the School District's expenses for fiscal year 2011. Expenses decreased significantly in fiscal year 2011 from fiscal year 2010. There were significant decreases in Student Intervention Services and Instructional Staff due to decreases in expenses related to the American Reinvestment and Recovery Act grants. There was a significant decrease in Extracurricular Activities expense due to one-time expenses in fiscal year 2010 related to the opening of the new Athletic Complex. Pupils expenses decreased due primarily to a reduction in the Reading First grant. Operations and Maintenance of Plant

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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decreased significantly due to the return of monies in fiscal year 2010 that had been received in prior years from the State for the Ohio School Facilities Commission project. These monies were not used during the project.

The Statement of Activities shows the cost of program services and the charges for services and sales and grants and contributions, including interest, offsetting those services. The dependence upon tax revenues and unrestricted State entitlements for governmental activities was slightly more in fiscal year 2011 as program revenues provided less towards program costs. Only a few of the School District's programs receive a significant amount of program revenues to offset their costs. Regular Instruction, which represents expenses for general classroom instruction, receives a large amount of revenues to offset its costs. Another of these programs is Special Instruction which provides for its costs primarily in the form of operating grants restricted for special instruction. Student Intervention is a program that provides for its costs primarily in the form of operating grants restricted to provide aid to students who require additional academic assistance. Another program which receives a large amount of revenues to offset costs is Operation of Non-Instructional Services. This is primarily due to cafeteria sales and State and federal subsidies and donated commodities for food service.

### **The School District's Funds**

Information about the School District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$32,228,029 and expenditures of \$33,707,398. The net change in fund balance for the fiscal year in the General Fund was a decrease of \$346,536 which was due to a decrease in general State Foundation Aid.

The Title I Special Revenue Fund balance increased \$28,254, which was insignificant.

The Bond Retirement Debt Service Fund balance increased \$57,771. This was the result of revenues for the fiscal year, consisting of property taxes, homestead and rollback reimbursements, and interest, being greater than the annual debt payments the School District incurred.

### **General Fund - Budget Highlights**

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

During the course of fiscal year 2011, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

A review of the budgetary comparison statement for the General Fund reflects a substantial decrease in revenues from the original budget to the final budget. The most significant decrease

**Portsmouth City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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was in Intergovernmental Revenue and was primarily due to a decrease in State funding for open enrollment.

The total increase in expenditures from the original to the final budget was \$146,509. The most significant change was an increase of \$912,936 in Special Instruction, which was primarily due to an increase in student excess costs for open enrollment special education.

The difference in actual expenditures made from the final budget was substantial. All expenditures decreased but the largest decrease was in the Regular Instruction. The decrease of \$518,347 in Regular Instruction was primarily due to budgeting more than was needed.

Actual General Fund expenditures and other financing uses were greater than revenues and other financing sources by \$146,404, which was not significant.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of fiscal year 2011, the School District had \$58,434,686 invested in capital assets (net of accumulated depreciation). Additions to capital assets included various parcels of land related to the Athletic Complex project, land improvements, buildings and improvements, educational equipment, and textbooks. Disposals for the fiscal year included classroom equipment and a vehicle. For further information regarding the School District's capital assets, refer to Note 8 in the Notes to the Basic Financial Statements.

#### ***Debt***

At June 30, 2011, the School District had \$13,902,337 in bonds outstanding, \$615,000 of which is due within one year. At fiscal year-end, \$108,944 of the capital lease remained outstanding.

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

### **Contacting the School District's Financial Management**

This financial report is designed to provide our 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 information, contact Kyle F. Smith, at Portsmouth City School District, 724 Findlay Street, Portsmouth, Ohio 45662, or e-mail at [kyle.smith@portsmouthtrojans.net](mailto:kyle.smith@portsmouthtrojans.net).

**Portsmouth City School District**

*Statement of Net Assets*

*June 30, 2011*

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$7,684,871
Accounts Receivable	5,168
Accrued Interest Receivable	1,016
Intergovernmental Receivable	626,265
Prepaid Items	19,138
Inventory Held for Resale	50,564
Materials and Supplies Inventory	21,872
Property Taxes Receivable	6,678,982
Deferred Charges	167,809
Capital Assets:	
Land and Paintings	7,307,780
Depreciable Capital Assets, Net	<u>51,126,906</u>
<i>Total Assets</i>	<u>73,690,371</u>
<b><u>Liabilities:</u></b>	
Accounts Payable	115,329
Contracts Payable	2,910
Accrued Wages and Benefits Payable	1,790,051
Intergovernmental Payable	542,054
Accrued Interest Payable	46,534
Matured Compensated Absences Payable	29,676
Unearned Revenue	5,152,802
Long-Term Liabilities:	
Due Within One Year	903,068
Due in More Than One Year	<u>14,611,906</u>
<i>Total Liabilities</i>	<u>23,194,330</u>
<b><u>Net Assets:</u></b>	
Invested in Capital Assets, Net of Related Debt	44,790,154
Restricted for:	
Debt Service	3,243,331
Capital Projects	299,706
School Facilities Maintenance	650,317
Special Donations	153,375
Food Service	108,656
Title I	96,834
Other Purposes	307,766
Set-Asides	14,584
Unrestricted	<u>831,318</u>
<i>Total Net Assets</i>	<u><u>\$50,496,041</u></u>

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions, and Interest	Revenue and Changes in Net Assets
				Governmental Activities
<b><u>Governmental Activities:</u></b>				
Instruction:				
Regular	\$13,689,351	\$771,521	\$144,996	(\$12,772,834)
Special	6,090,527	69,056	4,158,077	(1,863,394)
Vocational	441,427	0	85,817	(355,610)
Student Intervention Services	883,606	0	697,931	(185,675)
Intergovernmental	37,500	0	37,500	0
Support Services:				
Pupils	1,237,058	0	275,148	(961,910)
Instructional Staff	2,200,333	0	634,328	(1,566,005)
Board of Education	20,334	0	0	(20,334)
Administration	1,762,928	4,697	0	(1,758,231)
Fiscal	590,995	0	0	(590,995)
Business	96,868	0	0	(96,868)
Operation and Maintenance of Plant	2,886,014	54,594	0	(2,831,420)
Pupil Transportation	633,169	25,800	3,306	(604,063)
Central	96,569	0	5,000	(91,569)
Operation of Non-Instructional Services:				
Food Service Operations	1,260,493	159,151	937,549	(163,793)
Other	232,488	0	240,759	8,271
Extracurricular Activities	250,238	110,431	100	(139,707)
Interest and Fiscal Charges	621,052	0	0	(621,052)
<b>Total Governmental Activities</b>	<b>\$33,030,950</b>	<b>\$1,195,250</b>	<b>\$7,220,511</b>	<b>(24,615,189)</b>

**General Revenues:**

Property Taxes Levied for:	
General Purposes	4,288,395
Debt Service	1,054,789
Capital Outlay	251,604
Grants and Entitlements not Restricted to	
Specific Programs	18,375,417
Contributions and Donations	33,469
Investment Earnings	18,364
Miscellaneous	73,796
<b>Total General Revenues</b>	<b>24,095,834</b>
Change in Net Assets	(519,355)
<i>Net Assets at Beginning of Year - Restated (See Note 20)</i>	<u>51,015,396</u>
<i>Net Assets at End of Year</i>	<u><u>\$50,496,041</u></u>

See accompanying notes to the basic financial statements



**Portsmouth City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2011*

	General	Title I	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$3,116,414	\$112,415	\$3,051,292	\$1,369,140	\$7,649,261
<b>Restricted Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	35,610	0	0	0	35,610
<b>Receivables:</b>					
Property Taxes	5,052,119	0	1,162,099	464,764	6,678,982
Accounts	5,168	0	0	0	5,168
Intergovernmental	67,947	227,670	0	330,648	626,265
Accrued Interest	1,016	0	0	0	1,016
Interfund	44,080	0	0	0	44,080
Prepaid Items	16,685	2,179	0	274	19,138
Materials and Supplies Inventory	21,872	0	0	0	21,872
Inventory Held for Resale	0	0	0	50,564	50,564
<b>Total Assets</b>	<b>\$8,360,911</b>	<b>\$342,264</b>	<b>\$4,213,391</b>	<b>\$2,215,390</b>	<b>\$15,131,956</b>
<b><u>Liabilities:</u></b>					
Accounts Payable	\$81,315	\$1,330	\$0	\$32,684	\$115,329
Contracts Payable	0	0	0	2,910	2,910
Accrued Wages and Benefits Payable	1,360,525	198,279	0	231,247	1,790,051
Intergovernmental Payable	440,109	33,730	0	68,215	542,054
Interfund Payable	0	269	0	43,811	44,080
Matured Compensated Absences Payable	29,676	0	0	0	29,676
Deferred Revenue	4,822,602	227,670	1,094,983	776,905	6,922,160
<b>Total Liabilities</b>	<b>6,734,227</b>	<b>461,278</b>	<b>1,094,983</b>	<b>1,155,772</b>	<b>9,446,260</b>
<b><u>Fund Balances:</u></b>					
Nonspendable	38,557	2,179	0	274	41,010
Restricted	35,610	0	3,118,408	995,252	4,149,270
Committed	617,396	0	0	260,436	877,832
Assigned	73,334	0	0	1,301	74,635
Unassigned (Deficit)	861,787	(121,193)	0	(197,645)	542,949
<b>Total Fund Balances (Deficit)</b>	<b>1,626,684</b>	<b>(119,014)</b>	<b>3,118,408</b>	<b>1,059,618</b>	<b>5,685,696</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$8,360,911</b>	<b>\$342,264</b>	<b>\$4,213,391</b>	<b>\$2,215,390</b>	<b>\$15,131,956</b>

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2011*

**Total Governmental Fund Balances** \$5,685,696

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

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

Land	7,254,737	
Paintings	53,043	
Depreciable capital assets	64,301,857	
Accumulated depreciation	<u>(13,174,951)</u>	
Total capital assets		58,434,686

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

Delinquent property taxes	1,172,115	
Intergovernmental	595,649	
Investment Earnings	1,016	
Accounts	<u>578</u>	
		1,769,358

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (46,534)

Bond issuance costs reported as an expenditure in governmental funds are recognized as an asset and allocated as an expense over the life of the bonds on a full accrual basis. 167,809

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

General Obligation Bonds	(13,739,026)	
Bond Premiums	(512,219)	
Loss on Refunding	348,908	
Capital leases	(108,944)	
Compensated absences	<u>(1,503,693)</u>	
Total liabilities		<u>(15,514,974)</u>

*Net Assets of Governmental Activities* \$50,496,041

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
**Governmental Funds**  
*For the Fiscal Year Ended June 30, 2011*

	General	Title I	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>					
Property Taxes	\$4,130,770	\$0	\$1,049,517	\$204,351	\$5,384,638
Intergovernmental	18,450,147	2,329,131	187,951	4,535,275	25,502,504
Investment Earnings	18,056	0	0	351	18,407
Tuition and Fees	840,405	0	0	4,980	845,385
Extracurricular Activities	64,785	0	0	87,872	152,657
Rentals	42,241	0	0	0	42,241
Charges for Services	31,251	0	0	154,171	185,422
Contributions and Donations	19,178	0	0	34,654	53,832
Miscellaneous	42,943	0	0	0	42,943
<b>Total Revenues</b>	<b>23,639,776</b>	<b>2,329,131</b>	<b>1,237,468</b>	<b>5,021,654</b>	<b>32,228,029</b>
<b><u>Expenditures:</u></b>					
Current:					
Instruction:					
Regular	12,701,244	128,778	0	399,648	13,229,670
Special	3,398,059	1,595,073	0	921,941	5,915,073
Vocational	411,459	0	0	0	411,459
Student Intervention Services	314,667	194,521	0	439,762	948,950
Intergovernmental	37,500	0	0	0	37,500
Support Services:					
Pupils	1,006,593	0	0	126,788	1,133,381
Instructional Staff	1,317,425	303,233	0	412,393	2,033,051
Board of Education	20,334	0	0	0	20,334
Administration	1,431,911	0	0	114,019	1,545,930
Fiscal	456,861	36,468	29,695	138,313	661,337
Business	84,098	0	0	0	84,098
Operation and Maintenance of Plant	1,865,802	0	0	875,140	2,740,942
Pupil Transportation	532,207	0	0	0	532,207
Central	89,654	0	0	6,915	96,569
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	1,046,331	1,046,331
Other	829	42,804	0	205,771	249,404
Extracurricular Activities	252,865	0	0	100,432	353,297
Capital Outlay	0	0	0	1,454,974	1,454,974
Debt Service:					
Principal Retirement	54,590	0	580,000	0	634,590
Interest and Fiscal Charges	8,299	0	570,002	0	578,301
<b>Total Expenditures</b>	<b>23,984,397</b>	<b>2,300,877</b>	<b>1,179,697</b>	<b>6,242,427</b>	<b>33,707,398</b>
Excess of Revenues Over (Under) Expenditures	(\$344,621)	\$28,254	\$57,771	(\$1,220,773)	(\$1,479,369)

*(continued)*

**Portsmouth City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	<u>General</u>	<u>Title I</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Other Financing Sources (Uses):</u></b>					
Transfers In	\$0	\$0	\$0	\$1,915	\$1,915
Transfers Out	(1,915)	0	0	0	(1,915)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,915)</u>	<u>0</u>	<u>0</u>	<u>1,915</u>	<u>0</u>
Net Change in Fund Balances	(346,536)	28,254	57,771	(1,218,858)	(1,479,369)
Fund Balances (Deficit) at Beginning of Year - Restated (See Note 20)	<u>1,973,220</u>	<u>(147,268)</u>	<u>3,060,637</u>	<u>2,278,476</u>	<u>7,165,065</u>
Fund Balances (Deficit) at End of Year	<u>\$1,626,684</u>	<u>(\$119,014)</u>	<u>\$3,118,408</u>	<u>\$1,059,618</u>	<u>\$5,685,696</u>

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
*Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2011*

**Net Change in Fund Balances - Total Governmental Funds** (\$1,479,369)

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

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

Capital assets additions	2,028,202	
Construction in progress additions	40,101	
Depreciation expense	(2,002,154)	
Excess of depreciation under capital outlay expense		66,149

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

Delinquent property taxes	210,150	
Intergovernmental	73,018	
Tuition and Fees	(30,493)	
Charges for Services	4,009	
Rentals	(4,052)	
Miscellaneous	30,934	
		283,566

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

Bond payments	580,000	
Capital lease payments	54,590	
		634,590

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

Decrease in accrued interest	1,933	
Amortization of bond issuance costs	(12,475)	
Amortization of bond premiums	38,394	
Amortization of loss on refunding	(24,922)	
Accretion on bonds	(45,681)	
		(42,751)

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

Decrease in compensated absences payable		18,460

**Change in Net Assets of Governmental Activities** (\$519,355)

See accompanying notes to the basic financial statements

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**Portsmouth City School District**  
*Statement of Revenues, Expenditures and Changes in*  
*Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$4,235,000	\$4,161,121	\$4,161,121	\$0
Intergovernmental	18,632,640	18,412,647	18,412,647	0
Investment Earnings	25,000	18,037	18,037	0
Tuition and Fees	759,000	831,516	831,516	0
Extracurricular Activities	34,900	81,151	64,785	(16,366)
Rentals	5,000	42,241	42,241	0
Charges for Services	0	2,565	2,565	0
Contributions and Donations	5,050	24,222	19,178	(5,044)
Miscellaneous	209,183	57,041	44,192	(12,849)
<i>Total Revenues</i>	23,905,773	23,630,541	23,596,282	(34,259)
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	13,857,562	13,193,605	12,675,258	518,347
Special	2,569,186	3,482,122	3,341,593	140,529
Vocational	435,307	438,994	425,535	13,459
Student Intervention Services	516,829	353,708	313,169	40,539
Support Services:				
Pupils	934,828	1,021,849	1,004,373	17,476
Instructional Staff	1,142,435	1,378,986	1,302,462	76,524
Board of Education	11,091	20,463	19,936	527
Administration	1,593,868	1,495,975	1,431,459	64,516
Fiscal	617,433	515,566	450,815	64,751
Business	65,354	94,263	85,914	8,349
Operation and Maintenance of Plant	2,151,006	2,024,512	1,878,661	145,851
Pupil Transportation	545,967	624,979	514,478	110,501
Central	189,614	100,300	89,600	10,700
Operation of Non-Instructional Services:				
Other	2,163	1,558	829	729
Extracurricular Activities	268,037	300,309	252,741	47,568
<i>Total Expenditures</i>	24,900,680	25,047,189	23,786,823	1,260,366
Excess of Revenues Under Expenditures	(\$994,907)	(\$1,416,648)	(\$190,541)	\$1,226,107

*(continued)*

**Portsmouth City School District**  
*Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)*  
General Fund  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b><i>Other Financing Sources (Uses):</i></b>				
Refund of Prior Year Expenditures	\$55,382	\$10,333	\$10,333	\$0
Transfers In	92,500	481,232	0	(481,232)
Transfers Out	(425,000)	(485,604)	(1,915)	483,689
Advances In	92,626	92,626	92,626	0
Advances Out	(155,000)	(155,000)	(44,080)	110,920
Refund of Prior Year Receipts	(15,000)	(15,000)	(12,827)	2,173
<i>Total Other Financing Sources (Uses)</i>	(354,492)	(71,413)	44,137	115,550
Net Change in Fund Balance	(1,349,399)	(1,488,061)	(146,404)	1,341,657
Fund Balance at Beginning of Year - Restated	3,246,581	3,246,581	3,246,581	0
Prior Year Encumbrances Appropriated	35,658	35,658	35,658	0
Fund Balance at End of Year	\$1,932,840	\$1,794,178	\$3,135,835	\$1,341,657

See accompanying notes to the basic financial statements



**Portsmouth City School District**  
*Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Budget Basis)  
Title I Special Revenue Fund  
For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Intergovernmental	\$2,829,629	\$2,410,166	\$2,410,166	\$0
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	128,778	128,778	0
Special	1,660,843	1,616,486	1,616,486	0
Student Intervention Services	607,711	306,680	306,680	0
Support Services:				
Instructional Staff	404,647	304,966	304,966	0
Fiscal	34,696	36,468	36,468	0
Operation of Non-Instructional Services:				
Other	62,617	43,041	43,041	0
<i>Total Expenditures</i>	<u>2,770,514</u>	<u>2,436,419</u>	<u>2,436,419</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>59,115</u>	<u>(26,253)</u>	<u>(26,253)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	269	269	0
Advances Out	(1,211)	(1,211)	(1,211)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,211)</u>	<u>(942)</u>	<u>(942)</u>	<u>0</u>
Net Change in Fund Balance	57,904	(27,195)	(27,195)	0
Fund Balance at Beginning of Year	137,165	137,165	137,165	0
Prior Year Encumbrances Appropriated	<u>557</u>	<u>557</u>	<u>557</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$195,626</u></u>	<u><u>\$110,527</u></u>	<u><u>\$110,527</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2011**

	<u>Private Purpose Trust</u>	<u>Agency</u>
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	<u>\$2,211</u>	<u>\$5,237</u>
<b><u>Liabilities:</u></b>		
Undistributed Monies	<u>\$0</u>	<u>\$5,237</u>
<b>Net Assets</b>		
Held in Trust for Scholarships	<u>\$2,211</u>	

See accompanying notes to the basic financial statements

**Portsmouth City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Private Purpose Trust
	Scholarships
<b><u>Additions:</u></b>	
Gifts and Donations	\$1,584
<b><u>Deductions:</u></b>	
Scholarships	1,000
<i>Change in Net Assets</i>	584
<i>Net Assets at Beginning of Year - Restated (See Note 20)</i>	1,627
<i>Net Assets at End of Year</i>	\$2,211

See accompanying notes to the basic financial statements

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District serves an area of approximately 16 square miles. It is located in Scioto County and includes portions of Porter and Vernon Townships. It is staffed by 87 non-certificated employees, 165 certificated full-time personnel and 13 administrative employees who provide services to 2,120 students and other community members. The School District currently operates three instructional buildings and one administration building.

*Reporting Entity*

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

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

The following activities are included within the reporting entity:

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

(continued)

The School District participates in four jointly governed organizations and one insurance purchasing pool. These organizations are presented in Note 17 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

South Central Ohio Computer Association  
Scioto County Career Technical Center  
Coalition of Rural and Appalachian Schools  
Metropolitan Educational Council

Insurance Purchasing Pool:

Ohio SchoolComp Group Retrospective Rating Program

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Presentation**

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

*Government-wide Financial Statements*

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

*Fund Financial Statements*

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

**Fund Accounting**

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

*Governmental Funds*

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Title I Special Revenue Fund – To account for and report federal grants restricted to the special educational needs of educationally deprived children.

Bond Retirement Debt Service Fund – To account for and report the accumulation of restricted property taxes received the payment of general obligation bond principal and interest.

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

*Fiduciary Funds*

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

**Measurement Focus**

*Government-wide Financial Statements*

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

*Fund Financial Statements*

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

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Basis of Accounting**

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

*Revenues - Exchange and Non-exchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

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

*Unearned/Deferred Revenue*

Unearned/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, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as unearned/deferred revenue. Grants and entitlements received before the eligibility requirements are met are recorded as unearned/deferred revenue.



*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

*Expenses/Expenditures*

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

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

**Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in the pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2011, the School District's investments were limited to a negotiable certificate of deposit. Investments are reported at fair value which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Interest credited to the General Fund during fiscal year 2011 amounted to \$18,056, which includes \$9,034 assigned from other School District funds.

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

**Restricted Assets**

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

**Interfund Balances**

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

**Inventory**

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

**Capital Assets**

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

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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.

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Compensated Absences**

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

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Restricted* - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education.

*Unassigned* - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**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 through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**Internal Activity**

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

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

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

**Budgetary Process**

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

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

**Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds/Loss on Refunding**

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

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the period in which the bonds were issued. Accretion on the capital appreciation bonds is not reported. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

**Estimates**

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 3 – ACCOUNTABILITY**

At June 30, 2011, the following funds had a deficit fund balance:

<u>Funds</u>	<u>Amounts</u>
Special Revenue:	
Title I	\$119,014
District Managed Student Activities	33,958
Early Childhood Preschool	13,434
IDEA - B	74,356
Early Childhood Special Education	1,271
Title II - A	29,519
Miscellaneous Federal Grants	44,833

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING** (continued)

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

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

	Net Change in Fund Balance	
	General Fund	Title I Fund
GAAP Basis	(\$346,536)	\$28,254
Adjustments:		
Revenue Accruals	(32,812)	81,035
Expenditure Accruals	191,357	(133,654)
Encumbrances	(6,610)	(1,888)
Advances (Net)	48,546	(942)
Increase in Fair Value of Investments - 2010	9,230	0
Increase in Fair Value of Investments - 2011	(5,315)	0
Unrecorded Cash	(4,264)	0
Budget Basis	(\$146,404)	(\$27,195)

**NOTE 5 – DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board 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 or deposit accounts, including passbook accounts.



**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

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

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

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

*Investments:* As of June 30, 2011, the School District had one negotiable certificate of deposit which had a fair value of \$102,326 and will mature on April 1, 2013.

*Interest Rate Risk*

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

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

*Credit Risk*

The School District's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or issued by United States Government sponsored enterprises.

*Concentration of Credit Risk*

The School District's investment policy places no limit on the amount it may invest in any one issuer. The School District's investment in a negotiable certificate of deposit represents 100 percent of its total investments.

**NOTE 6 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility real and personal property located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 6 – PROPERTY TAXES** (continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2011, was \$354,065 and is recognized as revenue: \$268,442 in the General Fund, \$67,116 in the Bond Retirement Debt Service Fund and \$18,507 in the Other Governmental Funds. The amount available as an advance at June 30, 2010, was \$393,250 and was recognized as revenue: \$298,793 in the General Fund, \$88,817 in the Bond Retirement Debt Service Fund and \$5,640 in the Other Governmental Funds.

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

The assessed values upon which fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$217,702,040	94.10%	\$221,128,420	94.31%
Public Utility Personal	13,210,120	5.71%	13,344,030	5.69%
General Business Personal	435,460	0.19%	0	0.00%
Total Assessed Value	\$231,347,620	100.00%	\$234,472,450	100.00%
Tax rate per \$1,000 of assessed valuation	\$41.03		\$39.03	

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2011, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year, with the exception of the property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 7 – RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Title I	\$217,553
McKinney-Vento Homeless Assistance Program	10,117
Early Childhood Preschool	11,669
IDEA-B	120,406
Title II-D Technology	17,326
Title I School Improvement, Sub A	79,159
Early Childhood Special Education	1,416
Title II-A	49,464
Reading First	42,967
Title VI-B, Rural and Low-Income	8,241
Charges for Services Related to Athletic Activities	35,612
Reimbursement from School Employees	
Retirement System and other governments	32,335
Total Intergovernmental Receivable	\$626,265

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2011, was as follows:

	Balance at 6/30/10	Additions	Deductions	Balance at 6/30/11
<u>Governmental Activities:</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$5,672,425	\$1,582,312	\$0	\$7,254,737
Paintings	53,043	0	0	53,043
Construction in Progress	265,851	40,101	(305,952)	0
Total Capital Assets Not Being Depreciated	5,991,319	1,622,413	(305,952)	7,307,780
<u>Capital Assets Being Depreciated:</u>				
Land Improvements	4,642,102	13,994	0	4,656,096
Buildings and Improvements	51,695,949	305,952	0	52,001,901
Furniture, Fixtures, and Equipment	3,578,602	221,809	(32,427)	3,767,984
Vehicles	904,476	0	(7,500)	896,976
Textbooks	2,768,813	210,087	0	2,978,900
Total Capital Assets Being Depreciated	\$63,589,942	\$751,842	(\$39,927)	\$64,301,857

*(continued)*

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 8 – CAPITAL ASSETS** (continued)

	Balance at 6/30/10	Additions	Deductions	Balance at 6/30/11
<u>Governmental Activities:</u>				
Less Accumulated Depreciation:				
Land Improvements	(\$823,665)	(\$232,289)	\$0	(\$1,055,954)
Buildings and Improvements	(5,236,079)	(1,389,992)	0	(6,626,071)
Furniture, Fixtures, and Equipment	(2,371,170)	(197,746)	32,427	(2,536,489)
Vehicles	(697,651)	(59,756)	7,500	(749,907)
Textbooks	(2,084,159)	(122,371)	0	(2,206,530)
Total Accumulated Depreciation	(11,212,724)	(2,002,154) *	39,927	(13,174,951)
Total Capital Assets Being				
Depreciated, Net	52,377,218	(1,250,312)	0	51,126,906
Governmental Activities				
Capital Assets, Net	\$58,368,537	\$372,101	(\$305,952)	\$58,434,686

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$733,898
Special	205,701
Vocational	33,097
Student Intervention Services	35,471
Support Services:	
Pupils	116,652
Instructional Staff	203,217
Administration	195,929
Fiscal	24,907
Business	12,094
Operation and Maintenance of Plant	177,757
Pupil Transportation	99,471
Operation of Non-Instructional Services:	
Food Service Operations	156,923
Other	3,425
Extracurricular Activities	3,612
Total Depreciation Expense	\$2,002,154

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 9 – RISK MANAGEMENT**

**Property and Liability**

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

Coverage provided by the Hunter-Williams Insurance Agency is as follows:

Building and Contents (including Boiler and Machinery and Inland Marine) - replacement cost (\$1,000 deductible)	\$67,271,625
Auto Liability:	
Liability - Any Auto	1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	1,000,000
Comprehensive - All (\$500 deductible)	Actual Cash Value
Collision - All (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	75,000
Comprehensive	Actual Cash Value
Collision	Actual Cash Value
General Liability:	
Each Occurrence Limit	1,000,000
Damage to Premises Rented - Limit	300,000
Medical Expense Limit (any one person)	15,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
General Aggregate Limit	2,000,000
Products - Completed Operations Aggregate Limit	2,000,000
Excess Liability:	
Liability Limit - Each Accident	1,000,000
Liability Policy Aggregate	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was an increase of \$7,668,225 in the liability for the Building and Contents insurance coverage from last fiscal year in order to more accurately reflect the replacement cost of the buildings.

**NOTE 9 – RISK MANAGEMENT** (continued)

**Workers' Compensation**

For fiscal year 2011, the School District participated in the Ohio SchoolComp Group Retrospective Rating Program (GRRP), an insurance purchasing pool (See Note 17). The intent of the GRRP is to reward participants that are able to keep their claims costs below a predetermined amount. As part of the GRRP, school districts join together as a group. Each school district continues to pay its own individual premium to the State. However, each school district has the opportunity to receive retrospective premium adjustments (refunds or assessments) at 12, 24, and 36 months after the end of the policy year. At the end of each policy year, the Bureau of Workers' Compensation (BWC) will take a snap-shot of the incurred claims losses (indemnity, medical, and reserves) for the entire group and calculate the group's retrospective premium. If the retrospective premium that is calculated is less than the group's total standard premium, the participants will receive a refund. However, if the retrospective premium is greater than the group's total standard premium, an assessment will be levied by BWC. Each group limits the maximum assessment by selecting a premium cap between five percent and 100 percent of merit rated premium. Participation in the GRRP is limited to school districts that can meet the GRRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRRP.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$149,692, \$379,053, and \$235,505, respectively. For fiscal year 2011, 100 percent has been contributed. The full amount has also been contributed for fiscal years 2010 and 2009.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS** (continued)

**State Teachers Retirement System of Ohio**

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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

Funding Policy – Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.



**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS** (continued)

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,316,529, \$1,323,659, and \$1,280,381, respectively. For fiscal year 2011, 84.70 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2011 were \$1,481 made by the School District and \$1,058 made by the plan members. In addition, member contributions of \$17,184 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan, with \$24,058 contributed by the School District.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2011, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 11 – POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 11 – POSTEMPLOYMENT BENEFITS** (continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$35,800. During fiscal year 2011, the School District paid \$39,718 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$57,843, \$53,361, and \$146,558, respectively. For fiscal year 2011, 100 percent has been contributed. The full amount has also been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$9,633, \$22,541, and \$19,431, respectively. For fiscal year 2011, 100 percent has been contributed. The full amount has also been contributed for fiscal years 2010 and 2009.

**State Teachers Retirement System of Ohio**

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**NOTE 11 – POSTEMPLOYMENT BENEFITS** (continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$101,271, \$101,820, and \$98,491, respectively. For fiscal year 2011 84.70 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**NOTE 12 – EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 10 to 25 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers earn sick leave at the rate of one and one-half days per month from September to June. Administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for teachers and 224 days for classified employees. Administrators can accumulate a maximum of the number of contract days plus 15. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 57 days for teachers and 56 days for classified employees. Administrators are paid for one-fourth of accrued, but unused sick leave with no maximum.

**Insurance**

The School District provides medical insurance to all employees through Medical Mutual of Ohio. Certified employees are provided with life insurance through Metropolitan Educational Council (Note 17), dental insurance through Medical Mutual of Ohio, and vision insurance through Vision Service Plan (VSP). Classified employees are provided with life, dental, and vision insurance through the Health Care Plan of AFSCME Local 2684. All employees are provided prescription drug coverage through the Health Care Plan of AFSCME Local 2684. Certified employees pay seven percent of healthcare premiums. Classified employees pay three and one-half percent of healthcare premiums.

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 12 – EMPLOYEE BENEFITS** (continued)

**Deferred Compensation**

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

**NOTE 13 – LEASES – LESSEE DISCLOSURE**

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

The copiers acquired by lease were capitalized in the amount of \$223,240, which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2011 totaled \$54,590 and were paid from the General Fund.

The assets acquired through the capital lease as of June 30, 2011, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Furniture, Fixtures, and Equipment	\$223,240	(\$96,737)	\$126,503

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2011:

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 13 – LEASES – LESSEE DISCLOSURE** (continued)

Fiscal Year Ending June 30,	Total Payments
2012	\$62,889
2013	52,407
Total	115,296
Less: Amount Representing Interest	(6,352)
Present Value of Net Minimum Lease Payments	\$108,944

In prior fiscal years, the School District entered into noncancelable operating leases for the use of a stadium and for a copier. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in fiscal year 2011 totaled \$13,312 in the General Fund.

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

Fiscal Year Ending June 30,	Total Payments
2012	\$13,312
2013	12,760
2014	10,000
2015	10,000
2016	10,000
2017 - 2021	50,000
2022 - 2026	50,000
2027 - 2031	50,000
2032 - 2036	50,000
2037 - 2038	17,500
Total	\$273,572

**NOTE 14 – LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2011 were as follows:

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 14 – LONG-TERM OBLIGATIONS** (continued)

	Principal Outstanding 6/30/10	Additions	Deductions	Principal Outstanding 6/30/11	Due Wthin One Year
<b><u>Governmental Activities:</u></b>					
General Obligation Bonds:					
2002 Classroom Facilities:					
Serial Bonds 3.0 to 5.0%	\$4,510,000	\$0	\$510,000	\$4,000,000	\$545,000
Premium on Debt Issue	53,516	0	3,602	49,914	0
2007 School Improvement					
Refunding Bonds:					
Serial Bonds 3.6 to 4.0%	9,260,000	0	70,000	9,190,000	70,000
Term Bonds 3.73%	325,000	0	0	325,000	0
Capital Appreciation					
Bonds 24.46%	75,000	0	0	75,000	0
Accretion on Capital					
Appreciation Bonds	103,345	45,681	0	149,026	0
Premium on Debt Issue	497,097	0	34,792	462,305	0
Loss on Refunding	(373,830)	0	(24,922)	(348,908)	0
Total General Obligation Bonds	14,450,128	45,681	593,472	13,902,337	615,000
Capital Leases	163,534	0	54,590	108,944	57,945
Compensated Absences	1,522,153	286,326	304,786	1,503,693	230,123
Total Governmental Activities					
Long-Term Obligations	<u>\$16,135,815</u>	<u>\$332,007</u>	<u>\$952,848</u>	<u>\$15,514,974</u>	<u>\$903,068</u>

*2002 Classroom Facilities General Obligation Bonds* - On April 30, 2002, the School District issued \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. The bonds were issued for a 23 year period with final maturity in December 2024. The bonds will be retired from the Bond Retirement Fund. During fiscal year 2007, \$9,800,000 of these serial bonds were refunded. At June 30, 2011, \$9,800,000 of the refunded bonds were outstanding. Assets are being held in escrow to retire these bonds at maturity.

The serial bonds of the 2002 Classroom Facilities General Obligation Bonds outstanding at June 30, 2011, have maturity dates of December 1, 2011, to December 1, 2016. The bonds are subject to optional redemption, in whole or in part on any date in inverse order of maturity and by lot within a maturity at the option of the issuer on or after December 1, 2016, at the redemption price of 100 percent.

*2007 School Improvement Refunding Bonds* - On October 11, 2006, the School District issued \$9,800,000 in general obligation bonds for the purpose of advance refunding a portion of the 2002 Classroom Facilities General Obligation Serial Bonds.

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

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**NOTE 14 – LONG-TERM OBLIGATIONS** (continued)

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

The capital appreciation bonds of the 2007 School Improvement General Obligation Refunding Bonds, issued at \$75,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2018 in the amount of \$980,000. Accretion on the capital appreciation bonds for fiscal year 2011 was \$45,681.

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

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

Compensated absences will be paid from the General Fund.

The School District's overall legal debt margin was \$10,630,929 with an unvoted debt margin of \$234,472 at June 30, 2011.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2011, are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Term Bond	Total
2012	\$615,000	\$545,762	\$0	\$0	\$0	\$1,160,762
2013	665,000	519,232	0	0	0	1,184,232
2014	630,000	490,139	0	0	0	1,120,139
2015	675,000	458,149	0	0	0	1,133,149
2016	745,000	422,434	0	0	0	1,167,434
2017-2021	4,220,000	1,633,351	75,000	905,000	325,000	7,158,351
2022-2026	5,640,000	462,200	0	0	0	6,102,200
Total	<u>\$13,190,000</u>	<u>\$4,531,267</u>	<u>\$75,000</u>	<u>\$905,000</u>	<u>\$325,000</u>	<u>\$19,026,267</u>

**Portsmouth City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2011

**NOTE 15 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Title I	Bond Retirement	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>					
Prepays	\$16,685	\$2,179	\$0	\$274	\$19,138
Inventory	21,872	0	0	0	21,872
<b><i>Total Nonspendable</i></b>	<b>38,557</b>	<b>2,179</b>	<b>0</b>	<b>274</b>	<b>41,010</b>
<b><i>Restricted for</i></b>					
Textbooks and Instructional					
Materials	14,584	0	0	0	14,584
Bus Purchases	21,026	0	0	0	21,026
Debt Payment	0	0	3,118,408	0	3,118,408
Food Service Operations	0	0	0	96,834	96,834
Autism Grant	0	0	0	595	595
Special Donations	0	0	0	35,305	35,305
Facilities Maintenance	0	0	0	633,609	633,609
Auxillary Service Non Public	0	0	0	86,205	86,205
Vocational Education	0	0	0	714	714
Reading First Grant	0	0	0	43,158	43,158
Rural and Low-Income					
Title VI-B	0	0	0	3,753	3,753
School Improv. Stimulus	0	0	0	3,040	3,040
Capital Improvements	0	0	0	92,039	92,039
<b><i>Total Restricted</i></b>	<b>35,610</b>	<b>0</b>	<b>3,118,408</b>	<b>995,252</b>	<b>4,149,270</b>
<b><i>Committed to</i></b>					
Future Severance Payments	617,396	0	0	0	617,396
Capital Improvements	0	0	0	142,366	142,366
Special Donations	0	0	0	118,070	118,070
<b><i>Total Committed</i></b>	<b>617,396</b>	<b>0</b>	<b>0</b>	<b>260,436</b>	<b>877,832</b>
<b><i>Assigned to</i></b>					
Other Purposes	73,334	0	0	1,301	74,635
<b><i>Unassigned (Deficit)</i></b>	<b>861,787</b>	<b>(121,193)</b>	<b>0</b>	<b>(197,645)</b>	<b>542,949</b>
<b><i>Total Fund Balances</i></b>	<b>\$1,626,684</b>	<b>(\$119,014)</b>	<b>\$3,118,408</b>	<b>\$1,059,618</b>	<b>\$5,685,696</b>



*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 16 – INTERFUND ACTIVITY**

As of June 30, 2011, interfund receivables and payables that resulted from various interfund transactions were as follows:

		<b>Receivable</b>
		General
	Title I	\$269
<b>Payable</b>	Other Governmental Funds	43,811
	Total	\$44,080

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

Transfers made during the fiscal year ended June 30, 2011, were as follows:

		<b>Transfers From</b>
		General
	Other Governmental Funds	\$1,915
<b>Transfers To</b>		\$1,915

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

**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL**

**Jointly Governed Organizations**

*South Central Ohio Computer Association*

The School District is a participant in the South Central Ohio Computer Association (SCOCA), which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Jackson, Vinton, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists

**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL** (continued)

of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$6,429 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

*Scioto County Career Technical Center*

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

*Coalition of Rural and Appalachian Schools*

The Coalition of Rural and Appalachian Schools (the “Coalition”) is a jointly governed organization of over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of 14 members. The Board members are composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various services for School District administrative personnel; gathers data regarding education conditions in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for School District personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District paid \$325 to the Coalition for services provided during the fiscal year.

*Metropolitan Educational Council*

The School District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 100 members, which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts) and one representative from each county outside Franklin County. In particular, the School District participates in an insurance purchasing pool, which is managed by MEC, to obtain lower costs for life insurance coverage for their employees.

*Portsmouth City School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL** (continued)

The School District pays premiums to MEC based on the number of employees who participate, the amount of coverage provided, and what MEC estimates will cover the costs to provide that coverage. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, OH 43219.

**Insurance Purchasing Pool**

*Ohio SchoolComp Group Retrospective Rating Program*

The School District participates in the Ohio SchoolComp Group Retrospective Rating Program (GRRP), an insurance purchasing pool. The GRRP’s business and affairs are conducted by a five member Board of Directors. Each fiscal year, the participants pay an enrollment fee to CompManagement, Inc. to cover the costs of administering the program.

**NOTE 18 – SET-ASIDE CALCULATIONS**

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 instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Balance as of June 30, 2010	\$40,028	\$123,030
Current Fiscal Year Set-aside Requirement	269,093	269,093
Current Fiscal Year Offsets	0	(312,154)
Qualifying Disbursements	(294,537)	(118,601)
Set-aside Balance as of June 30, 2011	\$14,584	(\$38,632)
Required Set-aside Balances	\$14,584	\$0

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 18 – SET-ASIDE CALCULATIONS** (continued)

The School District had offsets and qualifying disbursements during the fiscal year that reduced the capital acquisitions set-aside amount below zero. The extra amount for capital acquisitions may not be used to reduce the set-aside requirement of future fiscal years. The negative amount is therefore not presented as being carried forward to the next fiscal year. See Note 22 for more information on set-asides.

**NOTE 19 – CONTINGENCIES**

**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, 2011.

**Litigation**

The School District is not a party to legal proceedings.

**NOTE 20 – RESTATEMENT OF PRIOR NET ASSETS AND FUND BALANCES AND A CHANGE IN ACCOUNTING PRINCIPLES**

The Portsmouth City School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the following change to fund balances and net assets at June 30, 2010, as previously reported:

	General Fund	Title I	Other Governmental Funds	Private Purpose Trust Fund
Fund Balance, June 30, 2010, as Previously Reported	\$1,976,383	\$0	\$2,129,672	\$0
Restatement of Fund Balance	(3,163)	0	1,536	1,627
Major Fund in Fiscal Year 2011	0	(147,268)	147,268	0
Fund Balance, June 30, 2010, as Restated	<u>\$1,973,220</u>	<u>(\$147,268)</u>	<u>\$2,278,476</u>	<u>\$1,627</u>

*Portsmouth City School District*  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**NOTE 20 – RESTATEMENT OF PRIOR NET ASSETS AND FUND BALANCES AND A CHANGE IN ACCOUNTING PRINCIPLES** (continued)

	<u>Governmental Activities</u>
Net Assets, June 30, 2010, as Previously Reported	\$51,027,744
Restatement of Net Assets	(12,348)
Net Assets, June 30, 2010, as Restated	<u>\$51,015,396</u>

In fiscal year 2010, there was an accounts payable balance that was reported in the Classroom Facilities Capital Projects Fund that should have been reported in Permanent Improvements Capital Project Fund. Balances were restated to correct this error. Both of these funds are reported in Other Governmental Funds. There was no effect on beginning fund balance of Other Governmental Funds as a result.

GASB Statement No. 59, “Financial Instruments Omnibus” was implemented by the School District for fiscal year 2011. This Statement addresses the changes to several GASB Statements regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of this Statement did not result in any changes to the School District’s financial statements.

**NOTE 21 – FINANCIAL CONDITION**

On April 19, 2001, the School District was placed into Fiscal Caution by the Ohio Department of Education. Under Ohio Revised Code Section 3316.031(B)(3), the Ohio Department of Education shall place a school district in Fiscal Caution when the Auditor of State certifies a forecasted General Fund deficit between 2 percent and 8 percent of the General Fund’s prior year’s revenues. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education. By law, school districts must provide written proposals for discontinuing or correcting the practices and conditions that led to the declaration of Fiscal Caution. The School District will be required to update their recovery plan if the School District experiences a significant change of events. A performance audit was conducted on the School District by the Auditor of State of Ohio dated June 26, 2002 to evaluate ways to improve operations within the School District. As of June 30, 2011, the School District was still in fiscal caution. See Note 22 for more information on the fiscal caution status of the School District.

**NOTE 22 – SUBSEQUENT EVENT**

On September 14, 2011, the School District issued refunding bonds in the amount of \$2,864,457 for the purpose of refinancing a portion of the outstanding 2002 Classroom Facilities Bonds.

The textbooks and instructional materials set-aside requirement has been eliminated effective July 1, 2011.

The Ohio Department of Education released the School District from fiscal caution on October 26, 2011. An additional performance audit was conducted on the School District by the Auditor of State of Ohio dated December 8, 2011 to further identify opportunities for savings and process improvements as well as opportunities to implement leading practices with the School District.

**PORTSMOUTH CITY SCHOOL DISTRICT**  
**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

*Portsmouth City School District*

*Nonmajor Governmental Fund Descriptions*

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***SPECIAL REVENUE FUNDS***

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor special revenue funds:

***Nonmajor Special Revenue Funds***

Food Service

This fund accounts for and reports lunchroom sales restricted to the food service operations of the School District.

Other Local Programs

This fund is used to account for and report local grants and donations that are restricted by the grantor or donor to expend for specified purposes.

Special Donations

This fund accounts for and reports committed monies received as a result of certain contributions and donations given to the School District. By resolution, monies receipted into this fund are to be used for a variety of purposes, all of which must promote education within the School District. Such items can include operating or capital costs of any existing or new innovative programs, scholarships for students or teachers, and assisting students with financial needs. This fund also accounts for and reports restricted monies received as a result of certain contributions and donations given to the School District which are to be used solely for scholarships. Each contributor has specified restrictions that are placed on each of these scholarships (i.e. the scholarship is to be awarded to a student pursuing a career in nursing).

School Facilities Maintenance

This fund accounts for and reports property taxes revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

District Managed Student Activities

This fund accounts for and reports extracurricular revenues, primarily fees that are restricted by State Law to student activity programs which have student participation, but do not have student management of the programs.

(continued)

*Portsmouth City School District*

*Nonmajor Governmental Fund Descriptions - (continued)*

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*Nonmajor Special Revenue Funds - (continued)*

Auxiliary Services Non Public

This fund accounts for and reports restricted State grants to provide services and materials to pupils attending non public schools within the School District.

Education Management Information System

This fund accounts for and reports restricted State grants which are used for hardware and software development, utilities, materials and supplies, or other costs associated with the requirements of the management information system.

Early Childhood Preschool

This fund accounts for and reports restricted State grant monies used to fund the preschool program required by State Law to be provided to three and four year old children of income-eligible families.

SchoolNet Praise

This fund accounts for and reports restricted State grants used for Ohio Educational Computer Network connections.

Vocational Education Enhancement

This fund accounts for and reports restricted State grants used to fund vocational enhancements such as expanding enrollment in vocational programs, to enable students to develop career plans and goals, and to replace or update equipment used in the instruction of educational programs.

Miscellaneous State Grants

This fund accounts for and reports restricted grants received from various State agencies which are not classified elsewhere.

IDEA-B

This fund accounts for and reports restricted federal grants used to offer full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

State Fiscal Stabilization Fund

This fund accounts for and reports restricted federal grants from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

(continued)



***Portsmouth City School District***

***Nonmajor Governmental Fund Descriptions - (continued)***

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***Nonmajor Special Revenue Funds - (continued)***

Title II-D Technology

This fund accounts for and reports restricted federal grants allocated from the American Recovery and Reinvestment Act to Ohio for professional development and student learning. The grant offers a unique opportunity to schools that are ready and willing to embrace the change that is required for 21<sup>st</sup> Century learning. Through sustained, collaborative, job-embedded professional development and the use of research-based methods, teachers will experience new models and strategies for teaching and learning. Teachers will become facilitators and co-learners, and create technology-enabled learning environments in which students will meet or exceed the State academic content standards and develop 21<sup>st</sup> Century skills.

Title I – School Improvement, Sub A

This fund accounts for and reports restricted federal grants allocated from the American Recovery and Reinvestment Act to Ohio for distribution to school districts based on four distinct funding formulas as affected by census poverty data. The funding is to provide supplemental funding to economically disadvantaged school districts and some of their eligible schools for improving educational outcomes for students who are failing or at risk of failing to meet State standards.

Title I – School Improvement, Sub G

This fund accounts for and reports restricted federal school improvement grants provided to School District buildings through a competitive process in amounts ranging from \$50,000 to \$2,000,000 per year for three years for implementing a school improvement plan that is focused on the specific reasons that caused the building to be identified for school improvement under the No Child Left Behind Act.

Drug Free Schools

This fund accounts for and reports restricted federal grants provided to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

Early Childhood Special Education

This fund accounts for and reports restricted federal grants used to support preschool improvement and expansion of services for handicapped children ages three through five years.

(continued)

*Portsmouth City School District*

*Nonmajor Governmental Fund Descriptions - (continued)*

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*Nonmajor Special Revenue Funds - (continued)*

Title II-A

This fund accounts for and reports restricted federal grants used to help schools increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and principals in the schools; and hold schools accountable for improvements in student academic achievements.

Miscellaneous Federal Grants

This fund accounts for and reports various restricted federal grants received from federal agencies which are not classified elsewhere.

***CAPITAL PROJECTS FUNDS***

The Capital Projects Funds are established to account for and report financial resources that are restricted, committed or assigned to capital outlays including acquisition or construction of capital facilities and other capital outlays. The following are descriptions of the School District's nonmajor Capital Projects Funds:

***Nonmajor Capital Projects Funds***

Permanent Improvement

This fund accounts for and reports restricted transactions relating to the School District's classroom facilities project, the remaining balance of which is being used for acquiring, constructing, or improving School District facilities. This fund also accounts for committed monies relating to the School District's Board of Education, by resolution, moving a portion of General Fund tax dollars and associated intergovernmental revenues to this fund for the purpose of acquiring, constructing, or improving of such permanent improvements.

Site Acquisition

This fund accounts for and reports debt proceeds restricted to acquiring real property.

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$1,145,248	\$223,892	\$1,369,140
Receivables:			
Property Taxes	92,045	372,719	464,764
Intergovernmental	330,648	0	330,648
Prepaid Items	274	0	274
Inventory Held for Resale	50,564	0	50,564
<b>Total Assets</b>	<b>\$1,618,779</b>	<b>\$596,611</b>	<b>\$2,215,390</b>
<b><u>Liabilities:</u></b>			
Accounts Payable	\$32,684	\$0	\$32,684
Contracts Payable	0	2,910	2,910
Accrued Wages and Benefits Payable	231,247	0	231,247
Intergovernmental Payable	68,215	0	68,215
Interfund Payable	43,811	0	43,811
Deferred Revenue	417,609	359,296	776,905
<b>Total Liabilities</b>	<b>793,566</b>	<b>362,206</b>	<b>1,155,772</b>
<b><u>Fund Balances:</u></b>			
Nonspendable	274	0	274
Restricted	903,213	92,039	995,252
Committed	118,070	142,366	260,436
Assigned	1,301	0	1,301
Unassigned (Deficit)	(197,645)	0	(197,645)
<b>Total Fund Balances</b>	<b>825,213</b>	<b>234,405</b>	<b>1,059,618</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,618,779</b>	<b>\$596,611</b>	<b>\$2,215,390</b>

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**Portsmouth City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>Revenues:</u></b>			
Property Taxes	\$76,972	\$127,379	\$204,351
Intergovernmental	4,517,096	18,179	4,535,275
Investment Earnings	345	6	351
Tuition and Fees	4,980	0	4,980
Extracurricular Activities	87,872	0	87,872
Charges for Services	154,171	0	154,171
Contributions and Donations	34,654	0	34,654
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Revenues</i>	<u>4,876,090</u>	<u>145,564</u>	<u>5,021,654</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	399,648	0	399,648
Special	921,941	0	921,941
Student Intervention Services	439,762	0	439,762
Support Services:			
Pupils	126,788	0	126,788
Instructional Staff	412,393	0	412,393
Administration	114,019	0	114,019
Fiscal	127,732	10,581	138,313
Operation and Maintenance of Plant	875,140	0	875,140
Central	6,915	0	6,915
Operation of Non-Instructional Services:			
Food Service Operations	1,046,331	0	1,046,331
Other	205,771	0	205,771
Extracurricular Activities	100,432	0	100,432
Capital Outlay	0	1,454,974	1,454,974
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Expenditures</i>	<u>4,776,872</u>	<u>1,465,555</u>	<u>6,242,427</u>
Excess of Revenues Over (Under) Expenditures	99,218	(1,319,991)	(1,220,773)
<b><u>Other Financing Sources:</u></b>			
Transfers In	1,915	0	1,915
	<u>          </u>	<u>          </u>	<u>          </u>
Net Change in Fund Balances	101,133	(1,319,991)	(1,218,858)
Fund Balances at Beginning of Year - Restated (See Note 20)	724,080	1,554,396	2,278,476
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balances at End of Year	<u>\$825,213</u>	<u>\$234,405</u>	<u>\$1,059,618</u>

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2011**

	Food Service	Other Local Programs	Special Donations	School Facilities Maintenance
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$138,762	\$1,896	\$153,375	\$632,264
Receivables:				
Property Taxes	0	0	0	92,045
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Inventory Held for Resale	50,564	0	0	0
<b>Total Assets</b>	<b>\$189,326</b>	<b>\$1,896</b>	<b>\$153,375</b>	<b>\$724,309</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$2,462	\$0	\$0	\$3,739
Accrued Wages and Benefits Payable	54,196	0	0	0
Intergovernmental Payable	35,834	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	86,961
<b>Total Liabilities</b>	<b>92,492</b>	<b>0</b>	<b>0</b>	<b>90,700</b>
<b><u>Fund Balances:</u></b>				
Nonspendable	0	0	0	0
Restricted	96,834	595	35,305	633,609
Committed	0	0	118,070	0
Assigned	0	1,301	0	0
Unassigned (Deficits)	0	0	0	0
<b>Total Fund Balances (Deficits)</b>	<b>96,834</b>	<b>1,896</b>	<b>153,375</b>	<b>633,609</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$189,326</b>	<b>\$1,896</b>	<b>\$153,375</b>	<b>\$724,309</b>

<u>District Managed Student Activities</u>	<u>Auxiliary Services Non Public</u>	<u>Early Childhood Preschool</u>	<u>Vocational Education Enhancement</u>	<u>Miscellaneous State Grants</u>	<u>IDEA-B</u>
\$3,516	\$98,975	\$3,207	\$714	\$46,911	\$27,159
0	0	0	0	0	0
0	0	11,669	0	0	120,406
0	0	0	0	0	274
0	0	0	0	0	0
<u>\$3,516</u>	<u>\$98,975</u>	<u>\$14,876</u>	<u>\$714</u>	<u>\$46,911</u>	<u>\$147,839</u>
\$1,904	\$5,736	\$0	\$0	\$0	\$6,352
0	5,975	14,104	0	0	79,745
0	1,059	2,537	0	0	15,692
35,570	0	0	0	0	0
0	0	11,669	0	0	120,406
<u>37,474</u>	<u>12,770</u>	<u>28,310</u>	<u>0</u>	<u>0</u>	<u>222,195</u>
0	0	0	0	0	274
0	86,205	0	714	46,911	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(33,958)</u>	<u>0</u>	<u>(13,434)</u>	<u>0</u>	<u>0</u>	<u>(74,630)</u>
<u>(33,958)</u>	<u>86,205</u>	<u>(13,434)</u>	<u>714</u>	<u>46,911</u>	<u>(74,356)</u>
<u>\$3,516</u>	<u>\$98,975</u>	<u>\$14,876</u>	<u>\$714</u>	<u>\$46,911</u>	<u>\$147,839</u>

(continued)

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2011**  
*(continued)*

	Title II-D Technology	Title I School Improvement, Sub A	Early Childhood Special Education	Title II-A
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$3,040	\$333	\$14,086
Receivables:				
Property Taxes	0	0	0	0
Intergovernmental	17,326	79,159	1,416	49,464
Prepaid Items	0	0	0	0
Inventory Held for Resale	0	0	0	0
<b>Total Assets</b>	<b>\$17,326</b>	<b>\$82,199</b>	<b>\$1,749</b>	<b>\$63,550</b>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	0	0	968	37,167
Intergovernmental Payable	0	0	636	6,438
Interfund Payable	0	0	0	0
Deferred Revenue	17,326	79,159	1,416	49,464
<b>Total Liabilities</b>	<b>17,326</b>	<b>79,159</b>	<b>3,020</b>	<b>93,069</b>
<b><u>Fund Balances:</u></b>				
Nonspendable	0	0	0	0
Restricted	0	3,040	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficits)	0	0	(1,271)	(29,519)
<b>Total Fund Balances (Deficits)</b>	<b>0</b>	<b>3,040</b>	<b>(1,271)</b>	<b>(29,519)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$17,326</b>	<b>\$82,199</b>	<b>\$1,749</b>	<b>\$63,550</b>



Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$21,010	\$1,145,248
0	92,045
51,208	330,648
0	274
<u>0</u>	<u>50,564</u>
<u>\$72,218</u>	<u>\$1,618,779</u>
\$12,491	\$32,684
39,092	231,247
6,019	68,215
8,241	43,811
<u>51,208</u>	<u>417,609</u>
<u>117,051</u>	<u>793,566</u>
0	274
0	903,213
0	118,070
0	1,301
<u>(44,833)</u>	<u>(197,645)</u>
<u>(44,833)</u>	<u>825,213</u>
<u>\$72,218</u>	<u>\$1,618,779</u>

**Portsmouth City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Food Service	Other Local Programs	Special Donations	School Facilities Maintenance
<b><u>Revenues:</u></b>				
Property Taxes	\$0	\$0	\$0	\$76,972
Intergovernmental	937,506	0	0	102,546
Investment Earnings	43	0	187	0
Tuition and Fees	4,980	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	154,171	0	0	0
Contributions and Donations	0	2,340	32,214	0
<i>Total Revenues</i>	<u>1,096,700</u>	<u>2,340</u>	<u>32,401</u>	<u>179,518</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	0	1,830	11,681	0
Special	0	0	0	0
Student Intervention Services	0	0	0	0
Support Services:				
Pupils	0	0	5,000	0
Instructional Staff	0	0	0	0
Administration	0	150	0	0
Fiscal	147	0	0	15,059
Operation and Maintenance of Plant	4,473	0	0	137,263
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,046,331	0	0	0
Other	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,050,951</u>	<u>1,980</u>	<u>16,681</u>	<u>152,322</u>
Excess of Revenues Over (Under) Expenditures	45,749	360	15,720	27,196
<b><u>Other Financing Sources:</u></b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	45,749	360	15,720	27,196
Fund Balances (Deficits) at Beginning of Year				
Restated - (See Note 20)	<u>51,085</u>	<u>1,536</u>	<u>137,655</u>	<u>606,413</u>
Fund Balances (Deficits) at End of Year	<u>\$96,834</u>	<u>\$1,896</u>	<u>\$153,375</u>	<u>\$633,609</u>

District Managed Student Activities	Auxiliary Services Non Public	Education Management Information System	Early Childhood Preschool	SchoolNet Praise	Vocational Education Enhancement
\$0	\$0	\$0	\$0	\$0	\$0
0	236,361	5,000	114,897	6,825	308
0	115	0	0	0	0
0	0	0	0	0	0
87,872	0	0	0	0	0
0	0	0	0	0	0
100	0	0	0	0	0
<u>87,972</u>	<u>236,476</u>	<u>5,000</u>	<u>114,897</u>	<u>6,825</u>	<u>308</u>
0	0	0	0	0	0
0	0	0	92,221	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	31,004	10,184	308
0	0	0	0	0	0
0	0	0	0	0	0
0	0	6,915	0	0	0
0	0	0	0	0	0
0	191,639	0	0	0	0
100,432	0	0	0	0	0
<u>100,432</u>	<u>191,639</u>	<u>6,915</u>	<u>123,225</u>	<u>10,184</u>	<u>308</u>
(12,460)	44,837	(1,915)	(8,328)	(3,359)	0
<u>0</u>	<u>0</u>	<u>1,915</u>	<u>0</u>	<u>0</u>	<u>0</u>
(12,460)	44,837	0	(8,328)	(3,359)	0
<u>(21,498)</u>	<u>41,368</u>	<u>0</u>	<u>(5,106)</u>	<u>3,359</u>	<u>714</u>
<u>(\$33,958)</u>	<u>\$86,205</u>	<u>\$0</u>	<u>(\$13,434)</u>	<u>\$0</u>	<u>\$714</u>

(continued)

**Portsmouth City School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2011  
(continued)

	Miscellaneous State Grants	IDEA-B	State Fiscal Stabilization Fund
<b><u>Revenues:</u></b>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	0	790,769	1,504,501
Investment Earnings	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Charges for Services	0	0	0
Contributions and Donations	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>790,769</u>	<u>1,504,501</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	0	0	386,137
Special	0	444,101	77,909
Student Intervention Services	0	0	0
Support Services:			
Pupils	0	100,456	0
Instructional Staff	0	257,039	49,000
Administration	0	0	113,869
Fiscal	0	11,717	84,527
Operation and Maintenance of Plant	0	0	733,404
Central	0	0	0
Operation of Non-Instructional Services:			
Food Service Operations	0	0	0
Other	0	1,641	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>814,954</u>	<u>1,444,846</u>
Excess of Revenues Over (Under) Expenditures	0	(24,185)	59,655
<b><u>Other Financing Sources:</u></b>			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	(24,185)	59,655
Fund Balances (Deficits) at Beginning of Year			
Restated - (See Note 20)	<u>46,911</u>	<u>(50,171)</u>	<u>(59,655)</u>
Fund Balances (Deficits) at End of Year	<u><u>\$46,911</u></u>	<u><u>(\$74,356)</u></u>	<u><u>\$0</u></u>

<u>Title II-D Technology</u>	<u>Title I School Improvement, Sub A</u>	<u>Title I School Improvement, Sub G</u>	<u>Drug Free Schools</u>	<u>Early Childhood Special Education</u>
\$0	\$0	\$0	\$0	\$0
4,714	8,310	5,566	1,034	13,003
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>4,714</u>	<u>8,310</u>	<u>5,566</u>	<u>1,034</u>	<u>13,003</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
5,818	5,630	6,951	229	11,231
0	0	0	0	0
119	0	0	0	190
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>5,937</u>	<u>5,630</u>	<u>6,951</u>	<u>229</u>	<u>11,421</u>
(1,223)	2,680	(1,385)	805	1,582
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,223)	2,680	(1,385)	805	1,582
<u>1,223</u>	<u>360</u>	<u>1,385</u>	<u>(805)</u>	<u>(2,853)</u>
<u>\$0</u>	<u>\$3,040</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,271)</u>

(continued)

**Portsmouth City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b><u>Revenues:</u></b>			
Property Taxes	\$0	\$0	\$76,972
Intergovernmental	294,256	491,500	4,517,096
Investment Earnings	0	0	345
Tuition and Fees	0	0	4,980
Extracurricular Activities	0	0	87,872
Charges for Services	0	0	154,171
Contributions and Donations	0	0	34,654
<i>Total Revenues</i>	<u>294,256</u>	<u>491,500</u>	<u>4,876,090</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	0	0	399,648
Special	307,710	0	921,941
Student Intervention Services	0	439,762	439,762
Support Services:			
Pupils	0	21,332	126,788
Instructional Staff	0	34,999	412,393
Administration	0	0	114,019
Fiscal	6,466	9,507	127,732
Operation and Maintenance of Plant	0	0	875,140
Central	0	0	6,915
Operation of Non-Instructional Services:			
Food Service Operations	0	0	1,046,331
Other	0	12,491	205,771
Extracurricular Activities	0	0	100,432
<i>Total Expenditures</i>	<u>314,176</u>	<u>518,091</u>	<u>4,776,872</u>
Excess of Revenues Over (Under) Expenditures	(19,920)	(26,591)	99,218
<b><u>Other Financing Sources:</u></b>			
Transfers In	0	0	1,915
Net Change in Fund Balances	(19,920)	(26,591)	101,133
Fund Balances (Deficits) at Beginning of Year			
Restated - (See Note 20)	<u>(9,599)</u>	<u>(18,242)</u>	<u>724,080</u>
Fund Balances (Deficits) at End of Year	<u>(\$29,519)</u>	<u>(\$44,833)</u>	<u>\$825,213</u>

**Portsmouth City School District**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Fund**  
**June 30, 2011**

	<u>Permanent Improvement</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$223,892
Receivables:	
Property Taxes	<u>372,719</u>
<i>Total Assets</i>	<u><u>\$596,611</u></u>
<b><u>Liabilities:</u></b>	
Contracts Payable	\$2,910
Deferred Revenue	<u>359,296</u>
<i>Total Liabilities</i>	<u>362,206</u>
<b><u>Fund Balances:</u></b>	
Restricted	92,039
Committed	<u>142,366</u>
<i>Total Fund Balance</i>	<u>234,405</u>
<i>Total Liabilities and Fund Balance</i>	<u><u>\$596,611</u></u>

**Portsmouth City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Permanent Improvement	Site Acquisition	Total Nonmajor Capital Projects Funds
<b><u>Revenues:</u></b>			
Property Taxes	\$127,379	\$0	\$127,379
Intergovernmental	18,179	0	18,179
Investment Earnings	0	6	6
<i>Total Revenues</i>	<u>145,558</u>	<u>6</u>	<u>145,564</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal	10,581	0	10,581
Capital Outlay	1,451,947	3,027	1,454,974
<i>Total Expenditures</i>	<u>1,462,528</u>	<u>3,027</u>	<u>1,465,555</u>
Net Change in Fund Balances	(1,316,970)	(3,021)	(1,319,991)
Fund Balances at Beginning of Year			
Restated - (See Note 20)	1,551,375	3,021	1,554,396
Fund Balances at End of Year	<u><u>\$234,405</u></u>	<u><u>\$0</u></u>	<u><u>\$234,405</u></u>



*Portsmouth City School District*

*Fiduciary Fund Description*

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***AGENCY FUND***

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

Student Managed Activity

This fund accounts for and reports student activity programs which have student participation in the activity and have students involved in the management of the program.

**Portsmouth City School District**  
*Statement of Changes in Assets and Liabilities*  
 Agency Fund  
 For the Fiscal Year Ended June 30, 2011

	Balance at 6/30/2010	Additions	Deletions	Balance at 6/30/2011
<b>STUDENT MANAGED ACTIVITY</b>				
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$6,473	\$13,608	\$14,844	\$5,237
<b><u>Liabilities:</u></b>				
Undistributed Monies	\$6,473	\$13,608	\$14,844	\$5,237

**PORTSMOUTH CITY SCHOOL DISTRICT**

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

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$4,161,121	\$4,161,121	\$0
Intergovernmental	18,412,647	18,412,647	0
Investment Earnings	18,037	18,037	0
Tuition and Fees	831,516	831,516	0
Extracurricular Activities	81,151	64,785	(16,366)
Rentals	42,241	42,241	0
Charges for Services	2,565	2,565	0
Contributions and Donations	24,222	19,178	(5,044)
Miscellaneous	57,041	44,192	(12,849)
<i>Total Revenues</i>	<u>23,630,541</u>	<u>23,596,282</u>	<u>(34,259)</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries	4,085,256	3,701,305	383,951
Fringe Benefits	1,747,183	1,641,196	105,987
Purchased Services	7,172,896	7,163,151	9,745
Materials and Supplies	148,435	130,695	17,740
Capital Outlay	38,484	37,960	524
Other	1,351	951	400
Total Regular	<u>13,193,605</u>	<u>12,675,258</u>	<u>518,347</u>
Special:			
Salaries	2,176,022	2,167,590	8,432
Fringe Benefits	1,084,737	1,036,185	48,552
Purchased Services	195,559	114,131	81,428
Materials and Supplies	25,804	23,687	2,117
Total Special	<u>3,482,122</u>	<u>3,341,593</u>	<u>140,529</u>
Vocational:			
Salaries	278,620	278,404	216
Fringe Benefits	145,372	132,342	13,030
Materials and Supplies	14,302	14,103	199
Capital Outlay	700	686	14
Total Vocational	<u>438,994</u>	<u>425,535</u>	<u>13,459</u>
Student Intervention Services:			
Salaries	277,261	250,779	26,482
Fringe Benefits	69,824	55,767	14,057
Purchased Services	6,623	6,623	0
Total Student Intervention Services	<u>353,708</u>	<u>313,169</u>	<u>40,539</u>
Total Instruction	<u>\$17,468,429</u>	<u>\$16,755,555</u>	<u>\$712,874</u> (continued)

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
Support Services:			
Pupils:			
Salaries	\$731,960	\$723,690	\$8,270
Fringe Benefits	270,252	266,911	3,341
Purchased Services	5,720	1,820	3,900
Materials and Supplies	6,791	5,326	1,465
Other	7,126	6,626	500
Total Pupils	<u>1,021,849</u>	<u>1,004,373</u>	<u>17,476</u>
Instructional Staff:			
Salaries	775,291	758,230	17,061
Fringe Benefits	438,471	427,044	11,427
Purchased Services	58,130	42,800	15,330
Materials and Supplies	52,141	43,200	8,941
Capital Outlay	54,698	30,933	23,765
Other	255	255	0
Total Instructional Staff	<u>1,378,986</u>	<u>1,302,462</u>	<u>76,524</u>
Board of Education:			
Salaries	7,500	7,125	375
Fringe Benefits	2,067	2,043	24
Purchased Services	1,700	1,572	128
Materials and Supplies	310	310	0
Other	8,886	8,886	0
Total Board of Education	<u>20,463</u>	<u>19,936</u>	<u>527</u>
Administration:			
Salaries	785,645	776,341	9,304
Fringe Benefits	400,104	393,671	6,433
Purchased Services	118,500	94,315	24,185
Materials and Supplies	45,198	27,199	17,999
Capital Outlay	144,065	137,566	6,499
Other	2,463	2,367	96
Total Administration	<u>1,495,975</u>	<u>1,431,459</u>	<u>64,516</u>
Fiscal:			
Salaries	142,460	133,087	9,373
Fringe Benefits	102,656	97,901	4,755
Purchased Services	109,641	67,115	42,526
Materials and Supplies	8,668	4,960	3,708
Capital Outlay	3,181	2,431	750
Other	148,960	145,321	3,639
Total Fiscal	<u>\$515,566</u>	<u>\$450,815</u>	<u>\$64,751</u>

(continued)

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b>Business:</b>			
Salaries	\$40,113	\$39,335	\$778
Fringe Benefits	7,593	7,582	11
Purchased Services	14,932	8,066	6,866
Materials and Supplies	29,403	28,709	694
Capital Outlay	2,222	2,222	0
<b>Total Business</b>	<b>94,263</b>	<b>85,914</b>	<b>8,349</b>
<b>Operation and Maintenance of Plant:</b>			
Salaries	903,672	881,872	21,800
Fringe Benefits	598,372	584,216	14,156
Purchased Services	312,691	252,087	60,604
Materials and Supplies	188,598	152,738	35,860
Capital Outlay	21,179	7,748	13,431
<b>Total Operation and Maintenance of Plant</b>	<b>2,024,512</b>	<b>1,878,661</b>	<b>145,851</b>
<b>Pupil Transportation:</b>			
Salaries	191,064	187,019	4,045
Fringe Benefits	201,457	201,281	176
Purchased Services	73,459	52,133	21,326
Materials and Supplies	139,322	74,000	65,322
Capital Outlay	19,632	0	19,632
Other	45	45	0
<b>Total Pupil Transportation</b>	<b>624,979</b>	<b>514,478</b>	<b>110,501</b>
<b>Central:</b>			
Salaries	10,694	10,694	0
Fringe Benefits	85,996	75,896	10,100
Purchased Services	3,610	3,010	600
<b>Total Central</b>	<b>100,300</b>	<b>89,600</b>	<b>10,700</b>
<b>Total Support Services</b>	<b>7,276,893</b>	<b>6,777,698</b>	<b>499,195</b>
<b>Operation of Non-Instructional Services:</b>			
<b>Other:</b>			
Fringe Benefits	58	0	58
Purchased Services	1,500	829	671
<b>Total Other</b>	<b>1,558</b>	<b>829</b>	<b>729</b>
<b>Total Operation of Non-Instructional Services</b>	<b>\$1,558</b>	<b>\$829</b>	<b>\$729</b>

(continued)

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
Extracurricular Activities:			
Academic Oriented Activities:			
Salaries	\$18,284	\$15,708	\$2,576
Fringe Benefits	3,338	2,711	627
Purchased Services	4,758	4,758	0
Materials and Supplies	5,635	5,635	0
Capital Outlay	8,842	8,842	0
Total Academic Oriented Activities	40,857	37,654	3,203
Sports Oriented Activities:			
Salaries	186,462	148,293	38,169
Fringe Benefits	26,927	25,466	1,461
Total Sports Oriented Activities	213,389	173,759	39,630
School and Public Service Co-Curricular Activities:			
Salaries	9,044	6,904	2,140
Fringe Benefits	1,483	1,252	231
Purchased Services	15,084	14,224	860
Materials and Supplies	20,452	18,948	1,504
Total School and Public Service Co-Curricular Activities	46,063	41,328	4,735
Total Extracurricular Activities	300,309	252,741	47,568
<i>Total Expenditures</i>	25,047,189	23,786,823	1,260,366
Excess of Revenues Over (Under) Expenditures	(1,416,648)	(190,541)	1,226,107
<b><u>Other Financing Sources (Uses):</u></b>			
Refund of Prior Year Expenditures	10,333	10,333	0
Transfers In	481,232	0	(481,232)
Transfers Out	(485,604)	(1,915)	483,689
Advances In	92,626	92,626	0
Advances Out	(155,000)	(44,080)	110,920
Refund of Prior Year Receipts	(15,000)	(12,827)	2,173
<i>Total Other Financing Sources (Uses)</i>	(71,413)	44,137	115,550
Net Change in Fund Balance	(1,488,061)	(146,404)	1,341,657
Fund Balance at Beginning of Year - Restated	3,246,581	3,246,581	0
Prior Year Encumbrances Appropriated	35,658	35,658	0
Fund Balance at End of Year	\$1,794,178	\$3,135,835	\$1,341,657

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Title I Special Revenue Fund**  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$2,410,166	\$2,410,166	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular Instruction:			
Capital Outlay	128,778	128,778	0
Special:			
Salaries	1,058,726	1,058,726	0
Fringe Benefits	499,904	499,904	0
Purchased Services	9,368	9,368	0
Materials and Supplies	48,488	48,488	0
Total Special	1,616,486	1,616,486	0
Student Intervention Services:			
Salaries	241,571	241,571	0
Fringe Benefits	65,001	65,001	0
Materials and Supplies	108	108	0
Total Student Intervention Services	306,680	306,680	0
Total Instruction	2,051,944	2,051,944	0
Support Services:			
Instructional Staff:			
Salaries	190,009	190,009	0
Fringe Benefits	83,501	83,501	0
Purchased Services	31,456	31,456	0
Total Instructional Staff	304,966	304,966	0
Fiscal:			
Other	36,468	36,468	0
Total Support Services	\$341,434	\$341,434	\$0

(continued)



**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Title I Special Revenue Fund**  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
Operation of Non-Instructional Services:			
Community Recreation Services:			
Salaries	\$16,913	\$16,913	\$0
Fringe Benefits	2,838	2,838	0
Purchased Services	20,169	20,169	0
Materials and Supplies	3,121	3,121	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation of Non-Instructional Services	<u>43,041</u>	<u>43,041</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,436,419</u>	<u>2,436,419</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(26,253)</u>	<u>(26,253)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	269	269	0
Advances Out	(1,211)	(1,211)	0
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(942)</u>	<u>(942)</u>	<u>0</u>
Net Change in Fund Balance	(27,195)	(27,195)	0
Fund Balance at Beginning of Year	137,165	137,165	0
Prior Year Encumbrances Appropriated	557	557	0
Fund Balance at End of Year	<u><u>\$110,527</u></u>	<u><u>\$110,527</u></u>	<u><u>\$0</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Bond Retirement Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$1,071,218	\$1,071,218	\$0
Intergovernmental	187,951	187,951	0
<i>Total Revenues</i>	<u>1,259,169</u>	<u>1,259,169</u>	<u>0</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Other	<u>32,200</u>	<u>29,695</u>	<u>2,505</u>
Debt Service:			
Principal Retirement	729,998	580,000	149,998
Interest and Fiscal Charges	<u>570,002</u>	<u>570,002</u>	<u>0</u>
Total Debt Service	<u>1,300,000</u>	<u>1,150,002</u>	<u>149,998</u>
<i>Total Expenditures</i>	<u>1,332,200</u>	<u>1,179,697</u>	<u>152,503</u>
Net Change in Fund Balance	(73,031)	79,472	152,503
Fund Balance at Beginning of Year	<u>2,971,820</u>	<u>2,971,820</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,898,789</u></u>	<u><u>\$3,051,292</u></u>	<u><u>\$152,503</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Food Service Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$1,069,222	\$931,013	(\$138,209)
Investment Earnings	43	43	0
Tuition and Fees	6,000	4,980	(1,020)
Charges for Services	184,548	154,171	(30,377)
<i>Total Revenues</i>	<u>1,259,813</u>	<u>1,090,207</u>	<u>(169,606)</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Purchased Services	150	147	3
Operation and Maintenance of Plant:			
Purchased Services	17,650	3,412	14,238
Materials and Supplies	1,700	658	1,042
Total Operation and Maintenance of Plant	<u>19,350</u>	<u>4,070</u>	<u>15,280</u>
Total Support Services	<u>19,500</u>	<u>4,217</u>	<u>15,283</u>
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries	414,225	389,643	24,582
Fringe Benefits	270,255	217,097	53,158
Purchased Services	9,325	867	8,458
Materials and Supplies	500,900	433,554	67,346
Capital Outlay	28,000	3,436	24,564
Total Operation of Non-Instructional Services	<u>1,222,705</u>	<u>1,044,597</u>	<u>178,108</u>
<i>Total Expenditures</i>	<u>1,242,205</u>	<u>1,048,814</u>	<u>193,391</u>
Net Change in Fund Balance	17,608	41,393	23,785
Fund Balance at Beginning of Year	<u>95,599</u>	<u>95,599</u>	<u>0</u>
Fund Balance at End of Year	<u>\$113,207</u>	<u>\$136,992</u>	<u>\$23,785</u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Other Local Programs Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Contributions and Donations	\$2,340	\$2,340	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,840	1,830	10
Support Services:			
Administration:			
Purchased Services	500	150	350
<i>Total Expenditures</i>	2,340	1,980	360
Net Change in Fund Balance	0	360	360
Fund Balance at Beginning of Year - Restated	1,536	1,536	0
Fund Balance at End of Year	\$1,536	\$1,896	\$360

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Special Donations Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Investment Earnings	\$215	\$187	(\$28)
Contributions and Donations	36,727	32,214	(4,513)
<i>Total Revenues</i>	<u>36,942</u>	<u>32,401</u>	<u>(4,541)</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Other	15,820	11,901	3,919
Support Services:			
Pupils:			
Other	25,000	5,000	20,000
Operation of Maintenance and Plant:			
Capital Outlay	4,000	0	4,000
Total Support Services	<u>29,000</u>	<u>5,000</u>	<u>24,000</u>
<i>Total Expenditures</i>	<u>44,820</u>	<u>16,901</u>	<u>27,919</u>
Net Change in Fund Balance	(7,878)	15,500	23,378
Fund Balance at Beginning of Year	<u>137,875</u>	<u>137,875</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$129,997</u></u>	<u><u>\$153,375</u></u>	<u><u>\$23,378</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*School Facilities Maintenance Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$77,731	\$77,528	(\$203)
Intergovernmental	103,343	102,546	(797)
<i>Total Revenues</i>	<u>181,074</u>	<u>180,074</u>	<u>(1,000)</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Fiscal:			
Other	2,137	2,137	0
Operation and Maintenance of Plant:			
Purchased Services	71,738	71,738	0
Materials and Supplies	13,592	13,592	0
Capital Outlay	47,995	47,995	0
Capital Outlay - Replacement	3,790	3,790	0
Total Operation and Maintenance of Plant	<u>137,115</u>	<u>137,115</u>	<u>0</u>
<i>Total Expenditures</i>	<u>139,252</u>	<u>139,252</u>	<u>0</u>
Excess of Revenues Over Expenditures	41,822	40,822	(1,000)
<b><u>Other Financing Uses:</u></b>			
Refund of Prior Year Receipts	(12,922)	(12,922)	0
Net Change in Fund Balance	28,900	27,900	(1,000)
Fund Balance at Beginning of Year	<u>601,884</u>	<u>601,884</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$630,784</u></u>	<u><u>\$629,784</u></u>	<u><u>(\$1,000)</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*District Managed Student Activities Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Extracurricular Activities	\$108,367	\$87,872	(\$20,495)
Contributions and Donations	5,500	100	(5,400)
Miscellaneous	3,500	0	(3,500)
<i>Total Revenues</i>	<u>117,367</u>	<u>87,972</u>	<u>(29,395)</u>
<b><u>Expenditures:</u></b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries	2,204	2,204	0
Fringe Benefits	93	93	0
Purchased Services	49,668	49,668	0
Materials and Supplies	34,207	34,207	0
Capital Outlay	5,565	5,565	0
<i>Total Sports Oriented Activities</i>	<u>91,737</u>	<u>91,737</u>	<u>0</u>
School and Public Service Co-Curricular Activities:			
Purchased Services	19,375	8,977	10,398
Materials and Supplies	2,600	138	2,462
<i>Total School and Public Service Co-Curricular Activities</i>	<u>21,975</u>	<u>9,115</u>	<u>12,860</u>
<i>Total Expenditures</i>	<u>113,712</u>	<u>100,852</u>	<u>12,860</u>
Excess of Revenues Over (Under) Expenditures	<u>3,655</u>	<u>(12,880)</u>	<u>(16,535)</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	38,173	35,570	(2,603)
Advances Out	(33,516)	(33,516)	0
Transfers In	7,185	0	(7,185)
Transfers Out	(7,185)	0	7,185
<i>Total Other Financing Sources (Uses)</i>	<u>4,657</u>	<u>2,054</u>	<u>(2,603)</u>
Net Change in Fund Balance	8,312	(10,826)	(19,138)
Fund Balance at Beginning of Year	<u>13,118</u>	<u>13,118</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$21,430</u></u>	<u><u>\$2,292</u></u>	<u><u>(\$19,138)</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Auxiliary Services Non Public Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$236,361	\$236,361	\$0
Investment Earnings	127	115	(12)
<i>Total Revenues</i>	<u>236,488</u>	<u>236,476</u>	<u>(12)</u>
<b><u>Expenditures:</u></b>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	51,799	51,799	0
Fringe Benefits	19,622	19,622	0
Purchased Services	61,071	61,071	0
Materials and Supplies	30,594	30,594	0
Capital Outlay	29,860	29,860	0
<i>Total Expenditures</i>	<u>192,946</u>	<u>192,946</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>43,542</u>	<u>43,530</u>	<u>(12)</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	101,614	0	(101,614)
Transfers Out	(50,807)	0	50,807
<i>Total Other Financing Sources (Uses)</i>	<u>50,807</u>	<u>0</u>	<u>(50,807)</u>
Net Change in Fund Balance	94,349	43,530	(50,819)
Fund Balance at Beginning of Year	38,937	38,937	0
Prior Year Encumbrances Appropriated	11,196	11,196	0
Fund Balance at End of Year	<u><u>\$144,482</u></u>	<u><u>\$93,663</u></u>	<u><u>(\$50,819)</u></u>



**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Education Management Information System Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$5,000	\$5,000	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Central:			
Salaries	6,000	6,000	0
Fringe Benefits	915	915	0
<i>Total Expenditures</i>	<u>6,915</u>	<u>6,915</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,915)	(1,915)	0
<b><u>Other Financing Sources:</u></b>			
Transfers In	1,915	1,915	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Early Childhood Preschool Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$120,602	\$120,602	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries	53,858	53,858	0
Fringe Benefits	38,109	38,109	0
Total Instruction	91,967	91,967	0
Support Services:			
Instructional Staff:			
Salaries	18,595	18,595	0
Fringe Benefits	12,993	12,993	0
Total Support Services	31,588	31,588	0
<i>Total Expenditures</i>	123,555	123,555	0
Net Change in Fund Balance	(2,953)	(2,953)	0
Fund Balance at Beginning of Year	6,160	6,160	0
Fund Balance at End of Year	\$3,207	\$3,207	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*SchoolNet Praise Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$6,825	\$6,825	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	10,184	10,184	0
Net Change in Fund Balance	(3,359)	(3,359)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	3,359	3,359	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Vocational Education Enhancement Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$636	\$636	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	308	308	0
Excess of Revenues Over Expenditures	328	328	0
<b><u>Other Financing Sources (Uses):</u></b>			
Refund of Prior Year Expenditures	308	308	0
Advances Out	(636)	(636)	0
<i>Total Other Financing Sources (Uses)</i>	(328)	(328)	0
Fund Balance at Beginning of Year	714	714	0
Fund Balance at End of Year	\$714	\$714	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Miscellaneous State Grants Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balance at Beginning of Year	\$46,911	\$46,911	\$0
Fund Balance at End of Year	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**IDEA-B Special Revenue Fund**  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$839,806	\$839,806	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries	324,738	324,738	0
Fringe Benefits	133,409	133,409	0
Purchased Services	1,026	1,026	0
Total Instruction	459,173	459,173	0
Support Services:			
Pupils:			
Purchased Services	104,402	104,402	0
Instructional Staff:			
Salaries	171,365	171,365	0
Fringe Benefits	74,234	74,234	0
Purchased Services	16,072	16,072	0
Materials and Supplies	1,578	1,578	0
Capital Outlay	6,213	6,213	0
Total Instructional Staff	269,462	269,462	0
Fiscal:			
Other	11,717	11,717	0
Total Support Services	385,581	385,581	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,641	1,641	0
<b>Total Expenditures</b>	<b>846,395</b>	<b>846,395</b>	<b>0</b>
Excess of Revenues Under Expenditures	(6,589)	(6,589)	0
<b><u>Other Financing Uses:</u></b>			
Advances Out	(4,465)	(4,465)	0
Net Change in Fund Balance	(11,054)	(11,054)	0
Fund Balance at Beginning of Year	22,113	22,113	0
Prior Year Encumbrances Appropriated	6,000	6,000	0
Fund Balance at End of Year	<b>\$17,059</b>	<b>\$17,059</b>	<b>\$0</b>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*State Fiscal Stabilization Fund Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$1,463,696	\$1,463,696	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	133,926	133,926	0
Fringe Benefits	20,666	20,666	0
Purchased Services	232,632	232,632	0
Total Regular	387,224	387,224	0
Special:			
Purchased Services	77,909	77,909	0
Total Instruction	465,133	465,133	0
Support Services:			
Instructional Staff:			
Purchased Services	49,000	49,000	0
Administration:			
Purchased Services	114,002	114,002	0
Fiscal:			
Purchased Services	84,527	84,527	0
Operation and Maintenance of Plant:			
Purchased Services	791,839	791,839	0
Total Support Services	1,039,368	1,039,368	0
<i>Total Expenditures</i>	1,504,501	1,504,501	0
Excess of Revenues Under Expenditures	(40,805)	(40,805)	0
<b><u>Other Financing Sources:</u></b>			
Refund of Prior Year Expenditures	40,805	40,805	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Title II-D Technology Special Revenue Fund**  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$4,714	\$4,714	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries	1,564	1,564	0
Fringe Benefits	240	240	0
Purchased Services	4,014	4,014	0
Total Instructional Staff	5,818	5,818	0
Fiscal:			
Other	119	119	0
<i>Total Expenditures</i>	5,937	5,937	0
Excess of Revenues Under Expenditures	(1,223)	(1,223)	0
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	2,446	0	(2,446)
Transfers Out	(1,223)	0	1,223
<i>Total Other Financing Sources (Uses)</i>	1,223	0	(1,223)
Net Change in Fund Balance	0	(1,223)	(1,223)
Fund Balance at Beginning of Year	1,223	1,223	0
Fund Balance at End of Year	\$1,223	\$0	(\$1,223)



**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I School Improvement, Sub A Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$39,221	\$39,221	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries	14,311	14,311	0
Fringe Benefits	2,124	2,124	0
Purchased Services	22,653	22,653	0
<i>Total Expenditures</i>	39,088	39,088	0
Excess of Revenues Over Expenditures	133	133	0
<b><u>Other Financing Uses:</u></b>			
Advances Out	(13,091)	(13,091)	0
Net Change in Fund Balance	(12,958)	(12,958)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	15,998	15,998	0
Fund Balance at End of Year	\$3,040	\$3,040	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title I School Improvement, Sub G Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$5,566	\$5,566	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	6,951	6,951	0
Excess of Revenues Under Expenditures	(1,385)	(1,385)	0
<b><u>Other Financing Sources (Uses):</u></b>			
Transfers In	2,770	0	(2,770)
Transfers Out	(1,385)	0	1,385
<i>Total Other Financing Sources (Uses)</i>	1,385	0	(1,385)
Net Change in Fund Balance	0	(1,385)	(1,385)
Fund Balance at Beginning of Year	1,385	1,385	0
Fund Balance at End of Year	<u>\$1,385</u>	<u>\$0</u>	<u>(\$1,385)</u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Drug Free Schools Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$2,674	\$2,674	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries	2,215	2,215	0
Fringe Benefits	356	356	0
Purchased Services	317	317	0
<i>Total Expenditures</i>	2,888	2,888	0
Net Change in Fund Balance	(214)	(214)	0
Fund Balance at Beginning of Year	214	214	0
Fund Balance at End of Year	\$0	\$0	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Early Childhood Special Education Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$14,414	\$14,414	\$0
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries	5,817	5,817	0
Fringe Benefits	7,354	7,354	0
Purchased Services	784	784	0
Total Instructional Staff	13,955	13,955	0
Fiscal:			
Other	190	190	0
<i>Total Expenditures</i>	14,145	14,145	0
Excess of Revenues Over Expenditures	269	269	0
<b><u>Other Financing Uses:</u></b>			
Advances Out	(349)	(349)	0
Net Change in Fund Balance	(80)	(80)	0
Fund Balance at Beginning of Year	413	413	0
Fund Balance at End of Year	\$333	\$333	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Title II-A Special Revenue Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$302,658	\$302,658	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Special:			
Salaries	212,002	212,002	0
Fringe Benefits	84,897	84,897	0
Total Instruction	296,899	296,899	0
Support Services:			
Fiscal			
Other	6,466	6,466	0
<i>Total Expenditures</i>	303,365	303,365	0
Net Change in Fund Balance	(707)	(707)	0
Fund Balance at Beginning of Year	14,793	14,793	0
Fund Balance at End of Year	\$14,086	\$14,086	\$0

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Miscellaneous Federal Grants Special Revenue Fund  
For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Intergovernmental	\$529,824	\$529,824	\$0
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Student Intervention Services:			
Salaries	177,346	177,346	0
Fringe Benefits	76,496	76,496	0
Purchased Services	45,576	45,576	0
Materials and Supplies	129,079	129,079	0
Capital Outlay	8,384	8,384	0
Total Instruction	436,881	436,881	0
Support Services:			
Pupils:			
Salaries	39,335	39,335	0
Fringe Benefits	20,635	20,635	0
Total Pupils	59,970	59,970	0
Instructional Staff:			
Salaries	17,163	17,163	0
Fringe Benefits	8,495	8,495	0
Purchased Services	7,000	7,000	0
Total Instructional Staff	32,658	32,658	0
Fiscal:			
Other	9,507	9,507	0
Total Support Services	102,135	102,135	0
<b>Total Expenditures</b>	<b>539,016</b>	<b>539,016</b>	<b>0</b>
Excess of Revenues Under Expenditures	(9,192)	(9,192)	0
<b><u>Other Financing Sources (Uses):</u></b>			
Advances In	8,241	8,241	0
Advances Out	(4,351)	(4,351)	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,890</b>	<b>3,890</b>	<b>0</b>
Net Change in Fund Balance	(5,302)	(5,302)	0
Fund Balance at Beginning of Year	13,821	13,821	0
Fund Balance at End of Year	<u>\$8,519</u>	<u>\$8,519</u>	<u>\$0</u>

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Permanent Improvement Capital Projects Fund  
For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Property Taxes	\$113,956	\$113,956	\$0
Intergovernmental	18,124	18,124	0
<i>Total Revenues</i>	<u>132,080</u>	<u>132,080</u>	<u>0</u>
<b><u>Expenditures:</u></b>			
Current:			
Support Services:			
Instructional Staff:			
Capital Outlay	4,000	4,000	0
Fiscal:			
Other	10,581	10,581	0
Total Support Services	<u>14,581</u>	<u>14,581</u>	<u>0</u>
Capital Outlay:			
Site Acquisition Services:			
Purchased Services	46,667	46,667	0
Capital Outlay	1,339,770	1,249,317	90,453
Total Site Acquisition Services	<u>1,386,437</u>	<u>1,295,984</u>	<u>90,453</u>
Site Improvement Services:			
Purchased Services	34,996	34,996	0
Capital Outlay	118,589	21,726	96,863
Total Site Improvement Services	<u>153,585</u>	<u>56,722</u>	<u>96,863</u>
Building Acquisition and Construction Services:			
Capital Outlay	13,355	13,355	0
Building Improvement Services:			
Purchased Services	2,380	2,380	0
Capital Outlay	102,089	101,330	759
Total Building Improvement Services	<u>104,469</u>	<u>103,710</u>	<u>759</u>
Total Capital Outlay	<u>1,657,846</u>	<u>1,469,771</u>	<u>188,075</u>
<i>Total Expenditures</i>	<u>1,672,427</u>	<u>1,484,352</u>	<u>188,075</u>
Excess of Revenues Under Expenditures	<u>(\$1,540,347)</u>	<u>(\$1,352,272)</u>	<u>\$188,075</u>

(continued)

**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Permanent Improvement Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2011*  
*(continued)*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><i>Other Financing Sources (Uses):</i></b>			
Refund of Prior Year Expenditures	\$2,055	\$2,055	\$0
Transfers In	73,260	0	(73,260)
Transfers Out	(77,000)	0	77,000
Advances Out	(35,007)	(35,007)	0
<i>Total Other Financing Sources (Uses)</i>	(36,692)	(32,952)	3,740
Net Change in Fund Balance	(1,577,039)	(1,385,224)	191,815
Fund Balance at Beginning of Year	1,588,713	1,588,713	0
Prior Year Encumbrances Appropriated	20,403	20,403	0
Fund Balance at End of Year	\$32,077	\$223,892	\$191,815



**Portsmouth City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Site Acquisition Capital Projects Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budgeted Amount	Actual	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Investment Earnings	\$6	\$6	\$0
<b><u>Expenditures:</u></b>			
Capital Outlay:			
Site Acquisition and Construction Services:			
Capital Outlay	3,027	3,027	0
Net Change in Fund Balance	(3,021)	(3,021)	0
Fund Balance at Beginning of Year	3,021	3,021	0
Fund Balance at End of Year	\$0	\$0	\$0

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## *STATISTICAL TABLES*

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	110-123
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
Revenue Capacity	124-135
These schedules contain information to help the reader assess the School District's most significant local revenue sources.	
Debt Capacity	136-141
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
Demographic and Economic Information	142-145
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	
Operating Information	146-169
These schedules contain service and capital assets data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

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

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

Fiscal Year	2002	2003	2004
Invested in Capital Assets, Net of Related Debt	\$5,554,609	\$7,242,383	\$19,628,944
Restricted	55,492,747	53,348,214	41,319,641
Unrestricted (Deficit)	<u>915,662</u>	<u>582,503</u>	<u>(395,286)</u>
<i>Total Net Assets</i>	<u><u>\$61,963,018</u></u>	<u><u>\$61,173,100</u></u>	<u><u>\$60,553,299</u></u>

(1) Restated

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011</u>
\$47,821,407	\$53,930,015	\$49,868,043	\$47,745,755	\$46,147,550	\$44,092,020	\$44,790,154
13,801,697	5,658,264	4,578,776	5,294,118	5,667,882	5,972,961	4,892,110
443,079	(24,392)	275,794	(589,170)	(298,058)	950,415	813,777
<u>\$62,066,183</u>	<u>\$59,563,887</u>	<u>\$54,722,613</u>	<u>\$52,450,703</u>	<u>\$51,517,374</u>	<u>\$51,015,396</u>	<u>\$50,496,041</u>

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

Fiscal Year	2002	2003	2004
<b>Expenses:</b>			
Current:			
Instruction:			
Regular	\$10,262,658	\$9,260,456	\$10,475,429
Special	5,369,206	5,461,916	5,685,775
Vocational	421,922	426,379	436,071
Student Intervention Services	0	0	0
Intergovernmental	35,000	39,500	38,500
Support Services:			
Pupils	1,255,863	1,395,374	1,249,081
Instructional Staff	2,540,087	2,067,428	2,170,104
Board of Education	19,268	17,640	14,780
Administration	1,241,456	1,452,144	1,491,750
Fiscal	660,279	634,352	618,945
Business	128,797	96,448	117,910
Operation and Maintenance of Plant	1,425,756	1,622,828	2,241,541
Pupil Transportation	441,998	456,547	449,424
Central	28,857	23,119	58,711
Operation of Non-Instructional Services:			
Food Service Operations	1,031,547	1,024,118	993,307
Other	245,315	265,024	250,077
Extracurricular Activities	251,505	270,667	241,093
Interest and Fiscal Charges	316,956	861,638	892,098
<i>Total Expenses</i>	<u>25,676,470</u>	<u>25,375,578</u>	<u>27,424,596</u>
<b>Program Revenues:</b>			
Charges for Services and Sales:			
Instruction:			
Regular	44,737	0	682,970
Special	315,901	135,408	251,524
Support Services:			
Pupils	0	0	0
Instructional Staff	0	32,365	40,228
Administration	0	0	0
Business	0	0	5,698
Operation and Maintenance of Plant	0	526	148,712
Pupil Transportation	1,676	18,068	1,501
Central	0	0	0
Operation of Non-Instructional Services:			
Food Service Operations	216,926	214,639	211,138
Extracurricular Activities	91,939	94,187	66,276
Interest and Fiscal Charges	0	0	0
Total Charges for Services	<u>671,179</u>	<u>495,193</u>	<u>1,408,047</u>
Operating Grants, Contributions, and Interest	5,365,348	6,715,845	4,923,390
Capital Grants and Contributions	<u>189,745</u>	<u>84,596</u>	<u>53,438</u>
<i>Total Program Revenues</i>	<u>6,226,272</u>	<u>7,295,634</u>	<u>6,384,875</u>
<i>Net Expense</i>	<u>(\$19,450,198)</u>	<u>(\$18,079,944)</u>	<u>(\$21,039,721)</u>

2005	2006	2007 (1)	2008	2009	2010 (2)	2011
\$10,608,667	\$12,169,231	\$12,640,485	\$13,103,606	\$13,573,992	\$13,753,627	\$13,689,351
5,436,258	6,622,247	5,788,924	5,396,013	4,950,325	5,879,260	6,090,527
431,277	380,329	410,481	452,153	507,713	480,887	441,427
0	445,405	1,174,211	1,422,054	1,541,524	1,164,825	883,606
35,000	43,500	38,500	43,500	35,600	29,000	37,500
1,121,140	1,760,834	1,704,291	1,736,450	1,610,831	1,430,317	1,237,058
1,987,011	2,352,092	2,044,780	1,900,014	2,244,651	2,372,062	2,200,333
16,589	17,703	19,611	22,717	24,501	30,589	20,334
1,367,234	1,566,110	1,814,350	1,957,080	1,838,174	1,776,063	1,762,928
642,889	655,226	678,032	798,597	750,674	669,614	590,995
109,044	117,299	91,249	76,236	76,787	82,268	96,868
1,795,612	2,053,486	2,761,532	2,640,319	2,867,303	3,114,874	2,886,014
375,360	633,970	751,522	696,035	592,894	595,484	633,169
22,133	30,025	90,398	77,150	344,578	62,866	96,569
1,003,493	1,195,821	1,270,836	1,192,836	1,134,696	1,241,298	1,260,493
203,699	227,513	224,685	239,402	227,667	220,403	232,488
252,910	290,208	301,445	321,079	338,911	477,581	250,238
860,111	825,820	763,791	641,868	640,624	637,143	621,052
26,268,427	31,386,819	32,569,123	32,717,109	33,301,445	34,018,161	33,030,950
601,777	546,511	722,722	833,866	702,476	813,908	771,521
37,294	0	21,557	8,057	9,661	12,305	69,056
35,426	384	0	0	0	0	0
41,114	0	0	0	0	0	0
0	1,529	10,031	13,836	7,975	7,235	4,697
6,913	4,703	0	0	0	0	0
145,301	34,135	38,401	23,101	41,926	19,038	54,594
0	1,000	42,650	2,106	8,045	1,638	25,800
0	0	0	0	0	129,892	0
206,136	191,444	231,560	142,910	172,450	177,183	159,151
78,653	93,600	69,494	115,273	86,911	144,916	110,431
0	0	0	0	0	0	0
1,152,614	873,306	1,136,415	1,139,149	1,029,444	1,306,115	1,195,250
4,749,113	5,849,948	5,929,213	6,290,703	7,105,527	8,124,682	7,220,511
0	0	226,000	81,352	37,777	30,123	0
5,901,727	6,723,254	7,291,628	7,511,204	8,172,748	9,460,920	8,415,761
(\$20,366,700)	(\$24,663,565)	(\$25,277,495)	(\$25,205,905)	(\$25,128,697)	(\$24,557,241)	(\$24,615,189)

(continued)

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

Fiscal Year	2002	2003	2004
<b>General Revenues:</b>			
Property Taxes Levied for:			
General Purposes	\$5,489,946	\$4,107,524	\$4,395,841
Debt Service	0	1,076,457	1,049,924
Capital Outlay	0	81,311	79,690
Grants and Entitlements not Restricted to Specific Programs			
Operating	14,222,706	11,441,919	14,682,918
Capital	52,617,286 *	0	0
Contributions and Donations	15,159	3,783	17,724
Investment Earnings	446,786	423,898	116,557
Miscellaneous	1,728,465	155,134	74,774
Gain on Sale of Capital Assets	0	0	0
Gain on Early Retirement of Capital Lease	0	0	2,492
<i>Total General Revenues</i>	<u>74,520,348</u>	<u>17,290,026</u>	<u>20,419,920</u>
<i>Change in Net Assets</i>	<u>\$55,070,150</u>	<u>(\$789,918)</u>	<u>(\$619,801)</u>

\* The School District was awarded a grant in the amount of \$52,617,286 on December 14, 2001, from the Ohio School Facilities Commission for the construction of new facilities. At June 30, 2007, the new facilities were complete and it was determined that \$2,476,078 of the grant would not be received. Therefore, revenue was reduced since the total amount of the grant had been reported as revenue in fiscal year 2002, the year of the grant award.

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

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

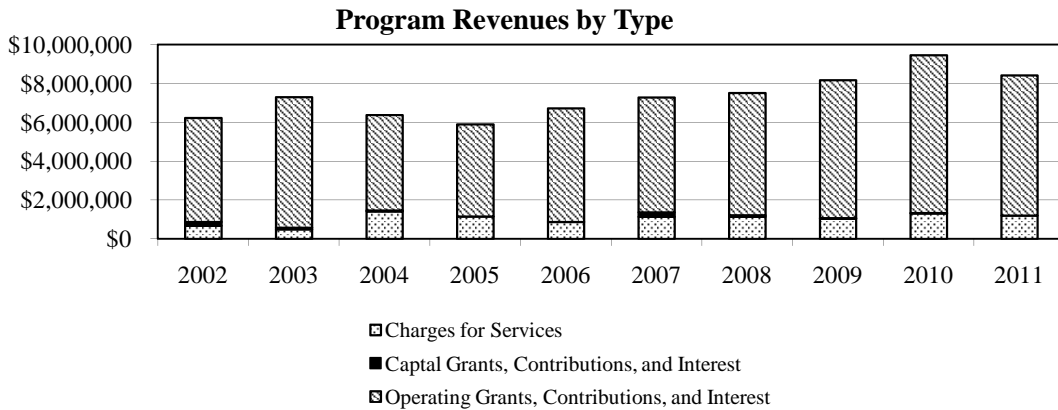
(2) Restated



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (2)</u>	<u>2011</u>
\$4,644,731	\$4,776,914	\$4,643,256	\$4,614,506	\$4,541,034	\$4,319,587	\$4,288,395
1,228,724	1,267,834	1,236,071	1,270,249	1,277,487	1,227,943	1,054,789
88,356	89,670	87,507	84,971	83,405	80,238	251,604
15,183,620	15,174,137	15,979,356	16,535,835	17,914,549	18,319,840	18,375,417
0	0	(2,476,078) *	0	0	0	0
10,270	96,988	21,861	7,276	122,502	6,566	33,469
516,895	659,852	495,355	228,426	93,194	27,280	18,364
206,988	95,874	448,893	140,770	163,197	74,005	73,796
0	0	0	51,962	0	0	0
0	0	0	0	0	0	0
<u>21,879,584</u>	<u>22,161,269</u>	<u>20,436,221</u>	<u>22,933,995</u>	<u>24,195,368</u>	<u>24,055,459</u>	<u>24,095,834</u>
<u>\$1,512,884</u>	<u>(\$2,502,296)</u>	<u>(\$4,841,274)</u>	<u>(\$2,271,910)</u>	<u>(\$933,329)</u>	<u>(\$501,782)</u>	<u>(\$519,355)</u>

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

Fiscal Year	2002	2003	2004
<b>Function / Program:</b>			
Instruction:			
Regular	\$1,343,504	\$118,414	\$2,042,953
Special	2,068,462	4,229,140	2,108,342
Vocational	0	99,366	132,085
Student Intervention Services	0	0	0
Intergovernmental	35,000	39,500	38,500
Support Services:			
Pupils	438,683	362,025	229,734
Instructional Staff	872,330	686,230	293,214
Administration	5,138	160,916	0
Fiscal	0	0	1,000
Business	0	0	5,698
Operation and Maintenance of Plant	22,235	526	249,966
Pupil Transportation	164,897	374,783	12,039
Central	8,437	8,284	8,097
Operation of Non-Instructional Services:			
Food Service Operations	937,425	865,811	968,424
Other	237,722	225,735	204,488
Extracurricular Activities	92,439	124,904	90,335
<b>Total Program Revenues</b>	<b>\$6,226,272</b>	<b>\$7,295,634</b>	<b>\$6,384,875</b>



(1) Restated

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (1)</u>	<u>2011</u>
\$776,829	\$655,376	\$780,193	\$835,334	\$706,481	\$827,825	\$916,517
2,525,523	2,961,157	2,862,385	3,009,488	3,773,426	4,257,939	4,227,133
133,713	123,342	108,519	108,312	80,633	81,164	85,817
0	0	594,453	637,011	824,849	822,038	697,931
35,000	43,500	38,500	43,500	35,600	29,000	37,500
334,395	903,686	695,466	687,936	518,201	438,918	275,148
748,177	740,038	626,664	727,823	748,494	1,080,460	634,328
0	1,529	10,431	13,836	7,975	7,235	4,697
0	22,066	18,789	0	0	0	0
6,913	4,703	0	0	0	0	0
145,301	34,135	264,401	101,443	41,926	49,161	54,594
11,266	20,486	55,794	16,034	39,699	36,657	29,106
6,557	6,799	7,190	7,436	6,196	134,892	5,000
896,858	863,570	947,947	989,939	1,013,715	1,175,655	1,096,700
202,317	234,370	200,688	213,690	277,667	293,680	240,759
78,878	108,497	80,208	119,422	97,886	226,296	110,531
<u>\$5,901,727</u>	<u>\$6,723,254</u>	<u>\$7,291,628</u>	<u>\$7,511,204</u>	<u>\$8,172,748</u>	<u>\$9,460,920</u>	<u>\$8,415,761</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>General Fund:</b>				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,192,016	1,272,715	853,449	853,035
Unreserved, Designated for:				
Future Severance Payments	0	0	0	0
Employee Health Benefits	0	0	0	0
Unreserved (Deficit)	<u>105,014</u>	<u>(165,221)</u>	<u>213,041</u>	<u>970,227</u>
<i>Total General Fund</i>	<u>1,297,030</u> *	<u>1,107,494</u>	<u>1,066,490</u>	<u>1,823,262</u>
<b>All Other Governmental Funds:</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	288,411	332,974	227,587	210,291
Unreserved, Undesignated Reported in:				
Special Revenue Funds	803,651	492,049	549,751	655,987
Debt Service Fund	507,497	806,254	925,963	1,198,864
Capital Projects Funds	<u>17,260,396</u> **	<u>16,448,189</u>	<u>21,837,486</u>	<u>15,763,438</u>
<i>Total All Other Governmental Funds</i>	<u>18,859,955</u>	<u>18,079,466</u>	<u>23,540,787</u>	<u>17,828,580</u>
<i>Total Governmental Funds</i>	<u>\$20,156,985</u>	<u>\$19,186,960</u>	<u>\$24,607,277</u>	<u>\$19,651,842</u>

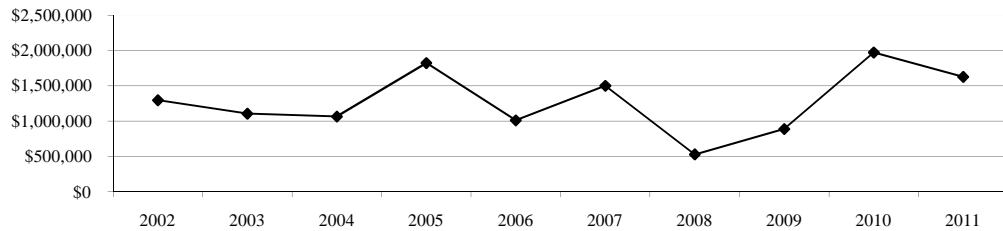
\* The School District received \$1,500,000 from the sale of Anthem stock that was a result of the demutualization of Anthem.

\*\* The School District was awarded a grant in the amount of \$52,617,286 on December 14, 2001, from the Ohio School Facilities Commission for the construction of new facilities.

(1) Restated. The School District implemented GASB 54 in fiscal year 2011.

2006	2007	2008	2009	2010 (1)	2011
\$0	\$0	\$0	\$0	\$36,693	\$38,557
0	0	0	0	182,690	35,610
0	0	0	0	393,349	617,396
0	0	0	0	145,220	73,334
0	0	0	0	1,215,268	861,787
570,286	386,658	318,879	493,013	0	0
144,916	39,497	0	0	0	0
0	260,012	115,237	17,994	0	0
297,480	816,255	95,854	379,036	0	0
<u>1,012,682</u>	<u>1,502,422</u>	<u>529,970</u>	<u>890,043</u>	<u>1,973,220</u>	<u>1,626,684</u>
0	0	0	0	43,465	2,453
0	0	0	0	5,349,820	4,113,660
0	0	0	0	113,090	260,436
0	0	0	0	941	1,301
0	0	0	0	(315,471)	(318,838)
2,600,479	314,250	153,620	248,389	0	0
823,534	422,042	829,331	659,756	0	0
1,526,591	1,572,878	1,884,722	2,160,713	0	0
3,042,442	2,632,126	2,603,996	2,414,136	0	0
<u>7,993,046</u>	<u>4,941,296</u>	<u>5,471,669</u>	<u>5,482,994</u>	<u>5,191,845</u>	<u>4,059,012</u>
<u>\$9,005,728</u>	<u>\$6,443,718</u>	<u>\$6,001,639</u>	<u>\$6,373,037</u>	<u>\$7,165,065</u>	<u>\$5,685,696</u>

**Fund Balance of the General Fund**



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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$5,365,498	\$5,374,990	\$5,540,481	\$5,843,336
Intergovernmental	19,723,492	23,914,235	37,997,577	42,090,396
Investment Earnings	375,258	466,997	143,042	513,626
Tuition and Fees	312,936	185,829	878,400	708,727
Extracurricular Activities	91,939	94,187	97,985	86,933
Rentals	39,801	5,462	148,712	145,301
Charges for Services	218,602	214,639	276,341	202,898
Contributions and Donations	52,885	38,400	17,457	47,420
Miscellaneous	1,745,779	121,507	108,472	206,457
<i>Total Revenues</i>	<u>27,926,190</u>	<u>30,416,246</u>	<u>45,208,467</u>	<u>49,845,094</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	9,789,456	9,307,594	10,370,515	10,452,972
Special	5,338,568	5,442,891	5,638,357	5,466,596
Vocational	400,072	363,008	357,922	364,702
Student Intervention Services	0	0	0	0
Intergovernmental	35,000	39,500	38,500	35,000
Support Services:				
Pupils	1,249,195	1,420,847	1,172,511	1,133,842
Instructional Staff	2,488,248	2,020,626	2,118,813	1,952,423
Board of Education	19,134	17,640	14,914	16,589
Administration	1,213,258	1,364,087	1,389,199	1,372,555
Fiscal	675,353	607,672	580,902	636,210
Business	69,701	72,086	159,315	75,031
Operation and Maintenance of Plant	1,529,814	1,557,969	1,713,799	1,595,541
Pupil Transportation	446,885	444,353	569,236	396,939
Central	24,932	20,117	55,389	22,133
Operation of Non-Instructional Services	1,246,882	1,216,765	1,272,591	1,239,057
Extracurricular Activities	261,428	269,825	248,846	257,171
Capital Outlay	917,141	6,266,203	12,799,738	28,587,294
Debt Service:				
Principal Retirement	109,564	384,696	521,813	461,304
Interest and Fiscal Charges	412,370	827,138	765,790	744,136
Capital Appreciation Bonds Interest	0	0	0	0
Issuance Costs	256,050	0	0	0
<i>Total Expenditures</i>	<u>26,483,051</u>	<u>31,643,017</u>	<u>39,788,150</u>	<u>54,809,495</u>
Excess of Revenues Over (Under) Expenditures	<u>\$1,443,139</u>	<u>(\$1,226,771)</u>	<u>\$5,420,317</u>	<u>(\$4,964,401)</u>

2006	2007	2008	2009	2010	2011
\$6,113,783	\$5,950,227	\$5,846,283	\$5,815,069	\$5,490,584	\$5,384,638
24,873,719	22,285,912	22,889,706	24,755,768	26,442,427	25,502,504
663,175	500,962	220,765	104,549	27,295	18,407
581,230	769,582	853,102	731,539	835,597	845,385
100,858	85,294	140,440	107,503	170,000	152,657
3,407	19,175	5,001	25,454	4,580	42,241
186,765	226,760	138,500	166,934	295,598	185,422
220,770	299,081	91,535	25,002	103,294	53,832
96,895	612,970	140,770	162,797	74,004	42,943
<u>32,840,602</u>	<u>30,749,963</u>	<u>30,326,102</u>	<u>31,894,615</u>	<u>33,443,379</u>	<u>32,228,029</u>
11,449,775	11,198,436	11,922,586	12,541,748	12,888,840	13,229,670
5,685,519	5,283,592	5,082,517	4,710,824	5,599,597	5,915,073
282,628	372,088	414,553	468,224	442,357	411,459
445,405	1,033,777	1,422,054	1,506,816	1,223,490	948,950
43,500	71,834	43,500	35,600	29,000	37,500
1,551,356	1,580,635	1,581,368	1,499,536	1,313,347	1,133,381
1,948,181	1,867,975	1,672,959	1,962,474	2,276,496	2,033,051
17,703	19,341	22,717	24,501	30,589	20,334
1,373,106	1,497,568	1,579,663	1,571,955	1,549,841	1,545,930
618,325	637,334	765,319	724,687	646,529	661,337
119,389	61,244	61,376	61,611	67,125	84,098
1,864,911	2,411,030	2,540,184	2,692,751	2,957,556	2,740,942
423,496	628,841	584,863	477,755	488,643	532,207
30,025	69,681	77,150	344,578	62,866	96,569
1,168,103	1,273,249	1,244,908	1,207,375	1,307,829	1,295,735
286,170	270,860	318,507	336,435	478,267	353,297
14,932,204	3,708,759	462,503	437,044	412,407	1,454,974
520,604	243,579	216,638	528,277	596,429	634,590
729,816	721,991	621,758	614,266	603,516	578,301
0	207,456	237,558	0	0	0
0	159,703	0	0	0	0
<u>43,490,216</u>	<u>33,318,973</u>	<u>30,872,681</u>	<u>31,746,457</u>	<u>32,974,724</u>	<u>33,707,398</u>
<u>(\$10,649,614)</u>	<u>(\$2,569,010)</u>	<u>(\$546,579)</u>	<u>\$148,158</u>	<u>\$468,655</u>	<u>(\$1,479,369)</u>

(continued)

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

	2002	2003	2004	2005
<b><i>Other Financing Sources (Uses):</i></b>				
Refunding General Obligation Bonds Issued	\$0	\$0	\$0	\$0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Premium on Debt Issuance	450,106	0	0	0
Proceeds from Sale of Capital Assets	286,697	0	0	0
General Obligation Bonds Issued	17,070,000	0	0	0
Inception of Capital Leases	31,502	256,746	0	8,966
Transfers In	324,863	36,731	73,100	315,710
Transfers Out	(324,863)	(36,731)	(73,100)	(315,710)
<i>Total Other Financing Sources (Uses)</i>	<u>17,838,305</u>	<u>256,746</u>	<u>0</u>	<u>8,966</u>
Net Change in Fund Balances	<u>\$19,281,444</u>	<u>(\$970,025)</u>	<u>\$5,420,317</u>	<u>(\$4,955,435)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.1%	4.8%	4.8%	4.6%



2006	2007	2008	2009	2010	2011
\$0	\$9,800,000	\$0	\$0	\$0	\$0
0	(10,266,546)	0	0	0	0
0	466,546	0	0	0	0
3,500	7,000	104,500	0	325,000	0
0	0	0	0	0	0
0	0	0	223,240	0	0
220,267	306,451	113,451	2,943	2,233,098	1,915
(220,267)	(306,451)	(113,451)	(2,943)	(2,233,098)	(1,915)
<u>3,500</u>	<u>7,000</u>	<u>104,500</u>	<u>223,240</u>	<u>325,000</u>	<u>0</u>
<u>(\$10,646,114)</u>	<u>(\$2,562,010)</u>	<u>(\$442,079)</u>	<u>\$371,398</u>	<u>\$793,655</u>	<u>(\$1,479,369)</u>
4.0%	3.1%	3.5%	3.6%	3.7%	3.8%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$127,228,410	\$52,978,750	\$514,877,600	\$15,320,670	\$61,282,680
2003	127,041,000	52,918,540	514,170,114	15,199,070	60,796,280
2004	126,824,450	54,816,720	518,974,771	15,627,110	62,508,440
2005	138,236,930	59,627,020	565,325,571	15,406,410	61,625,640
2006	138,193,810	61,781,900	571,359,171	15,599,920	62,399,680
2007	137,372,790	64,103,370	575,646,171	15,387,970	61,551,880
2008	151,287,800	66,721,490	622,883,686	13,091,910	52,367,640
2009	151,433,790	66,832,190	623,617,086	13,210,120	52,840,480
2010	150,905,230	66,796,810	622,005,829	13,210,120	52,840,480
2011	154,845,580	66,282,840	631,795,486	13,344,030	53,376,120

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. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out. The assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 for 2010 and zero for 2011.

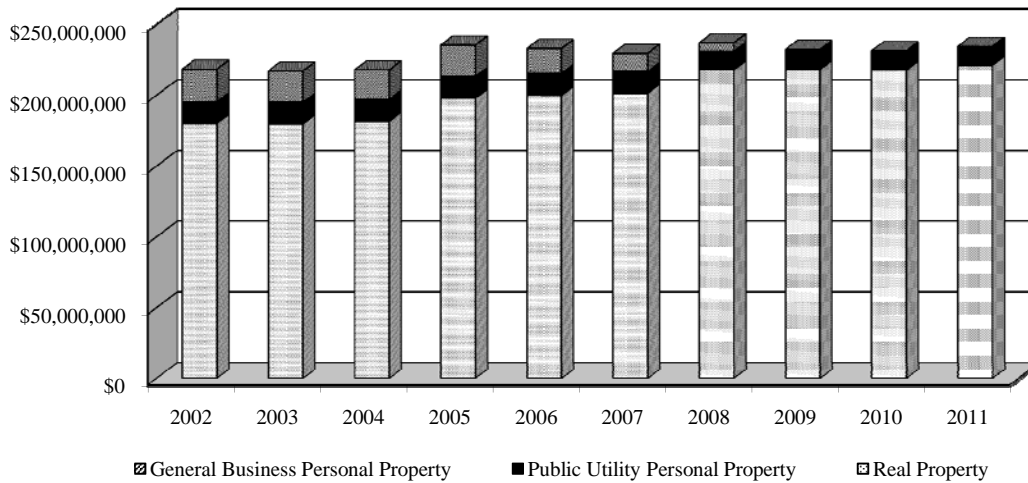
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

Source: Ohio Department of Taxation

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

Tangible Personal Property General Business		Total			Weighted Average Tax Rate (per \$1,000 of assessed value)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (1)	
\$22,834,840	\$91,339,360	\$218,362,670	\$667,499,640	32.71	25.36
21,992,344	87,969,376	217,150,954	662,935,770	32.76	25.34
20,558,371	82,233,484	217,826,651	663,716,695	32.82	25.28
22,180,082	88,720,328	235,450,442	715,671,539	32.90	25.08
17,455,515	93,096,080	233,031,145	726,854,931	32.06	24.84
12,786,263	102,290,104	229,650,393	739,488,155	31.06	24.61
5,951,460	95,223,360	237,052,660	770,474,686	30.77	23.90
828,540	8,285,400	232,304,640	684,742,966	33.93	23.65
435,460	8,709,200	231,347,620	683,555,509	33.84	23.63
0	0	234,472,450	685,171,606	34.22	23.50

### Assessed Value of Taxable Property



**Portsmouth City School District**  
*Principal Property Taxpayers*  
*Real Property Tax*  
*2011 and 2002*

Tax Payer	2011		Percentage of Real Property Assessed Valuation
	Assessed Value	Rank	
Southern Ohio Medical Center Title Holding	\$3,653,340	1	1.65%
Neal and Vicky Hatcher	2,997,550	2	1.36%
Hillview Retirement Center	2,730,780	3	1.23%
OSCO Industries, Inc.	1,431,570	4	0.65%
Portsmouth City School District	960,640	5	0.44%
Ashland Hospital (DBA King's Daughters)	938,870	6	0.42%
Norfolk Southern Railway Company	911,710	7	0.41%
Scioto Memorial Hospital C/O Olde Market Square	853,120	8	0.39%
Trustees Portsmouth, Inc.	849,260	9	0.38%
Forest Heights	837,180	10	0.38%
Fifth Third Bank	-		-
City of Portsmouth	-		-
Total	16,164,020		7.31%
All Others	204,964,400		92.69%
Total Assessed Valuation	<u>\$221,128,420</u>		<u>100.00%</u>

Source: Scioto County Auditor

2002		
Assessed Value	Rank	Percentage of Real Property Assessed Valuation
\$3,322,120	1	1.84%
2,036,570	2	1.13%
1,813,110	3	1.01%
-		-
-		-
-		-
-		-
912,420	5	0.51%
-		-
-		-
1,029,840	4	0.57%
<u>797,520</u>	6	<u>0.44%</u>
9,911,580		5.50%
<u>170,295,580</u>		<u>94.50%</u>
<u>\$180,207,160</u>		<u>100.00%</u>

**Portsmouth City School District**  
*Principal Property Taxpayers*  
*Public Utility Personal Property Tax*  
*2011 and 2002*

Tax Payer	2011		Percentage of Public Utility Property Assessed Valuation
	Assessed Value	Rank	
Ohio Power	\$11,112,470	1	83.28%
Columbia Gas	1,942,210	2	14.56%
Columbus and Southern Ohio Electric	149,600	3	1.12%
General Electric Capital Co.	69,940	4	0.52%
Tennessee Gas Pipeline Company	67,260	5	0.50%
Columbia Gas Transmission Corporation	2,550	6	0.02%
Verizon North	-		-
N & W Railway	-		-
Total	13,344,030		100.00%
All Others	0		0.00%
Total Assessed Valuation	<u>\$13,344,030</u>		<u>100.00%</u>

Source: Scioto County Auditor

2002		
Assessed Value	Rank	Percentage of Public Utility Property Assessed Valuation
\$7,868,280	1	51.36%
1,370,710	4	8.95%
-		-
-		-
-		-
-		-
3,033,670	2	19.80%
<u>2,036,570</u>	3	<u>13.29%</u>
14,309,230		93.40%
<u>1,011,440</u>		<u>6.60%</u>
<u><u>\$15,320,670</u></u>		<u><u>100.00%</u></u>

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

	2002	2003
<b>Pike County Joint Vocational School District</b>		
<b>UNVOTED MILLAGE:</b>		
Operating	\$3.66	\$3.66
Permanent Improvement	0.00	0.00
Debt	0.00	0.00
<b>VOTED MILLAGE - BY LEVY:</b>		
1976 Current Expense		
Residential/Agricultural Real	\$8.48	\$8.49
Commercial/Industrial and Public Utility Real	8.64	8.66
General Business and Public Utility Personal	18.07	18.07
1979 Current Expense		
Residential/Agricultural Real	3.28	3.29
Commercial/Industrial and Public Utility Real	3.16	3.16
General Business and Public Utility Personal	6.40	6.40
1988 Current Expense		
Residential/Agricultural Real	4.57	4.58
Commercial/Industrial and Public Utility Real	4.69	4.71
General Business and Public Utility Personal	6.40	6.40
2001 Bond Levy (\$11,550,000)		
Residential/Agricultural Real	4.00	4.00
Commercial/Industrial and Public Utility Real	4.00	4.00
General Business and Public Utility Personal	4.00	4.00
2001 Site Acquisition (\$5,520,000)		
Residential/Agricultural Real	2.00	2.00
Commercial/Industrial and Public Utility Real	2.00	2.00
General Business and Public Utility Personal	2.00	2.00
2001 Classroom Facilities		
Residential/Agricultural Real	0.43	0.44
Commercial/Industrial and Public Utility Real	0.46	0.46
General Business and Public Utility Personal	0.50	0.50
2005 Permanent Improvement - Recurring		
Residential/Agricultural Real	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00
General Business and Public Utility Personal	0.00	0.00



2004	2005	2006	2007	2008	2009	2010	2011
\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$3.66	\$2.66
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
\$8.50	\$8.66	\$8.67	\$8.68	\$8.81	\$8.83	\$8.83	\$9.48
8.67	8.69	8.70	8.78	8.75	8.80	8.80	9.28
18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07
3.29	3.30	3.30	3.31	3.32	3.32	3.32	3.53
3.17	3.16	3.16	3.19	3.18	3.19	3.19	3.37
6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40
4.58	4.38	4.39	4.39	4.21	4.22	4.22	4.33
4.71	4.49	4.50	4.54	4.42	4.44	4.44	4.68
6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40
4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.25
4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.25
4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.25
2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
0.44	0.40	0.40	0.40	0.36	0.36	0.36	0.36
0.46	0.43	0.43	0.43	0.41	0.41	0.41	0.44
<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

(continued)

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

	2002	2003
<b>TOTAL VOTED MILLAGE BY TYPE OF PROPERTY</b>		
Residential/Agricultural Real	\$22.76	\$22.80
Commercial/Industrial and Public Utility Real	22.95	22.99
General Business and Public Utility Personal	37.37	37.37
<b>TOTAL MILLAGE BY TYPE OF PROPERTY</b>		
Residential/Agricultural Real	\$26.42	\$26.46
Commercial/Industrial and Public Utility Real	26.61	26.65
General Business and Public Utility Personal	41.03	41.03
<b>OVERLAPPING RATES BY TAXING DISTRICT</b>		
<b>TOWNSHIPS:</b>		
Residential/Agricultural Real	0.30 - 2.92	0.30 - 2.92
Commercial/Industrial and Public Utility Real	0.35 - 2.92	0.37 - 2.92
General Business and Public Utility Personal	0.50 - 2.92	0.50 - 2.92
<b>CORPORATIONS:</b>		
Residential/Agricultural Real	0.30 - 4.49	0.30 - 4.29
Commercial/Industrial and Public Utility Real	0.30 - 4.49	0.30 - 4.29
General Business and Public Utility Personal	0.30 - 4.49	0.30 - 4.29
<b>SCIOTO COUNTY JOINT VOCATIONAL SCHOOL DISTRICT:</b>		
Residential/Agricultural Real	0.61 - 0.73	0.61 - 0.73
Commercial/Industrial and Public Utility Real	0.66 - 0.86	0.66 - 0.86
General Business and Public Utility Personal	1.37 - 1.50	1.37 - 1.50
<b>COUNTY AND OTHER UNITS:</b>		
Residential/Agricultural Real	0.10 - 2.08	0.10 - 2.08
Commercial/Industrial and Public Utility Real	0.15 - 2.08	0.15 - 2.08
General Business and Public Utility Personal	0.20 - 2.08	0.20 - 2.08

Source: Ohio Department of Taxation

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

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

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

2004	2005	2006	2007	2008	2009	2010	2011
\$22.81	\$22.74	\$22.76	\$22.78	\$22.70	\$22.73	\$22.73	\$22.70
23.01	22.77	22.79	22.94	22.76	22.84	22.84	22.77
<u>37.37</u>	<u>37.37</u>	<u>37.37</u>	<u>37.37</u>	<u>37.37</u>	<u>37.37</u>	<u>37.37</u>	<u>36.37</u>
\$26.47	\$26.40	\$26.42	\$26.44	\$26.36	\$26.39	\$26.39	\$25.36
26.67	26.43	26.45	26.60	26.42	26.50	26.50	25.43
<u>41.03</u>	<u>41.03</u>	<u>41.03</u>	<u>41.03</u>	<u>41.03</u>	<u>41.03</u>	<u>41.03</u>	<u>39.03</u>
0.30 - 2.92	0.27 - 2.92	0.27 - 2.92	0.27 - 2.92	0.24 - 2.92	0.24 - 2.92	0.24 - 2.92	0.23 - 2.92
0.36 - 2.92	0.35 - 2.92	0.35 - 2.92	0.35 - 2.92	0.34 - 2.92	0.34 - 2.92	0.35 - 2.92	0.37 - 2.92
0.50 - 2.92	0.50 - 2.92	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00	0.50 - 3.00
0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29	0.30 - 4.29
0.61 - 0.73	0.61 - 0.72	0.61 - 0.73	0.61 - 0.72	0.59 - 0.71	0.59 - 0.72	0.59 - 0.72	0.56 - 0.72
0.46 - 0.86	0.43 - 0.81	0.43 - 0.74	0.64 - 0.83	0.61 - 0.80	0.67 - 0.80	0.63 - 0.74	0.64 - 0.83
0.50 - 1.50	1.37 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50	1.00 - 1.50
0.10 - 2.08	0.09 - 2.08	0.09 - 3.30	0.09 - 3.30	0.09 - 3.01	0.09 - 3.02	0.08 - 3.03	0.08 - 2.85
0.15 - 2.08	0.14 - 2.08	0.14 - 3.30	0.14 - 3.30	0.13 - 3.17	0.13 - 3.18	0.14 - 3.25	0.14 - 3.29
0.20 - 2.08	0.20 - 2.08	0.20 - 3.30	0.20 - 3.30	0.20 - 3.30	0.20 - 3.30	0.20 - 3.30	0.20 - 3.30

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

Collection Year (1)	Total Tax Levied (2)	Current Tax Collection (3)	Percent of Current Levy Collected	Delinquent Tax Collection (4)	Total Tax Collections
2001	\$4,469,364	\$3,657,368	81.83%	\$191,726	\$3,849,094
2002	5,978,480	5,130,633	85.82%	219,892	5,350,525
2003	6,152,078	4,275,122	69.49%	251,084	4,526,206
2004	6,390,997	4,471,383	69.96%	224,048	4,695,431
2005	6,155,199	5,475,920	88.96%	294,474	5,770,394
2006	7,176,401	5,498,085	76.61%	334,023	5,832,108
2007	6,453,333	5,540,706	85.86%	277,855	5,818,561
2008	6,538,915	5,317,607	81.32%	291,377	5,608,984
2009	6,331,636	5,087,391	80.35%	331,404	5,418,795
2010	6,378,276	5,122,326	80.31%	291,367	5,413,693

Source: Scioto County Auditor

- (1) The 2011 information cannot be presented because all collections have not been made by June 30, 2011.
- (2) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (3) State reimbursements of rollback and homestead exemptions are not included.
- (4) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

<u>Percent Of Total Collections To Total Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Total Tax Levied</u>
86.12%	\$548,323	12.27%
89.50%	756,705	12.66%
73.57%	529,657	8.61%
73.47%	744,845	11.65%
93.75%	832,330	13.52%
81.27%	836,619	11.66%
90.16%	567,644	8.80%
85.78%	687,143	10.51%
85.58%	782,672	12.36%
84.88%	911,979	14.30%

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

Fiscal Year	General Obligation Bonds (1)	EPA Asbestos Loan (1)	Capital Leases (1)	Total Outstanding Debt	Estimated Actual Value (2)
2002	\$17,533,309	\$78,558	\$282,704	\$17,894,571	\$667,499,640
2003	17,109,764	64,274	444,038	17,618,076	662,935,770
2004	16,848,207	49,990	173,169	17,071,366	663,716,695
2005	16,595,089	35,707	95,114	16,725,910	715,671,539
2006	16,267,255	21,423	3,794	16,292,472	726,854,931
2007	15,911,027	7,139	2,043	15,920,209	739,488,155
2008	15,476,755	0	0	15,476,755	770,474,686
2009	14,972,234	0	214,963	15,187,197	684,742,966
2010	14,450,128	0	163,534	14,613,662	683,555,509
2011	13,902,337	0	108,944	14,011,281	685,171,606

Source: (1) School District Financial Records  
 (2) Scioto County Auditor  
 (3) Census data for 2000 and 2010 census  
 (4) Computation of per capita personal income multiplied by population

<u>Population (3)</u>	<u>Personal Income (4)</u>	<u>Ratio of Debt to Estimated Actual Value</u>	<u>Ratio of Debt to Personal Income</u>	<u>Debt Per Capita</u>
20,909	\$315,265,902	2.68%	5.68%	\$855.83
20,909	315,265,902	2.66%	5.59%	842.61
20,909	315,265,902	2.57%	5.41%	816.46
20,909	315,265,902	2.34%	5.31%	799.94
20,909	315,265,902	2.24%	5.17%	779.21
20,909	315,265,902	2.15%	5.05%	761.40
20,909	315,265,902	2.01%	4.91%	740.20
20,909	315,265,902	2.22%	4.82%	726.35
20,909	315,265,902	2.14%	4.64%	698.92
20,226	321,836,112	2.04%	4.35%	692.74

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

Fiscal Year	General Obligation Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of General Obligation Debt to Estimated Actual Value	General Obligation Debt Per Capita
2002	\$17,533,309	\$667,499,640	20,909	2.63%	\$838.55
2003	17,109,764	662,935,770	20,909	2.58%	818.30
2004	16,848,207	663,716,695	20,909	2.54%	805.79
2005	16,595,089	715,671,539	20,909	2.32%	793.68
2006	16,267,255	726,854,931	20,909	2.24%	778.00
2007	15,911,027	739,488,155	20,909	2.15%	760.97
2008	15,476,755	770,474,686	20,909	2.01%	740.20
2009	14,972,234	684,742,966	20,909	2.19%	716.07
2010	14,450,128	683,555,509	20,909	2.11%	691.10
2011	13,902,337	685,171,606	20,226	2.03%	687.35

Source: (1) Scioto County Auditor  
 (2) Census data for 2000 and 2010 census



**Portsmouth City School District**  
*Computation of Direct and Overlapping Debt*  
 June 30, 2011

Jurisdiction	Debt Attributable to Governmental Activities	Percentage Applicable to District (1)	Amount Applicable to District
Direct:			
Portsmouth City School District:			
General Obligation Bonds	\$13,902,337	100.00%	\$13,902,337
Capital Lease Obligation	108,944	100.00	108,944
<b>Total Direct Debt</b>	<b>14,011,281</b>		<b>14,011,281</b>
Overlapping:			
Scioto County:			
General Obligation Bonds	10,277,635	24.63	2,531,382
Loan Obligation	23,106	24.63	5,691
Bond Anticipation Notes	587,000	24.63	144,578
Capital Lease Obligation	2,386,364	24.63	587,761
Scioto County Career Technical Center:			
Loan Obligation	116,800	24.86	29,036
Capital Lease Obligation	3,150,000	24.86	783,090
City of Portsmouth:			
General Obligation Bonds	1,645,000	100.00	1,645,000
Capital Lease Obligation	775,085	100.00	775,085
<b>Total Overlapping Debt</b>	<b>18,960,990</b>		<b>6,501,623</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$32,972,271</b>		<b>\$20,512,904</b>

Source: Ohio Municipal Advisory Council

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Total Assessed Valuation	\$218,362,670	\$217,150,954	\$217,826,651
Less Railroad and Telephone Property Valuation	0	0	0
Less General Business Tangible Personal Property Valuation	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	218,362,670	217,150,954	217,826,651
Overall debt limitation - 9.0% of assessed valuation (2)	19,652,640	19,543,586	19,604,399
Gross indebtedness authorized by the School District	17,148,558	16,859,274	16,494,990
Less exempt debt:			
EPA Asbestos Loan	<u>(78,558)</u>	<u>(64,274)</u>	<u>(49,990)</u>
Debt within 9.0% limitation	17,070,000	16,795,000	16,445,000
Less amount available in the debt service fund	<u>(648,230)</u>	<u>(875,363)</u>	<u>(981,047)</u>
Net debt within 9.0% limitation	<u>16,421,770</u>	<u>15,919,637</u>	<u>15,463,953</u>
Legal debt margin within 9.0% limitation	<u>\$3,230,870</u>	<u>\$3,623,949</u>	<u>\$4,140,446</u>
Legal Debt Margin as a Percentage of the Debt Limit	16.4%	18.5%	21.1%
<hr/>			
Unvoted debt limitation .10% of assessed valuation (2)	\$218,363	\$217,151	\$217,827
Gross indebtedness authorized by the School District	78,558	64,274	49,990
Less exempt debt:			
EPA Asbestos Loan	<u>(78,558)</u>	<u>(64,274)</u>	<u>(49,990)</u>
Legal debt margin within .10% limitation	<u>\$218,363</u>	<u>\$217,151</u>	<u>\$217,827</u>
Unvoted Legal Debt Margin as a Percentage of the Excess of Revenues Over (Under) Expenditures	100.0%	100.0%	100.0%

Source: Scioto County Auditor and School District Records

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

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

2005	2006	2007	2008	2009	2010	2011
\$235,450,442	\$233,031,145	\$229,650,393	\$237,052,660	\$232,304,640	\$231,347,620	\$234,472,450
0	(4,636,680)	(3,882,440)	(2,663,890)	(1,832,410)	(828,540)	0
0	(17,455,515)	(12,786,263)	(5,951,460)	(828,540)	(435,460)	0
235,450,442	210,938,950	212,981,690	228,437,310	229,643,690	230,083,620	234,472,450
21,190,540	18,984,506	19,168,352	20,559,358	20,667,932	20,707,526	21,102,521
16,120,707	15,691,423	15,449,595	15,235,000	14,715,000	14,170,000	13,590,000
(35,707)	(21,423)	(7,139)	0	0	0	0
16,085,000	15,670,000	15,442,456	15,235,000	14,715,000	14,170,000	13,590,000
(1,270,369)	(1,593,664)	(1,636,739)	(1,951,714)	(2,243,808)	(3,060,637)	(3,118,408)
14,814,631	14,076,336	13,805,717	13,283,286	12,471,192	11,109,363	10,471,592
\$6,375,909	\$4,908,170	\$5,362,635	\$7,276,072	\$8,196,740	\$9,598,163	\$10,630,929
30.1%	25.9%	28.0%	35.4%	39.7%	46.4%	50.4%
\$235,450	\$210,939	\$212,982	\$228,437	\$229,644	\$230,084	\$234,472
35,707	21,423	7,139	0	0	0	0
(35,707)	(21,423)	(7,139)	0	0	0	0
\$235,450	\$210,939	\$212,982	\$228,437	\$229,644	\$230,084	\$234,472
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)
2002	20,909	\$315,265,902	\$15,078	\$23,004	38
2003	20,909	315,265,902	15,078	23,004	38
2004	20,909	315,265,902	15,078	23,004	38
2005	20,909	315,265,902	15,078	23,004	38
2006	20,909	315,265,902	15,078	23,004	38
2007	20,909	315,265,902	15,078	23,004	38
2008	20,909	315,265,902	15,078	23,004	38
2009	20,909	315,265,902	15,078	23,004	38
2010	20,909	315,265,902	15,078	23,004	38
2011	20,226	321,836,112	15,912	24,562	38

Source: (1) U.S. Census Bureau  
(2) Computation of per capita personal income multiplied by population  
(3) School District Records  
(4) Ohio Department of Job and Family Services  
(5) Ohio Department of Taxation

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Scioto County Unemployment Rate (4)</u>	<u>State of Ohio Unemployment Rate (4)</u>	<u>U.S.A. Unemployment Rate (4)</u>	<u>Total Assessed Property Value (5)</u>
12.5	2,257	8.50	5.60	5.90	\$218,362,670
12.5	2,188	8.10	5.50	5.80	217,150,954
12.5	2,172	8.10	6.00	5.50	217,826,651
12.5	2,079	8.40	5.70	5.00	235,450,442
12.5	1,982	7.40	5.20	4.80	233,031,145
12.5	2,119	7.80	6.10	4.70	229,650,393
12.5	2,132	8.30	6.70	5.50	237,052,660
12.5	2,101	12.90	11.20	9.70	232,304,640
12.5	2,163	13.50	10.50	9.50	231,347,620
11.3	2,120	12.50	8.80	9.20	234,472,450

**Portsmouth City School District**  
*Principal Employers*  
*Fiscal Years 2011 and 2002*

Employer	2011		
	Total Employees	Rank	Percentage of Total Employees
Southern Ohio Medical Center	2,164	1	34.93%
Shawnee State University	1,506	2	24.31
Scioto County	718	3	11.59
Community Action Organization	317	4	5.12
State of Ohio	312	5	5.04
City of Portsmouth	272	6	4.39
Portsmouth City School District	265	7	4.28
OSCO Industries, Inc.	245	8	3.95
Hillview Retirement Center	237	9	3.83
Norfolk and Southern Railway	160	10	2.58
Kroger	-		-
United States Enrichment Corporation	-		-
Total Employees	<u>6,196</u>		<u>100.00%</u>

Source: City of Portsmouth

2002		
Total Employees	Rank	Percentage of Total Employees
2,367	1	37.90%
1,371	2	21.95
754	3	12.07
215	9	3.44
361	4	5.78
290	6	4.64
295	5	4.72
239	7	3.83
-	-	-
-	-	-
220	8	3.52
134	10	2.15
<u>6,246</u>		<u>100.00%</u>

**Portsmouth City School District**  
*Building Statistics*  
*Last Ten Fiscal Years*

	2002	2003	2004
<b>Portsmouth Middle/High School (1)</b>			
Constructed in 1906			
Total Building Square Footage	177,653	177,653	177,653
Acreage	4.00	4.00	4.00
Enrollment Grades 9-12 (Fiscal Years 1997 - 2005)	560	529	486
Enrollment Grades 7-12 (Beginning in Fiscal Year 2006)	N/A	N/A	N/A
Student Capacity	1,064	1,064	1,064
Regular Instructional Classrooms	33	33	33
Regular Instructional Teachers	30	30	29
Special Instructional Classrooms	4	4	4
Special Instructional Teachers	6	6	5
Extracurricular Space - Gymnasium Square Footage	18,992	18,992	18,992
Cafeteria Facilities Square Footage	3,500	3,500	3,500
Library/Media Center Square Footage	2,924	2,924	2,924
<b>Portsmouth High/Junior High School (2)</b>			
Constructed in 2007			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades 7-12	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A



2005	2006	2007	2008	2009	2010	2011
177,653	177,653	N/A	N/A	N/A	N/A	N/A
4.00	4.00	N/A	N/A	N/A	N/A	N/A
732	N/A	N/A	N/A	N/A	N/A	N/A
N/A	761	N/A	N/A	N/A	N/A	N/A
1,064	1,064	N/A	N/A	N/A	N/A	N/A
37	37	N/A	N/A	N/A	N/A	N/A
40	37	N/A	N/A	N/A	N/A	N/A
4	4	N/A	N/A	N/A	N/A	N/A
5	4	N/A	N/A	N/A	N/A	N/A
18,992	18,992	N/A	N/A	N/A	N/A	N/A
3,500	3,500	N/A	N/A	N/A	N/A	N/A
2,924	2,924	N/A	N/A	N/A	N/A	N/A
N/A	N/A	182,540	182,540	182,540	182,540	182,540
N/A	N/A	8.26	8.26	8.26	8.26	8.26
N/A	N/A	815	755	759	795	777
N/A	N/A	1,150	1,150	1,150	1,150	1,150
N/A	N/A	52	52	52	52	51
N/A	N/A	47	40	40	43	42
N/A	N/A	11	11	11	11	12
N/A	N/A	11	11	11	11	12
N/A	N/A	17,847	17,847	17,847	17,847	17,847
N/A	N/A	16,021	16,021	16,021	16,021	16,021
N/A	N/A	4,098	4,098	4,098	4,098	4,098

(continued)

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

	2002	2003	2004
U.S. Grant Middle School (3)			
Constructed in 1930 with additions in 1958			
Total Building Square Footage	60,930	60,930	60,930
Acreage	1.38	1.38	1.38
Enrollment Grades 7-8	324	300	305
Student Capacity	403	403	403
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers	12	12	12
Special Instructional Classrooms	5	5	5
Special Instructional Teachers	5	6	1
Extracurricular Space - Gymnasium Square Footage	11,163	11,163	11,163
Cafeteria Facilities Square Footage	1,618	1,618	1,618
Library/Media Center Square Footage	1,253	1,253	1,253
East Portsmouth Elementary School (4)			
Constructed in 2005			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades K-8	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A



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

	2002	2003	2004
<b>McKinley Elementary School (1)</b>			
Constructed in 1916 with additions in 1955			
Total Building Square Footage	64,450	64,450	64,450
Acreage	2.02	2.02	2.02
Enrollment Grades 6-8 (Fiscal Years 1997 - 2000)	N/A	N/A	N/A
Enrollment Grades 4-6 (Beginning in Fiscal Year 2001)	426	315	448
Student Capacity	427	427	427
Regular Instructional Classrooms	22	22	22
Regular Instructional Teachers	19	19	19
Special Instructional Classrooms	6	6	6
Special Instructional Teachers	9	9	7
Extracurricular Space - Gymnasium Square Footage	6,148	6,148	6,148
Cafeteria Facilities Square Footage	1,904	1,904	1,904
Library/Media Center Square Footage	2,160	2,160	2,160
<b>Wilson Elementary School (1)</b>			
Constructed in 1926 with additions in 1957			
Total Building Square Footage	61,790	61,790	61,790
Acreage	2.00	2.00	2.00
Enrollment Grades K-5 (Fiscal Years 1997 - 2000)	N/A	N/A	N/A
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	331	446	305
Student Capacity	522	522	522
Regular Instructional Classrooms	20	20	20
Regular Instructional Teachers	17	17	17
Special Instructional Classrooms	8	8	8
Special Instructional Teachers	5	5	3
Extracurricular Space - Gymnasium Square Footage	3,990	3,990	3,990
Cafeteria Facilities Square Footage	3,990	3,990	3,990
Library/Media Center Square Footage	828	828	828

2005	2006	2007	2008	2009	2010	2011
64,450	64,450	N/A	N/A	N/A	N/A	N/A
2.02	2.02	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
298	350	N/A	N/A	N/A	N/A	N/A
427	427	N/A	N/A	N/A	N/A	N/A
22	22	N/A	N/A	N/A	N/A	N/A
18	13	N/A	N/A	N/A	N/A	N/A
6	6	N/A	N/A	N/A	N/A	N/A
7	4	N/A	N/A	N/A	N/A	N/A
6,148	6,148	N/A	N/A	N/A	N/A	N/A
1,904	1,904	N/A	N/A	N/A	N/A	N/A
2,160	2,160	N/A	N/A	N/A	N/A	N/A
61,790	61,790	N/A	N/A	N/A	N/A	N/A
2.00	2.00	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
402	320	N/A	N/A	N/A	N/A	N/A
522	522	N/A	N/A	N/A	N/A	N/A
20	20	N/A	N/A	N/A	N/A	N/A
16	14	N/A	N/A	N/A	N/A	N/A
8	8	N/A	N/A	N/A	N/A	N/A
2	3	N/A	N/A	N/A	N/A	N/A
3,990	3,990	N/A	N/A	N/A	N/A	N/A
3,990	3,990	N/A	N/A	N/A	N/A	N/A
828	828	N/A	N/A	N/A	N/A	N/A

(continued)

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

	2002	2003	2004
Roosevelt Elementary School (1)			
Constructed in 1929 with additions in 1956 and 1958			
Total Building Square Footage	32,224	32,224	32,224
Acreage	3.79	3.79	3.79
Enrollment Grades K-5 (Fiscal Years 1997 - 2000)	N/A	N/A	N/A
Enrollment Grades K-3 (Beginning in Fiscal Year 2001)	268	269	317
Student Capacity	258	258	258
Regular Instructional Classrooms	11	11	11
Regular Instructional Teachers	15	15	15
Special Instructional Classrooms	1	1	1
Special Instructional Teachers	3	3	3
Extracurricular Space - Gymnasium Square Footage	4,230	4,230	4,230
Cafeteria Facilities Square Footage	4,230	4,230	4,230
Library/Media Center Square Footage	1,280	1,280	1,280
Harding Elementary School (5)			
Constructed in 1929 with additions in 1959			
Total Building Square Footage	41,455	41,455	41,455
Acreage	2.00	2.00	2.00
Enrollment Grades K-6	348	329	311
Student Capacity	332	332	332
Regular Instructional Classrooms	19	19	17
Regular Instructional Teachers	19	19	16
Special Instructional Classrooms	1	1	3
Special Instructional Teachers	2	2	3
Extracurricular Space - Gymnasium Square Footage	4,600	4,600	4,600
Cafeteria Facilities Square Footage	4,600	4,600	4,600
Library/Media Center Square Footage	1,012	1,012	1,012

2005	2006	2007	2008	2009	2010	2011
32,224	32,224	N/A	N/A	N/A	N/A	N/A
3.79	3.79	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
329	320	N/A	N/A	N/A	N/A	N/A
258	258	N/A	N/A	N/A	N/A	N/A
11	11	N/A	N/A	N/A	N/A	N/A
15	14	N/A	N/A	N/A	N/A	N/A
1	1	N/A	N/A	N/A	N/A	N/A
3	3	N/A	N/A	N/A	N/A	N/A
4,230	4,230	N/A	N/A	N/A	N/A	N/A
4,230	4,230	N/A	N/A	N/A	N/A	N/A
1,280	1,280	N/A	N/A	N/A	N/A	N/A
41,455	N/A	N/A	N/A	N/A	N/A	N/A
2.00	N/A	N/A	N/A	N/A	N/A	N/A
318	N/A	N/A	N/A	N/A	N/A	N/A
332	N/A	N/A	N/A	N/A	N/A	N/A
17	N/A	N/A	N/A	N/A	N/A	N/A
17	N/A	N/A	N/A	N/A	N/A	N/A
3	N/A	N/A	N/A	N/A	N/A	N/A
2	N/A	N/A	N/A	N/A	N/A	N/A
4,600	N/A	N/A	N/A	N/A	N/A	N/A
4,600	N/A	N/A	N/A	N/A	N/A	N/A
1,012	N/A	N/A	N/A	N/A	N/A	N/A

(continued)

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

	2002	2003	2004
Portsmouth Elementary School (2)			
Constructed in 2007			
Total Building Square Footage	N/A	N/A	N/A
Acreage	N/A	N/A	N/A
Enrollment Grades K-6	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A
Regular Instructional Classrooms	N/A	N/A	N/A
Regular Instructional Teachers	N/A	N/A	N/A
Special Instructional Classrooms	N/A	N/A	N/A
Special Instructional Teachers	N/A	N/A	N/A
Extracurricular Space - Gymnasium Square Footage	N/A	N/A	N/A
Cafeteria Facilities Square Footage	N/A	N/A	N/A
Library/Media Center Square Footage	N/A	N/A	N/A

Source: School District Records

N/A - Not Available

- (1) Portsmouth Middle/High School, McKinley Elementary School, Wilson Elementary School, and Roosevelt Elementary School were demolished in fiscal year 2007.
- (2) Portsmouth High/Junior High School and Portsmouth Elementary School were constructed in fiscal year 2007.
- (3) U.S. Grant Middle School was demolished in fiscal year 2005.
- (4) East Portsmouth Elementary School was constructed in fiscal year 2006.
- (5) Harding Elementary School was demolished in fiscal year 2006.



2005	2006	2007	2008	2009	2010	2011
N/A	N/A	161,580	161,580	161,580	161,580	161,580
N/A	N/A	6.82	6.82	6.82	6.82	6.82
N/A	N/A	1,057	1,122	1,138	1,121	1,097
N/A	N/A	1,077	1,077	1,077	1,077	1,077
N/A	N/A	51	51	51	50	50
N/A	N/A	50	51	51	50	50
N/A	N/A	14	14	14	15	15
N/A	N/A	14	14	14	15	15
N/A	N/A	10,150	10,150	10,150	10,150	10,150
N/A	N/A	13,852	13,852	13,852	13,852	13,852
N/A	N/A	4,002	4,002	4,002	4,002	4,002

**Portsmouth City School District**  
*Employees by Function*  
*Last Nine Fiscal Years*

	2003	2004	2005	2006
<b>Governmental Activities</b>				
<b>Instruction:</b>				
Regular	116.00	111.00	107.00	102.00
Special	34.00	40.00	40.00	39.50
Vocational	3.00	5.00	5.00	4.00
<b>Support Services:</b>				
<b>Pupils</b>				
Student Facilitator	1.00	1.00	1.00	1.00
Pupil Personnel Facilitator	0.50	0.50	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
Guidance Counselors	5.00	6.00	6.00	5.00
Psychologists	3.50	3.50	2.00	3.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00
Data Facilitators	1.00	1.00	2.00	10.50
Test Coordinator	1.00	1.00	1.00	0.00
Nurse	1.00	1.00	1.00	1.00
Nurse Aides	2.00	2.00	2.00	2.00
Attendance Officer	1.00	1.00	1.00	1.00
<b>Instructional Staff</b>				
Directors	2.00	2.00	2.00	2.00
Coordinator	1.00	1.00	1.00	0.00
Secretary	1.00	1.00	1.00	2.00
Aides/Paraprofessionals	24.00	23.00	26.00	26.00
Librarians	2.00	2.00	2.00	2.00
Supervisor Technical Support	1.00	1.00	1.00	1.00
<b>Administration</b>				
Superintendent	1.00	1.00	1.00	1.00
Coordinator	0.00	0.00	0.00	0.00
Executive Assistants	2.00	2.00	2.00	2.00
Principals/Assistant Principals	6.00	5.00	5.00	4.00
Dean	1.00	1.00	1.00	1.00
Secretaries	11.00	10.00	9.00	8.00
<b>Fiscal</b>				
Treasurer	1.00	1.00	1.00	1.00
Assistant Treasurer	0.00	0.00	0.00	0.00
Secretaries	3.00	3.00	3.00	3.00

2007	2008	2009	2010	2011
103.00	105.00	114.50	114.00	113.00
36.00	32.00	31.25	34.00	34.00
4.00	4.00	4.25	4.00	4.00
1.00	1.00	0.00	0.00	0.00
1.00	1.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	2.00	2.00
2.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	1.00
0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	1.00	1.00
2.00	4.00	1.00	2.00	2.00
2.00	1.00	1.00	1.00	1.00
20.00	22.00	19.00	21.00	21.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
0.00	4.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00
5.00	5.00	5.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
18.00	16.00	8.00	8.00	8.00
1.00	1.00	1.00	1.00	1.00
0.00	1.00	1.00	1.00	1.00
3.00	3.00	2.00	2.00	2.00

(continued)

*Portsmouth City School District  
Employees by Function  
Last Nine Fiscal Years  
(continued)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Business</b>				
Director	0.50	0.50	0.50	0.50
Executive Assistant	0.50	0.50	0.50	0.50
<b>Operation and Maintenance of Plant</b>				
Executive Assistant	0.50	0.50	0.50	0.50
Custodians	18.50	16.50	16.50	16.50
Maintenance	2.00	2.00	2.00	2.00
<b>Pupil Transportation</b>				
Bus Drivers	7.00	7.00	7.00	7.00
<b>Operation of Non-Instructional Services:</b>				
<b>Food Service Opoerations</b>				
Director	0.50	0.50	0.50	0.50
Manager	1.00	1.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00
Cooks	17.00	15.00	16.00	14.00
Courier	0.50	0.50	0.50	0.50
<b>Total Number of Employees</b>	<u><u>277.00</u></u>	<u><u>274.00</u></u>	<u><u>273.00</u></u>	<u><u>270.00</u></u>

Method: Using 1.0 for each full-time employee and either 0.25 or 0.50 for part-time and seasonal employees.

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

Information prior to fiscal year 2003 was not available.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1.50	1.50	1.50	1.50	1.50
0.50	0.50	0.50	0.50	0.50
0.50	0.50	0.50	0.50	0.50
18.00	17.00	18.00	18.00	18.00
2.00	2.00	2.00	2.00	2.00
7.00	8.00	7.00	7.00	7.00
0.50	0.50	0.50	0.50	0.50
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
14.00	15.00	17.00	18.00	18.00
0.00	0.00	0.00	0.00	0.00
<u>270.00</u>	<u>276.00</u>	<u>266.00</u>	<u>269.00</u>	<u>265.00</u>

**Portsmouth City School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Year	General Government Expenditures (1)	Average Daily Membership	Per Pupil Cost	Teaching Staff	Pupil/ Teacher Ratio
2002	\$26,483,051	2,257	\$11,734	181	12.47
2003	31,643,017	2,188	14,462	167	13.10
2004	39,788,150	2,172	18,319	166	13.08
2005	54,809,495	2,079	26,363	166	12.52
2006	43,490,216	1,982	21,943	167	11.87
2007	33,318,973	2,119	15,724	172	12.32
2008	30,872,681	2,132	14,481	175	12.18
2009	31,746,457	2,101	15,110	169	12.43
2010	32,974,724	2,163	15,245	170	12.72
2011	33,707,398	2,120	15,900	165	12.85

Source: School District Records

(1) Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds

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

Degree	2002	2003 (1)	2004
Bachelor's Degree	22	16	16
Bachelor + 15 Years Experience	72	69	53
Master's Degree	87	82	97
Total	<u>181</u>	<u>167</u>	<u>166</u>

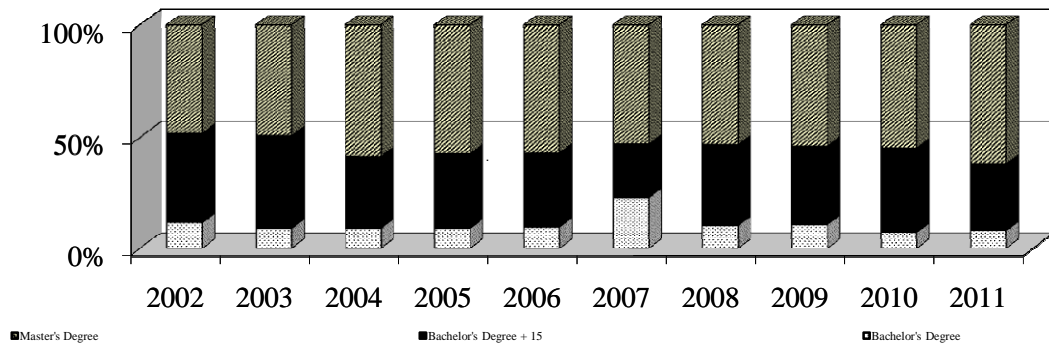
Source: School District Records

(1) The decrease in teachers between fiscal year 2002 and fiscal 2003 was related to the School District being place in fiscal caution. As an attempt to improve financial conditions, the School District reduced staff.



2005	2006	2007	2008	2009	2010	2011
16	17	40	19	19	13	14
55	55	41	63	59	64	49
95	95	91	93	91	93	102
166	167	172	175	169	170	165

**Full-Time Equivalent Teachers by Education**



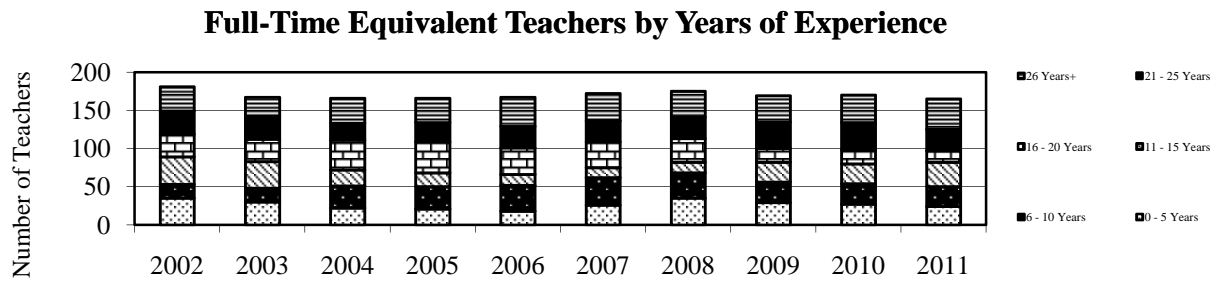
*Portsmouth City School District*  
*Full-Time Equivalent Teachers by Years of Experience*  
*Last Ten Fiscal Years*

<u>Years of Experience</u>	<u>2002</u>	<u>2003 (1)</u>	<u>2004</u>
0 - 5	35	30	22
6 - 10	18	18	29
11 - 15	36	35	21
16 - 20	30	29	39
21 - 25	30	30	22
26 and over	<u>32</u>	<u>25</u>	<u>33</u>
Total	<u><u>181</u></u>	<u><u>167</u></u>	<u><u>166</u></u>

Source: School District Records

(1) The decrease in teachers between fiscal year 2002 and fiscal 2003 was related to the School District being place in fiscal caution. As an attempt to improve financial conditions, the School District reduced staff.

2005	2006	2007	2008	2009	2010	2011
21	18	26	35	29	27	24
29	34	36	33	27	27	26
18	14	13	14	26	26	32
41	35	34	31	18	18	15
25	28	27	28	35	36	28
32	38	36	34	34	36	40
<b>166</b>	<b>167</b>	<b>172</b>	<b>175</b>	<b>169</b>	<b>170</b>	<b>165</b>



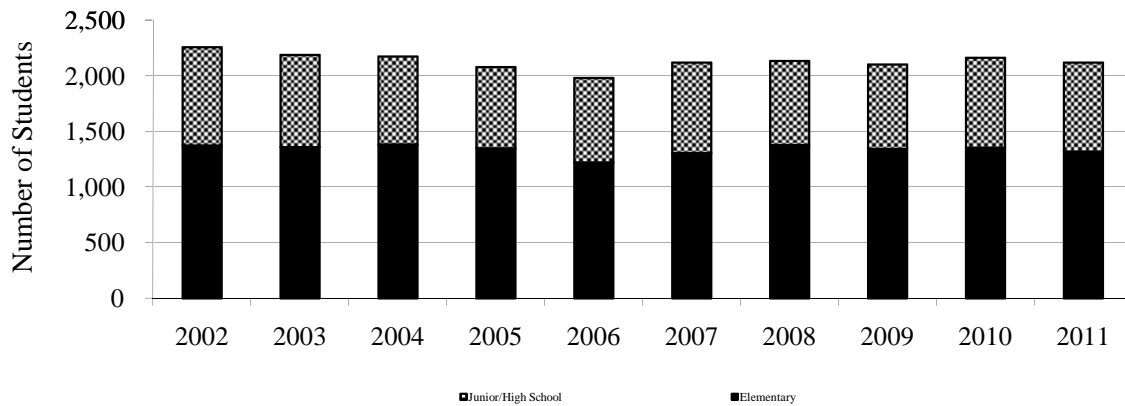
*Portsmouth City School District  
Enrollment  
Last Ten Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
2002	22	173	194	169	233	186	204
2003	11	213	200	165	158	233	172
2004	27	209	223	167	166	172	240
2005	37	209	218	183	158	144	158
2006	34	196	201	193	168	158	149
2007	40	212	220	188	200	180	143
2008	37	200	223	211	201	208	159
2009	87	195	206	182	187	159	160
2010	106	208	191	182	170	177	157
2011	99	219	202	157	163	147	166

Source: School District Records

6	7	8	9	10	11	12	Total
192	156	168	144	130	172	114	2,257
207	156	144	134	135	132	128	2,188
177	142	163	129	142	116	99	2,172
240	145	119	121	126	114	107	2,079
122	166	139	104	118	127	107	1,982
121	136	170	147	118	127	117	2,119
138	122	128	156	126	110	113	2,132
166	114	130	136	145	122	112	2,101
162	164	109	141	110	161	125	2,163
165	164	156	124	112	106	140	2,120

### Enrollment



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

District Buildings	2002	2003	2004
Portsmouth Middle/High School (1)	31.25%	34.59%	40.95%
Portsmouth High/Junior High School (2)	N/A	N/A	N/A
U.S. Grant Middle School (3)	64.20%	66.33%	65.25%
East Portsmouth Elementary School (4)	N/A	N/A	N/A
McKinley Elementary School (1)	68.08%	100.00%	76.12%
Wilson Elementary School (1)	100.00%	87.00%	98.03%
Roosevelt Elementary School (1)	61.94%	51.67%	53.31%
Harding Elementary School (5)	77.87%	75.08%	73.63%
Portsmouth Elementary School (2)	N/A	N/A	N/A
District-Wide	64.69%	66.45%	66.99%

Source: Food Service Director Records

N/A - Not Available

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

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

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

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

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

2005	2006	2007	2008	2009	2010	2011
51.64%	55.85%	N/A	N/A	N/A	N/A	N/A
N/A	N/A	64.04%	63.31%	63.37%	55.60%	65.64%
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	84.85%	85.43%	81.96%	89.71%	92.30%	92.28%
100.00%	78.86%	N/A	N/A	N/A	N/A	N/A
72.89%	100.00%	N/A	N/A	N/A	N/A	N/A
54.41%	58.44%	N/A	N/A	N/A	N/A	N/A
75.16%	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	82.21%	82.17%	80.58%	81.20%	83.77%
67.87%	73.66%	75.60%	75.47%	75.47%	73.00%	78.11%

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# Dave Yost • Auditor of State

PORTSMOUTH CITY SCHOOL DISTRICT

SCIOTO COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JANUARY 31, 2012