

# **Port Clinton City School District**

\* \* \* \*

*Report Letters*

***June 30, 2005***





**Auditor of State  
Betty Montgomery**

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

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

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

April 25, 2006

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**PORT CLINTON CITY SCHOOL DISTRICT**

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The logo for Rea & Associates, Inc. features a teal-colored graphic on the left consisting of a vertical bar and a curved shape. To the right, the company name "Rea & Associates, Inc." is written in a large, serif font. Below the name, the text "ACCOUNTANTS AND BUSINESS CONSULTANTS" is written in a smaller, all-caps, sans-serif font, separated by a thin horizontal line.

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 4, 2006

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

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

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

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

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

*Hea & Associates, Inc.*



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 4, 2006

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

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

### Compliance

We have audited the compliance of Port Clinton City Schools with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to the School District's major program for the year ended June 30, 2005. The School District's major Federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Port Clinton City School District's management. Our responsibility is to express an opinion on Port Clinton City School's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards – Non GAAP Budgetary Basis

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

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

*Rea & Associates, Inc.*

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

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

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

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

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

**1. SUMMARY OF AUDITOR'S RESULTS**

|                |   |  |
|----------------|---|--|
| (d) (1) (i)    | Type of Financial Statement Opinion   | Unqualified  |
| (d) (1) (ii)   | Were there any material control weakness conditions reported at the financial statement level (GAGAS)?    | No   |
| (d) (1) (iii)  | Was there any reported material non-compliance at the financial statement level (GAGAS)?                  | No   |
| (d) (1) (iv)   | Were there any material internal control weakness conditions reported for major federal programs?         | No   |
| (d) (1) (iv)   | Were there any other reportable internal control weakness conditions reported for major federal programs? | No   |
| (d) (1) (v)    | Type of Major Programs' Compliance Opinion  | Unqualified  |
| (d) (1) (vi)   | Are there any reportable findings under Section .510?   | No   |
| (d) (1) (vii)  | Major Programs (list):  | Special Education Cluster<br>CFDA # 84.027 & 84.173<br>Lunch/Breakfast Program<br>CFDA #10.550, 10.553, 10.550<br>Community Alternative Funding System<br>CFDA #93.778 |
| (d) (1) (viii) | Dollar Threshold: Type A/B Programs   | Type A: > \$300,000<br>Type B: All others  |
| (d) (1) (ix)   | Low Risk Auditee?   | Yes  |

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

None were noted

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None were noted

*Port Clinton City School District*

**Ottawa County, Ohio**

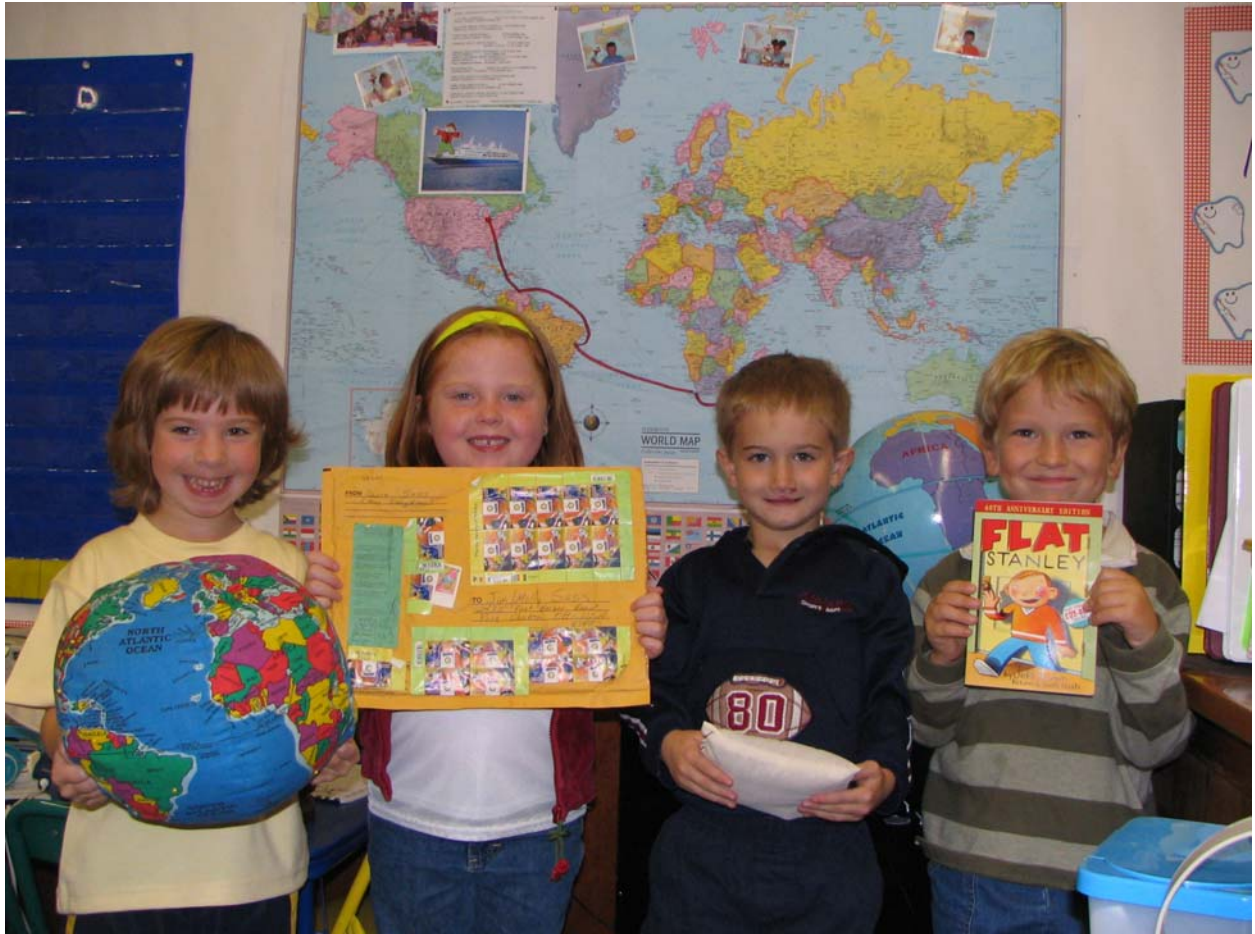
**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2005**



Issued by:

Dr. Paul Lockwood, Treasurer  
Treasurer's Office

## Introductory Section



**PORT CLINTON CITY SCHOOL DISTRICT**

**Comprehensive Annual Financial Report**

**For the Year Ended June 30, 2005**

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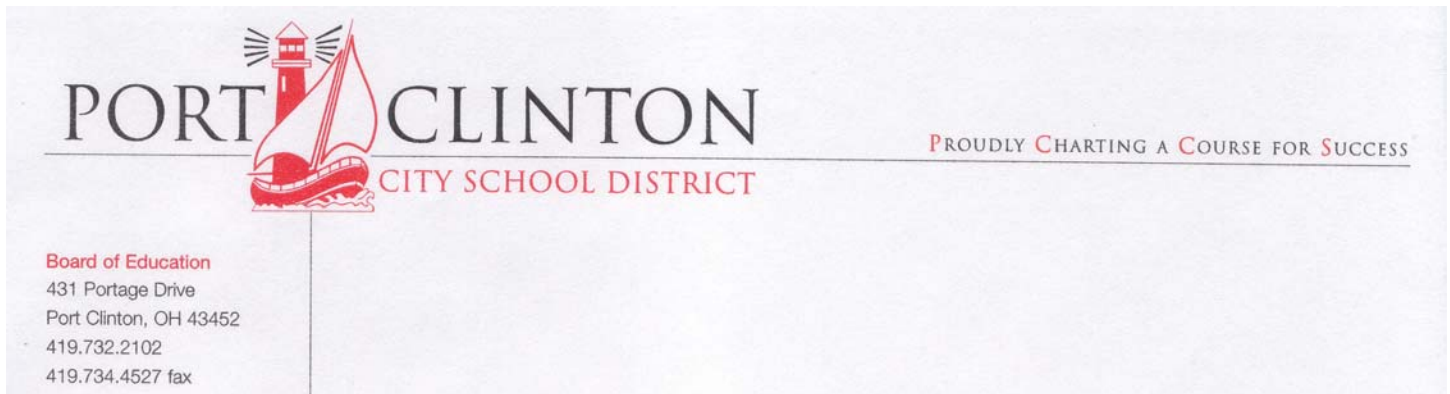
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January 4 , 2006

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

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

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

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

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

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

## **GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT**

### **The School District**

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

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

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

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

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

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

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

### **The Reporting Entity and Services Provided**

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

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

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

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

## **Economic Condition and Outlook**

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

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

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

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

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

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

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

## **Major Initiatives**

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

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

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

Strategies identified include:

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

## **Outlook for the Future**

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

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

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

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

## **FINANCIAL INFORMATION**

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

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

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

### **Fiscal Management**

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

## **Budgeting, Tax Levy and Appropriations Procedures**

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

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

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

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

## **Budgetary Controls**

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

## **Internal Controls**

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

## **Cash Management**

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

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

## **Risk Management**

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

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

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

## **USE OF REPORT**

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

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

## **PENSION PLANS**

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

## **OTHER INFORMATION**

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



## AWARDS

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

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

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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

## ACKNOWLEDGMENTS

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

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



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Patrick D. Adkins  
Superintendent



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Dr. Paul R. Lockwood II  
Treasurer

## ***Port Clinton City School District, Ohio***

### ***Members of the Board of Education***

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

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

### **Superintendent of Schools**

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

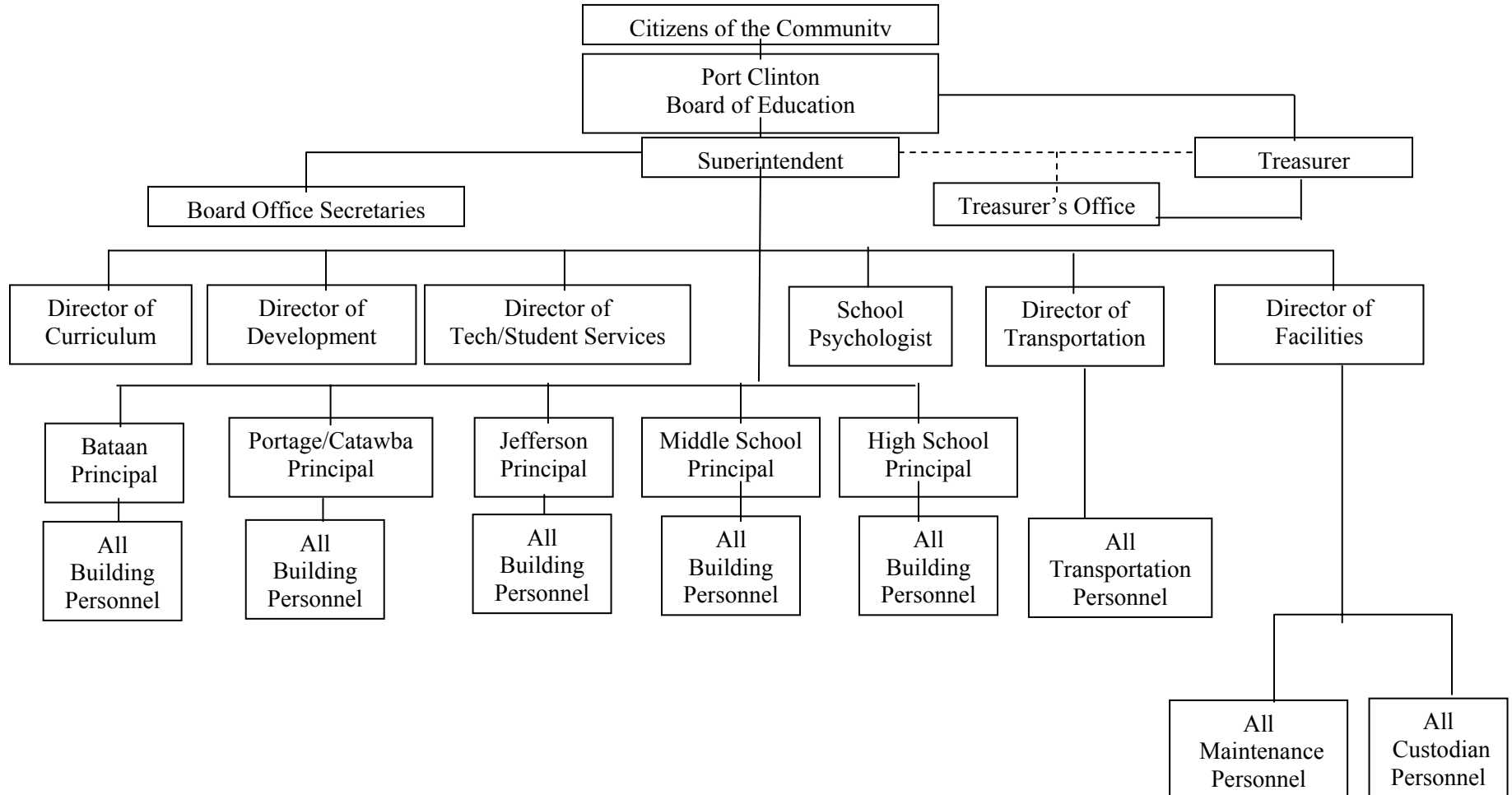
### **Treasurer/Chief Financial Officer**

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

***PORT CLINTON CITY SCHOOL DISTRICT, OHIO***  
***Management Team***

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

**PORT CLINTON CITY SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port Clinton City  
School District, Ohio

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

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



*Nancy L. Ziehl*  
President

*Jeffrey R. Enns*  
Executive Director

## **Financial Section**



The logo for Rea & Associates, Inc. features a teal-colored graphic on the left consisting of a vertical bar and a curved shape. To the right, the company name "Rea & Associates, Inc." is written in a large, black, serif font. Below the name, the words "ACCOUNTANTS AND BUSINESS CONSULTANTS" are written in a smaller, black, all-caps, serif font, separated by a thin horizontal line.

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

January 4, 2006

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

## INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

*Hea & Associates, Inc.*



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

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

**Financial Highlights**

Key financial highlights for 2005 are as follows:

*Overall:*

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

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

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

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

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

**Reporting the District as a Whole**

*Statement of Net Assets and the Statement of Activities*

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

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

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

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

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

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

*Fund Financial Statements*

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

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

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

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**The District as a Whole**

***Governmental Activities***

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

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

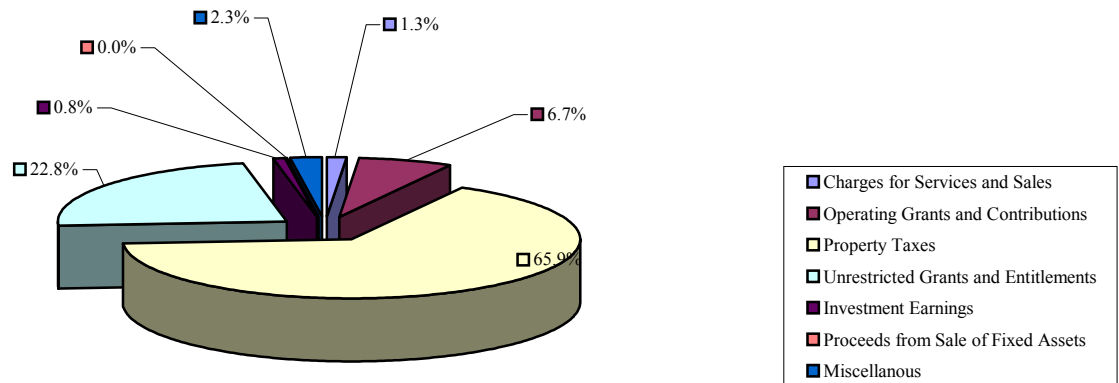
What are the District's Revenue Sources?

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

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

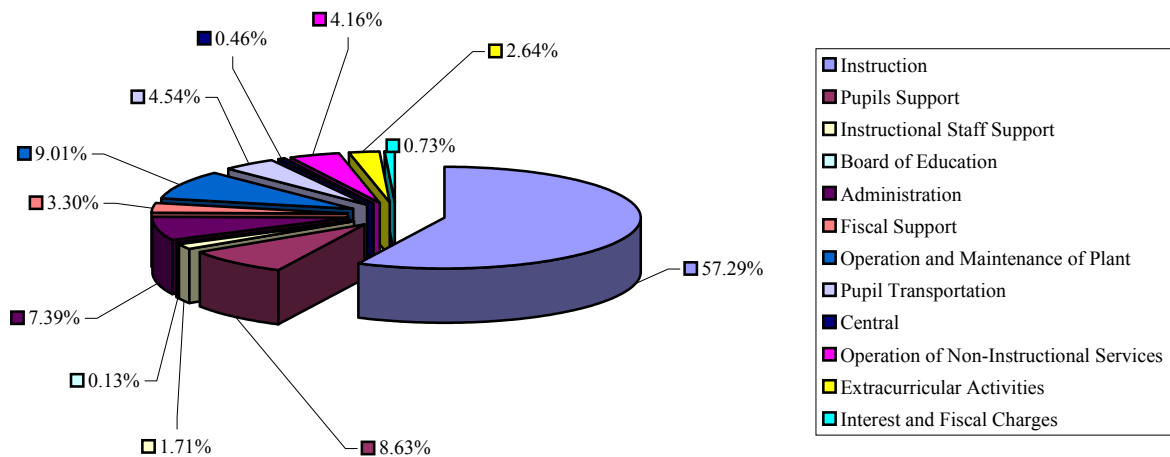
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**Revenues - Percentage View**



Where does the District spend its revenues?

**Expenditures - Percentage View**



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

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

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

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

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

**Table 2**

**Changes in Net Assets**  
**Governmental Activities**

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

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

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

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***The District's Funds***

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

***General Fund Budgeting Highlights***

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

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

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

***Capital Assets and Debt Administration***

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

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



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

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**Table 3**

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

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

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

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

**Debt**

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

**Current Financial Related Activities**

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

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

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

---

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

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

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

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

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

**Contacting the District's Financial Management**

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

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

|   |                     |
|---|---------------------|
| <b>Total Governmental Fund Balances</b> | <b>\$ 7,278,863</b> |
|---|---------------------|

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

|  |           |
|--|-----------|
| Capital assets used in governmental activities are not financial<br>resources and therefore are not reported in the funds. | 4,489,253 |
|--|-----------|

Long-term liabilities, including bonds, notes payable, are not due and  
payable in the current period and therefore are not reported in  
the funds.

|                                  |                    |
|----------------------------------|--------------------|
| Compensated Absences             | (748,973)          |
| General Obligation Bonds Payable | (3,565,738)        |
| Notes Payable                    | <u>(1,141,400)</u> |

|       |             |
|-------|-------------|
| Total | (5,456,111) |
|-------|-------------|

Other long-term assets are not available to pay for current period  
expenditures, and therefore are deferred in the funds.

|                           |                |
|---------------------------|----------------|
| Delinquent Property Taxes | <u>669,514</u> |
|---------------------------|----------------|

|   |                                   |
|---|-----------------------------------|
| <b><i>Net Assets of Governmental Activities</i></b> | <b><u><u>\$ 6,981,519</u></u></b> |
|---|-----------------------------------|

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

|   |           |                |
|---|-----------|----------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b> | <b>\$</b> | <b>857,234</b> |
|---|-----------|----------------|

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

Governmental funds report capital outlays as expenditures.

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

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

|       |  |           |
|-------|--|-----------|
| Total |  | (237,416) |
|-------|--|-----------|

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

|       |  |                |
|-------|--|----------------|
| Taxes |  | <u>202,757</u> |
|-------|--|----------------|

|       |  |         |
|-------|--|---------|
| Total |  | 202,757 |
|-------|--|---------|

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

734,000

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

|                              |  |                 |
|------------------------------|--|-----------------|
| Compensated Absences Payable |  | 46,593          |
| Accrued Interest Payable     |  | <u>(10,744)</u> |

|       |  |               |
|-------|--|---------------|
| Total |  | <u>35,849</u> |
|-------|--|---------------|

|   |           |                                |
|---|-----------|--------------------------------|
| <b><i>Change in Net Assets of Governmental Activities</i></b> | <b>\$</b> | <b><u><u>1,592,424</u></u></b> |
|---|-----------|--------------------------------|

See accompanying notes to the basic financial statements



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

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

(continued)

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

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

(continued)

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2005**

#### **Note 1 – Description of the School District and Reporting Entity**

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

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

#### ***Reporting Entity:***

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

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

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

The following activities are included within the reporting entity:

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

# ***PORT CLINTON CITY SCHOOL DISTRICT***

## **Notes to the Basic Financial Statements**

For the Year Ended June 30, 2005

### **Note 2 – Summary of Significant Accounting Policies**

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

#### **A. Fund Accounting**

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

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

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

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

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

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

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

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2005**

operations. The Agency funds account for student activities.

#### **B. Basis of Presentation**

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

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

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

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

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

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

#### **C. Basis of Accounting**

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



## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2005**

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

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

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

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

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

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

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

#### **D. Budgetary Data**

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

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

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

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

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

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

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

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

#### **E. Cash and Cash Equivalents**

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

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

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

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

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

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

#### **F. Restricted Assets**

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

#### **G. Prepaid Items**

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

#### **H. Inventory**

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

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

#### **I. Capital Assets**

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

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

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

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

#### **J. Intergovernmental Revenues**

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

#### **K. Interfund Balances**

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

#### **L. Compensated Absences**

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

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

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

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

#### **M. Accrued Liabilities and Long-term Obligations**

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

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

#### **N. Interfund Transactions**

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

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

#### **O. Fund Balance Reserves**

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

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

#### **P. Net Assets**

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

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

#### **Q. Extraordinary and Special Items**

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

#### **R. Estimates**

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

**PORT CLINTON CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

***PORT CLINTON CITY SCHOOL DISTRICT***

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2005**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed 30 days in securities listed above that mature within five years from the date of settlement;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period of 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

*Investments:*



## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2005**

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

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

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

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

#### **NOTE 5 - PROPERTY TAXES**

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

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

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

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

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

**PORT CLINTON CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

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

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

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

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

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

**NOTE 6 - RECEIVABLES**

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

**PORT CLINTON CITY SCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

**NOTE 7 - CAPITAL ASSETS**

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

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

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

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

Depreciation expense was charged to governmental functions as follows:

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

**PORT CLINTON CITY SCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

**NOTE 8 - RISK MANAGEMENT**

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

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

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

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

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

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

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

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

***PORT CLINTON CITY SCHOOL DISTRICT***

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2005**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

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

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

**B. State Teachers Retirement System**

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

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements For the Year Ended June 30, 2005**

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

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

#### **C. Social Security System**

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

#### **NOTE 10 - POSTEMPLOYMENT BENEFITS**

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

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

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 50 percent of the premium.

***PORT CLINTON CITY SCHOOL DISTRICT***

**Notes to the Basic Financial Statements  
For the Year Ended June 30, 2005**

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

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

**NOTE 11 - EMPLOYEE BENEFITS**

**A. Sick Leave**

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

**B. Service Retirement**

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

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

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

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

**PORT CLINTON CITY SCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

**C. Vacation**

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

(12) month administrators:

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

Classified employees:

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

Secretaries:

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

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

**NOTE 12 - LONG - TERM OBLIGATIONS**

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

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

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

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



**PORT CLINTON CITY SCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

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

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

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

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

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

#### **NOTE 13 - INSURANCE PURCHASING POOL**

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

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

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

#### **NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS**

##### **Bay Area Council of Governments**

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

## ***PORT CLINTON CITY SCHOOL DISTRICT***

### **Notes to the Basic Financial Statements**

**For the Year Ended June 30, 2005**

#### **Vanguard-Sentinel Joint Vocational School**

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

#### **Northern Ohio Educational Computer Association**

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

#### **NOTE 15 - RELATED ORGANIZATION**

##### **Ida Rupp Public Library**

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

#### **NOTE 16 - CONTINGENCIES**

##### **A. Grants**

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

**PORT CLINTON CITY SCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

**B. Litigation**

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

**C. State School Funding Decision**

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

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

**NOTE 17 - SET-ASIDE REQUIREMENTS**

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

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

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

**PORT CLINTON CITY SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2005

**NOTE 18 – INTERFUND TRANSACTIONS**

**A. Interfund Receivable/Payable**

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

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

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

**B. Interfund Transfers**

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

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

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

**NOTE 19 – RESTATEMENT OF FUND BALANCE/NET ASSETS**

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

**PORT CLINTON CITY SCHOOL DISTRICT**

## Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

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

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

**NOTE 20 – ACCOUNTABILITY AND COMPLIANCE**

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

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

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

**Port Clinton City School District**

**Combining Statements and Individual Fund Schedules**

## **Port Clinton City School District**

### ***Combining Statements – Nonmajor Funds***

#### **Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## **Port Clinton City School District**

### **Nonmajor Special Revenue Funds**

(continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Port Clinton City School District**

### **Nonmajor Capital Projects Funds**

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

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

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

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

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

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

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

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

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

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

(continued)

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

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

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

(continued)



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

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

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

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

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

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

(continued)

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

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

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

(continued)

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

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

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



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

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

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

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

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

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

**Port Clinton City School District**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

## **Statistical Section**



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

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

Source: School District Financial Records

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

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

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

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

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

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

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

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

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

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

Real property is assessed at 35 percent of actual value.

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

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

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

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

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



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

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

Source:

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

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

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

Source: Ottawa County Auditor and Port Clinton City School District

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

Port Clinton City School District  
Computation of Legal Debt Margin  
June 30, 2005

|  |                      |
|--|----------------------|
| Assessed Valuation                       | <u>\$521,065,509</u> |
| Debt Limit – 9% of Assessed Value (1)    | \$46,895,896         |
| Less: Amount of Debt Applicable          | (4,780,994)          |
| Amount available in Debt Service Fund    | <u>2,457,780</u>     |
| Overall Debt Margin                      | <u>\$44,572,682</u>  |
|  |                      |
| Debt Limit – 0.10% of Assessed Value (1) | \$521,066            |
| Less: Amount of Debt Applicable          | (1,146,000)          |
| Amount available in Debt Service Fund    | <u>2,457,780</u>     |
| Unvoted Debt Margin                      | <u>\$1,832,846</u>   |

Source: Ottawa County Auditor and School District Financial Records

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

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

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

Source: School District Financial Records

Port Clinton City School District  
Demographic Statistics  
Last Ten Years

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

Source:

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

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

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

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

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

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

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

Sources: Ottawa County Auditor

(1) Assessed values are for the 2004 collection year

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

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

Sources: Ottawa Auditor

(1) Assessed values are for the 2004 collection year



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

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

Sources: Ottawa County Auditor

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

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

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

Sources: School District Financial Records

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

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

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

Source: School District Personnel Records





**Auditor of State  
Betty Montgomery**

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Facsimile 614-466-4490

**PORT CLINTON CITY SCHOOL DISTRICT  
OTTAWA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 9, 2006**