



Dave Yost • Auditor of State



CITY OF PORTSMOUTH  
SCIOTO COUNTY

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CITY OF PORTSMOUTH  
SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed through Ohio Development Services Agency</i>				
Community Development Block Grants/State's Program				
Community Development Program	14.228	A-F-13-2DH-1	\$0	\$33,940
Community Development Program		A-F-14-2DH-1		1,400
CDBG Revolving Loan		N/A		287,919
Total Community Development Block Grants/State's Program			<u>0</u>	<u>323,259</u>
Total U.S. Department of Housing and Urban Development			0	323,259
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Direct Program from the United States Marshals Service</i>				
Equitable Sharing Program	16.922	N/A		5,059
<i>Direct Program from United States Department of Justice</i>				
Bulletproof Vest Partnership Program	16.607	N/A		4,366
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0481 2014-JG-A01-6027 2014-JG-A02-6819A	4,958	11,016 19,301 4,013
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>4,958</u>	<u>34,330</u>
Total U.S. Department of Justice			4,958	43,755
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed through Ohio Department of Public Safety</i>				
Highway Safety Cluster:				
State and Community Highway Safety Grant	20.600	GG-2014-SA-00-00-00317-00		29,689
National Priority Safety Programs	20.616	GG-2016-SA-00-00-00301-00		15,043
Total Highway Safety Cluster			<u>0</u>	<u>44,732</u>
Total U.S. Department of Transportation			0	44,732
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
<i>Passed through Ohio Environmental Protection Agency</i>				
Air Pollution Control Program Support	66.001	2015 2016		79,900 68,852
Total Air Pollution Control Program Support			<u>0</u>	<u>148,752</u>
Total U.S. Environmental Protection Agency			0	148,752
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Direct Program</i>				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	4H76HA04400-10-04 6H76HA04400-11-01		109,863 186,914
Total Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			<u>0</u>	<u>296,777</u>
<i>Passed through Ohio Department of Health</i>				
Public Health Emergency Preparedness (B)	93.074	73-2-001-2-PH-0615 73-2-001-2-PH-0716		49,140 46,315
Total Public Health Emergency Preparedness (B)			<u>0</u>	<u>95,455</u>
Family Planning Services	93.217	73-2-001-1-RH-0415 73-2-001-1-RH-0516		15,504 50,675
Total Family Planning Services			<u>0</u>	<u>66,179</u>
HIV Prevention Activities_Health Department Based	93.940	73-200-12HP-0714 73-200-12HP-0815	81,496 335,571	81,496 526,037
Total HIV Prevention Activities_Health Department Based			<u>417,067</u>	<u>607,533</u>
Preventive Health Services_Sexually Transmitted Diseases Control Grant	93.977	73-200-12ST-0614 73-200-12ST-0715	10,665 45,974	10,665 61,605
Total Preventive Health Services_Sexually Transmitted Diseases Control Grant			<u>56,639</u>	<u>72,270</u>
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	73-200-001-4-IP-0815		60,006
Maternal and Child Health Services Block Grant to the States	93.994	73-2-001-1-RH-0415		\$752
<i>Passed through Substance Abuse and Mental Health Services Administration</i>				
Drug-Free Communities Support Program Grant	93.276	5H79SP018684-03 5H79SP018684-04		\$82,496 45,042
Total Drug-Free Communities Support Program Grant			<u>0</u>	<u>127,538</u>
Total U.S. Department of Health and Human Services			<u>473,706</u>	<u>1,326,510</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$478,664</u>	<u>\$1,887,008</u>

The accompanying notes are an integral part of this schedule.

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Portsmouth (the City's) under programs of the federal government for the year ended December 31, 2015. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - SUBRECIPIENTS**

The City passes certain federal awards received from Ohio Department of Health and Ohio Department of Justice to other governments or not-for-profit agencies (subrecipients). As Note B describes, the City reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS**

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Development Services Agency. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

The City had no CDBG revolving loan activity during 2015 related directly to issuance or repayment of loans. There was no loan receivable balance at the beginning of the year and no loans were issued in 2015. However, the revolving loan fund did still maintain cash on hand and did have expenditures made from this fund in relation to other projects. See detail as follows:

Cash balance on hand in the revolving loan fund as of December 31, 2015	\$137,919
Administrative costs expended during 2015	\$0
Project Related Costs	\$150,000

**NOTE E - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Portsmouth  
Scioto County  
728 Second Street  
Portsmouth, Ohio 45662

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2016 wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2015-003 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2015-001 and 2015-002.

***Entity's Response to Findings***

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

June 28, 2016



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Portsmouth  
Scioto County  
728 Second Street  
Portsmouth, Ohio 45662

To the City Council:

### ***Report on Compliance for Each Major Federal Program***

We have audited the City of Portsmouth's, Scioto County, Ohio (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City's major federal programs for the year ended December 31, 2015. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the City's major federal programs.

### ***Management's Responsibility***

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

***Basis for Qualified Opinion on Community Development Block Grants/State's Program***

As described in Finding 2015-004 in the accompanying Schedule of Findings, the City did not comply with requirements regarding Cash Management applicable to its Community Development Block Grants/State's Program major federal program. Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to this program.

***Qualified Opinion on Community Development Block Grants/State's Program***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Community Development Block Grants/State's Program* paragraph, the City of Portsmouth complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Community Development Block Grants/State's Program* for the year ended December 31, 2015.

***Basis for Qualified Opinion on HIV Prevention Activities – Health Department Based***

As described in Finding 2015-005 in the accompanying Schedule of Findings, the City did not comply with requirements regarding Procurement and Suspension and Debarment applicable to its HIV Prevention Activities – Health Department Based major federal program. Compliance with this requirement is necessary, in our opinion, for the City to comply with requirements applicable to this program.

***Qualified Opinion on HIV Prevention Activities – Health Department Based***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on HIV Prevention Activities – Health Department Based* paragraph, the City of Portsmouth complied, in all material respects, with the requirements referred to above that could directly and materially affect its *HIV Prevention – Health Department Based* for the year ended December 31, 2015.

***Other Matters***

The City's responses to our noncompliance findings are described in the accompanying Schedule of Findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

***Report on Internal Control Over Compliance***

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. *A significant deficiency in internal over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses, described in the accompanying Schedule of Findings as items 2015-004 and 2015-005.

The City's responses to our internal control over compliance findings are described in the accompanying Schedule of Findings and Corrective Action Plan. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 28, 2016. Our opinion explained that the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during the year. We conducted our audit to opine on the City's' basic financial statements as a whole. We have not performed any procedures to the audited financial statements subsequent to June 28, 2016. The accompanying Schedule of Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

Columbus, Ohio

September 6, 2016

CITY OF PORTSMOUTH  
SCIOTO COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2015

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified for Community Development Block Grants/ States' Program - CFDA #14.228  Qualified for HIV Prevention Activities – Health Department Based - CFDA #93.940
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grants/ State's Program - CFDA #14.228  HIV Prevention Activities - Health Department Based - CFDA #93.940
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

**FINDING NUMBER 2015-001**

**Noncompliance**

Ohio Rev. Code § 5705.10(l) states that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund.

The following fund had a negative cash fund balance at December 31, 2015: Sewage System Revenue Fund (\$965,198).

We recommend the City Auditor monitor to ensure that one fund is not used to cover the expenses of another fund.

**Officials' Response:**

The City is currently working through its five year plan to eliminate all deficit funds. It is anticipated that all funds deficits will be corrected by the end of 2016, with the exception of the Sewer Fund. The City increased the sewer rates this year as required within the fiscal recovery plan with the intention to bring the sewer fund deficit into balance by the end of 2017.

**FINDING NUMBER 2015-002**

**Noncompliance**

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations were greater than estimated resources at December 31, 2015 in the following fund:

Fund:	Estimated Resources	Appropriation Authority	Variance
Sewage System Revenue Fund	\$ 2,554,302	\$ 3,394,433	\$ (840,131)

We recommend the City Council only adopt appropriations that do not exceed estimated resources.

**Officials' Response:**

Appropriations in excess of estimated current resources in the Sewer Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2017 as a result of the sewer rate increase. This correction should resolve appropriations in excess of estimated resources.

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

**FINDING NUMBER 2015-003**

**Material Weakness**

While the City has a capital assets policy, the policy was not updated to comply with the requirements of GASB Statement No. 34 for the reporting of capital assets. The capital assets policy should include, but not be limited to, the following: capitalization threshold, categories or classes of assets, method of cost determination, method of depreciation, useful lives and methods of acquisition. Further, the policy should establish procedures relating to the recording of infrastructure including the following items: determination of values / method of capitalization, useful lives, items to be included in infrastructure for both Governmental Activities and Business-Type Activities, condition by each type of asset, and documentation to indicate at what point an asset has had an improvement that increases its efficiency to the point the old asset value needs removed and the new value recorded (such as total repaving and not just patching of a street).

A review of the City's current capital asset policy in comparison to the City's recorded capital assets revealed the following:

- The current policy was revised several years ago to increase the capital asset threshold to \$5,000. However, the policy does not state whether this threshold applies to infrastructure.
- The current policy states, in part, that infrastructure fixed assets will not be reported for roads, bridges, curbs, gutters, streets, sidewalks, storm sewers and similar assets of value only to the City. The policy currently also states that proprietary infrastructure including all water and wastewater lines and appurtenances are to be included. However, in accordance with GASB Statement No. 34, the City properly included streets (including land and site preparation; pavement including the base course, intermediate course and surface course; and curbing and sidewalks directly related to the streets), curbing and sidewalks (related to parks).
- The current policy includes the classification of Improvements Other Than Buildings which is to include improvements such as park facilities, parking lots, baseball fields, tennis courts, swimming pools and infrastructure associated with City owned assets (water and sanitary sewer systems). However, Improvements Other Than Buildings is being reported on the City's financial statements under Business-Type Activities which only includes water and sanitary sewer lines and systems.
- Useful lives are indicated in the policy; however, the policy does not include the useful lives for Governmental Activities' infrastructure.
- The current policy states that depreciation will not be taken on general fixed assets. However, the City recorded depreciation expense for all Governmental Activities' capital assets with the exception of land.
- The current policy does not include a process for identifying unrecorded items such as reviewing the City Council's minute record, the City's detailed expense reports, etc.
- The City included leased vehicles in capital assets as additions in the first year of a capital lease. The current policy does not address leased vehicles.

**FINDING NUMBER 2015-003  
(Continued)**

The City was in direct conflict with its written policy in that Governmental Activities infrastructure along with Governmental Activities depreciation expense are reported on the financial statements while the policy indicates that it will not be included.

The City should ensure the capital assets policy is updated to comply with the requirements of GASB Statement No. 34 for the reporting of capital assets to prevent material misstatement of the City's financial statements.

We recommend the following regarding the City's Capital Assets Policy:

- The Capital Assets Policy should be revised to include the threshold for infrastructure. The policy should be reviewed to determine whether different thresholds are desired for infrastructure.
- The Capital Assets Policy should be revised to include the classification of infrastructure for both Governmental Activities and Business-Type Activities. The policy should include what assets are to be classified as infrastructure such as: streets (including land and site preparation; pavement including the base course, intermediate course and surface course; and curbing and sidewalks directly related to the streets), curbing and sidewalks (related to parks), bridges, culverts, cat basins, street lighting systems, floodwall and any other items the City determines are stationary in nature and can be preserved for a significantly greater number of years than most capital assets.
- The Capital Assets Policy should be revised for the classification of Improvements Other Than Buildings to include only those assets that the City has reported under Business-Type Activities on the financial statements.
- The Capital Assets Policy should be reviewed to include the useful lives of all classes of assets being capitalized. The City should review infrastructure with its capital assets' consultant to determine the useful lives to be used for infrastructure.
- The Capital Assets Policy should be revised for depreciation to include that all capital assets, with exception of land and construction in progress will be depreciated. Calculation of depreciation for infrastructure should be reviewed with their capital assets' consultant and included in the policy.
- The Capital Assets Policy should include a method to identify unrecorded capital asset additions and deletions. Methods could include departmental reviews, reviewing City Council's minute record, auction results and expenditure listings.
- A detailed review should be performed to ensure that assets are being recorded on the financial statements according to the policy and/or that the policy agrees to how assets are being reported.
- The Capital Assets Policy should be revised to include leased vehicles and equipment being recorded as additions in the first year of a capital lease.

**Officials' Response:**

The current Capital Assets Policy was developed in 1998. Current Capital Assets practices have been to follow GASB statements in practice, but the City's actual policy has not been updated to correspond with those changes. The City will update its Capital Assets Policy to correspond with its current practices as well as comply with the current GASB statements.

**3. FINDINGS FOR FEDERAL AWARDS**

**1. Cash Management**

<b>Finding Number</b>	2015-004		
<b>CFDA Title and Number</b>	Community Development Block Grants/State's Program, CFDA #14.228		
<b>Federal Award Identification Number / Year</b>	A-F-13-2DH-1 and A-F-14-2DH-1		
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development		
<b>Pass-Through Entity</b>	Ohio Development Services Agency		
<b>Repeat Finding from Prior Audit?</b>	Yes	<b>Finding Number (if repeat)</b>	2014-006

**Noncompliance and Material Weakness**

24 C.F.R. § 85.21(c) and § (A)(3)(f) of the Ohio Development Services Agency, Office of Community Development (OCD) Financial Management Rules and Regulations Handbook, require grantees to develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that fund draw downs should be limited to amounts that will enable the grantee to disburse funds on hand to a balance of less than \$5,000 within fifteen days of receipt. Lump sum draw downs are not permitted. The State of Ohio Development Services Agency, Office of Community Development (OCD) Financial Management Rules and Regulations Handbook, § (A)(3)(l), states that the grantee should deposit federal funds received from OCD in a noninterest bearing account. If the grantee deposits funds in an interest bearing account, the grantee must remit to OCD, on at least a quarterly basis, any interest earned that totals more than \$100 per year. The check must be payable to the U.S. Department of Housing and Urban Development. In addition, the grantee must, on a monthly basis, credit any interest earned to the appropriate grant. The only exception is an escrow account for rehabilitation of private property.

Out of the three draw downs received in 2015 for this program (Grant AF-13-2DH-1 at \$20,600 and Grant AF-14-2DH-1 at \$1,400 and \$61,600), one of the draw downs for \$61,600 was not disbursed to a balance of less than \$5,000 within fifteen days of receipt. This is 74% of the total received that was not properly paid out. In addition to this, funding in the amounts of \$15,603 for Grant AC-12-2DH-1 and \$960 for Grant AF-13-2DH-1 had to be returned to the state in 2015 due to the fact the City drew down funds they did not spend. We were not able to compute the amount of imputed interest that may have been earned by the State of Ohio due to the nature of the cash management records maintained by the City.

We recommend the City develop a cash management system to ensure compliance with the Fifteen Day Rule which relates to prompt disbursement of funds. This will help ensure that the monies drawn down are expended within the required time frame. We further recommend documentation supporting draw down requests be maintained by Community Development.

**Officials' Response:**

The City will work to bring its Community Development Block Grant program into compliance.

**2. Procurement and Suspension and Debarment**

<b>Finding Number</b>	2015-005		
<b>CFDA Title and Number</b>	HIV Prevention Activities – Health Department Based, CFDA #93.940		
<b>Federal Award Identification Number / Year</b>	73-200-12HP-0714 and 73-200-12HP-0815		
<b>Federal Agency</b>	U.S. Department of Health and Human Services		
<b>Pass-Through Entity</b>	Ohio Department of Health		
<b>Repeat Finding from Prior Audit?</b>	Yes	<b>Finding Number (if repeat)</b>	2014-013

**Noncompliance and Material Weakness**

2 CFR Part 180 contained suspension and debarment requirements which implements Executive Orders 12549 and 12689. These requirements prohibit non-federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR § 180.220 of the government wide non-procurement debarment and suspension guidance contains those additional limited circumstances. All non-procurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR § 180.300).

In addition to the requirements above, federal procurement guidelines also state that price quotes should be obtained from an adequate number of sources for any type of small purchases (which are defined by the federal government as less than \$150,000 or the state's bidding threshold). The City had purchased services expenditures for the HIV Federal Program totaling \$446,314. The EPLS database was not checked for the vendors.

Without obtaining quotes from an adequate number of sources, it would be difficult to determine if the City received the best price for the services rendered or goods purchased. Also, by not checking the Excluded Party Listing, the City could risk awarding a contract to a vendor which has been suspended or debarred.

**FINDING NUMBER 2015-005  
(Continued)**

We recommend the City perform a search on the Excluded Parties List System before awarding any contracts with federal funds. We further recommend the City establish procedures to perform a verification check for covered transactions by checking the EPLS and maintaining support on file for the verification, collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity whenever purchases are being made from federal grant funds. In addition, we recommend the City develop a single process (policy) requiring competitive quotes or bids before obtaining goods or services with federal funds so that limited financial resources can be used more effectively to deliver public health services.

**Officials' Response:**

The Portsmouth City Health Department will perform a search on the Excluded Parties List System before awarding any contracts with federal funds. The search results will be printed and filed with the contract as support verification. Through the HIV Prevention Grant, the Portsmouth City Health Department solicits quotes to provide public health services, specifically HIV Prevention Services, through the issuance of a sub request for proposal. The health departments in our 58 county region write an application for the funds to the Rural AIDS Supervisor. The applications are reviewed and funding amounts are determined based on the effective delivery of goals and objectives for the grant.

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
2 CFR 200.511(b)  
DECEMBER 31, 2015**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-001 (initially occurred in 2009)	Ohio Rev. Code § 5705.10(l) – Negative Fund Balances	Partially Corrected	The City is currently working through its five year plan to eliminate all deficit funds. It is anticipated that all funds deficits will be corrected by the end of 2016, with the exception of the Sewer Fund. The City increased the sewer rates this year as required within the fiscal recovery plan with the intention to bring the Sewer Fund deficit into balance by the end of 2017.
2014-002	Ohio Rev. Code § 5705.39 – Appropriations exceeded estimated resources.	Partially Corrected	Appropriations in excess of estimated current resources in the Sewer Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2017 as a result of the sewer rate increase. This correction should resolve appropriations in excess of estimated resources.
2014-003 (initially occurred in 2011)	OMB Circular A-133 § .300(d) – Federal schedule not properly prepared.	Partially Corrected	Departments responsible for the administration of federal grant programs will be required to provide documentation to accurately report such federal award expenditures.
2014-004 (initially occurred in 2012)	Material Weakness – Capital Assets Policy	Not Corrected	The current Capital Assets Policy was developed in 1998. Current Capital Assets practices have been to follow GASB statements in practice, but the City’s actual policy has not been updated to correspond with those changes. The City will update its Capital Assets Policy to correspond with its current practices as well as comply with the current GASB statements.
2014-005 (initially occurred in 2011)	OMB Circular A-133 § .300(d) – Federal schedule not properly prepared for the major Federal Programs.	Partially Corrected	Departments responsible for the administration of federal grant programs will be required to provide documentation to accurately report such federal award expenditures.
2014-006 (initially occurred in 2009)	Noncompliance and Material Weakness – Cash Management requirement for Community Development Block Grant	Not Corrected	The City will work to bring its Community Development Block Grant program into compliance.

City of Portsmouth  
 Scioto County  
 Summary Schedule of Prior Audit Findings and Questioned Costs  
 Page 2

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-007	OMB Circular A-133 § .300(d) – Federal schedule did not properly include ARRA – Capitalization Grant for Drinking Water State Revolving Loan Funds monies.	Finding no Longer Valid	City did not receive ARRA monies in 2015.
2014-008	Noncompliance and Material Weakness – Special Tests and Provisions – ARRA Separate Accountability	Finding no Longer Valid	City did not receive ARRA monies in 2015.
2014-009 (initially occurred in 2012)	Noncompliance, Material Weakness and Questioned Cost – Activities Allowed or Unallowed and Allowable Costs/Cost Principals for HIV Prevention Activities – Health Department Based related to payroll and fringe benefits	Corrective Action Taken and Finding is Fully Corrected	
2014-010	Noncompliance, Material Weakness and Questioned Cost – Activities Allowed or Unallowed and Allowable Costs/Cost Principals for HIV Prevention Activities – Health Department Based related to contracts	Corrective Action Taken and Finding is Fully Corrected	
2014-011	Noncompliance and Material Weakness – Equipment and Real Property Management for HIV Prevention Activities – Health Department Based	Corrective Action Taken and Finding is Fully Corrected	
2014-012 (initially occurred in 2012)	Noncompliance and Material Weakness – Period of Availability for HIV Prevention Activities – Health Department Based	Corrective Action Taken and Finding is Fully Corrected	

City of Portsmouth  
 Scioto County  
 Summary Schedule of Prior Audit Findings and Questioned Costs  
 Page 3

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2014-013 (initially occurred in 2012)	Noncompliance and Material Weakness – Procurement and Suspension and Debarment for HIV Prevention Activities – Health Department Based	Not Corrected	Portsmouth City Health Department did not maintain documentation of their search. The Portsmouth Health Department will include a search of the Excluded Parties List System for each contract before execution and will maintain documentation of that search.
2014-014	Noncompliance and Material Weakness – Reporting for HIV Prevention Activities – Health Department Based	Corrective Action Taken and Finding is Fully Corrected	
2014-015	Noncompliance, Material Weakness and Questioned Cost – Final Expenditure Report – Preventive Health Services_Sexually Transmitted Diseases Control Grant	Corrective Action Taken and Finding is Fully Corrected	

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
DECEMBER 31, 2015**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2015-001	The City is currently working through its five year plan to eliminate all deficit funds. It is anticipated that all funds deficits will be corrected by the end of 2016, with the exception of the Sewer Fund. The City increased the sewer rates this year as required within the fiscal recovery plan with the intention to bring the sewer fund deficit into balance by the end of 2017.	December 31, 2017	Derek Allen, City Manager, and M. Trent Williams, City Auditor
2015-002	Appropriations in excess of estimated current resources in the Sewer Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2017 as a result of the sewer rate increase. This correction should resolve appropriations in excess of estimated resources.	December 31, 2017	Derek Allen, City Manager, and M. Trent Williams, City Auditor
2015-003	The current Capital Assets Policy was developed in 1998. Current Capital Assets practices have been to follow GASB statements in practice, but the City's actual policy has not been updated to correspond with those changes. The City will update its Capital Assets Policy to correspond with its current practices as well as comply with the current GASB statements.	December 31, 2016	M. Trent Williams, City Auditor
2015-004	The City will work to bring its Community Development Block Grant program into compliance.	December 31, 2016	Derek Allen, City Manager
2015-005	The Portsmouth City Health Department will perform a search on the Excluded Parties List System before awarding any contracts with federal funds. The search results will be printed and filed with the contract as support verification. Through the HIV Prevention Grant, the Portsmouth City Health Department solicits quotes to provide public health services, specifically HIV Prevention Services, through the issuance of a sub request for proposal. The health departments in our 58 county region write an application for the funds to the Rural AIDS Supervisor. The applications are reviewed and funding amounts are determined based on the effective delivery of goals and objectives for the grant.	December 31, 2016	Chris Smith, Health Commissioner

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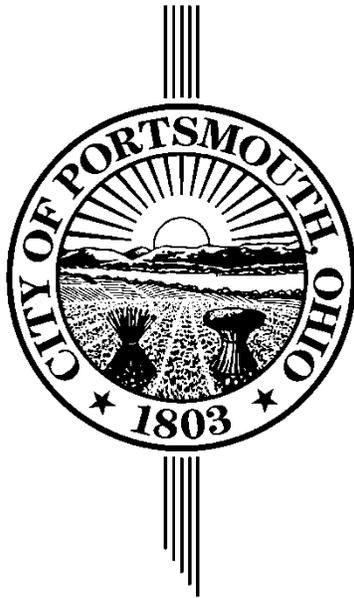
# **Comprehensive Annual Financial Report**

**City of Portsmouth, Ohio**



**For Year Ended  
December 31, 2015**

**M. Trent Williams, CPM, CPFA  
Auditor/Treasurer**



# ***THE CITY OF PORTSMOUTH, OHIO***

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## ***SCIOTO COUNTY***

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

Prepared by:

***M. TRENT WILLIAMS, CPM, CPFA***

**City Auditor**

**Finance Department:**

**Constance J. Snipes**  
Deputy Auditor

**Jennifer E. Newman**  
Finance Clerk II

**Sherry A. Boling**  
Finance Clerk I

**Amanda L. Literal**  
Finance Clerk I

**Income Tax Division:**

**Barbara A. Doyle**  
Tax Commissioner

**Vicki L. Musser**  
Deputy Tax Commissioner

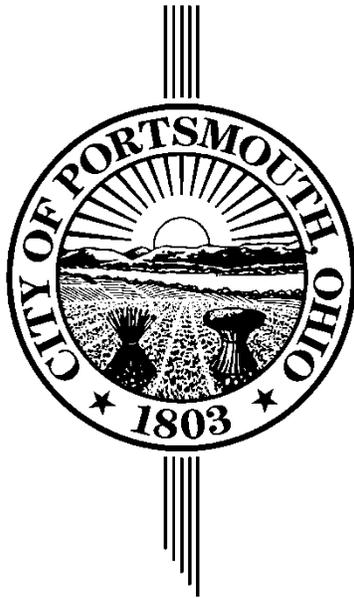


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SCIOTO COUNTY, OHIO

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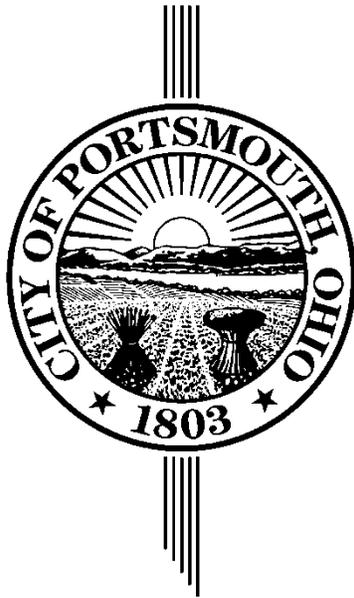
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# *INTRODUCTORY SECTION*

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# The City of Portsmouth

**"Where the Ohio and Scioto Meet"**

**Department of Finance**

Municipal Building, Room 3

728 Second Street ~ P.O. Box 1323  
Portsmouth, Ohio 45662

Phone (740) 354-7751 ~ Fax (740) 354-7751

Web: [www.ci.portsmouth.oh.us](http://www.ci.portsmouth.oh.us) ~ Email: [cityauditor@mail.com](mailto:cityauditor@mail.com)



State of Ohio

***M. Trent Williams, City Auditor***

June 28, 2016

Honorable President and Members of City Council  
City Manager  
Citizens of Portsmouth, Ohio

As City Auditor, it is my pleasure to present the seventeenth Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the year ended December 31, 2015. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Portsmouth (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Portsmouth's MD&A can be found immediately following the Independent Auditor's Report.

This CAFR was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements. Auditor of State David Yost's office has issued an opinion on the City of Portsmouth's financial statements for the year ended December 31, 2015. The Independent Auditor's Report is located at the front of the Financial Section of this report.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

**The Reporting Entity**

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City includes the following services as authorized by its Charter: police and fire protection, parks and recreation, planning, zoning, street maintenance, cemetery, health and other governmental services. In addition, the City owns and operates the water treatment and distribution system, the wastewater treatment and collection system and the solid waste collection and disposal operation, each of which is reported as an enterprise fund.

**Historical Information**

In 1763 on the site of present day Portsmouth, the French surrendered the Ohio Valley to the English. At that time Major Belli platted the town of Alexandria, which was directly across the Scioto River from the present site of Portsmouth. After frequent flooding, Alexandria relocated to the higher east bank of the Scioto. The town was established by Major Henry Massie, who renamed the town Portsmouth to honor his former home of Portsmouth, Virginia.

Portsmouth's location at the confluence of the Scioto River and the Ohio River greatly contributed to its early growth. Portsmouth grew rapidly upon the completion of the Ohio-Erie Canal in 1832 due to the goods and people who traveled the canal and then transferred to steamboats navigating the Ohio and Mississippi Rivers. Smelting furnaces and the railroad were also major forces in the development of the area. After major flooding in 1913 and 1937, a flood wall system was installed to protect the City.

**Location**

Portsmouth, at an altitude of 533 feet above sea level, is located in southern Ohio approximately 90 miles south of Columbus, the state capital, and 100 miles east of Cincinnati, Ohio. Portsmouth, the county seat of Scioto County, encompasses an area of 12 square miles and serves a residential population of 20,226 (2010 Census). The City, which is bisected by U.S. Routes 23 and 52, is strategically located on the Ohio River providing distribution alternatives which include highways, railways and waterways. The City is also situated in close proximity to an abundance of fossil fuels, namely coal and natural gas from nearby Kentucky and West Virginia. The City is connected to Kentucky by two bridges: the U.S. Grant Bridge in downtown Portsmouth and the Carl Perkins Bridge located approximately two miles west of the City. Portsmouth is served by the CSX Railway System and the Norfolk Southern. The Greater Portsmouth Regional Airport, which is located in Minford, Ohio and owned by Scioto County, has a 5,000 foot paved runway which can accommodate corporate jets the size of a Boeing 727.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

**Form of Government**

Portsmouth, a charter city which has a Council-Manager form of government, is divided into six wards. Each ward is represented on City Council by one person elected to a four year term. Additionally, one person is elected by Council to serve as President of Council. Other elected officials serving four year terms are the City Solicitor, and City Auditor/Treasurer. Currently the City Auditor/Treasurer is serving his fourth term and the City Solicitor is serving his first term.

**Municipal Services**

The City provides many services to its citizens, including police and fire protection, street maintenance, traffic control, recreation facilities, engineering, zoning, code enforcement, planning, community development, building inspection, electrical inspection, cemetery, health services, litter control and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates four enterprise activities: water treatment and distribution, wastewater collection and treatment, solid waste collection and disposal services, and primary health care services. The enterprise funds are used to account for activities that are operated in a manner similar to a private business. The intent of the City is that the costs of providing the services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City Manager has the necessary authority to establish and amend appropriate user rates as required. The rates are monitored on an on-going basis to insure their adequacy to meet operation, maintenance, debt service and capital replacement needs. Responsibility for the frequency and amount of rate changes lies solely with the City Manager upon recommendation of the Public Service Director.

**ECONOMIC CONDITION AND OUTLOOK**

**Business and Industry**

Among the principal products and services provided by Portsmouth area businesses are shoelaces, castings, concrete products, and health care services. Portsmouth is served by one daily and two weekly newspapers and by three local radio stations. Cable television is available, offering education and community access channels in addition to entertainment channels. Financial services are provided to the city by six banks and two credit unions. A complete range of medical services is provided to the Portsmouth area by the Southern Ohio Medical Center (SOMC).

SOMC continues its expansion with the completion of the West Portsmouth Family Health Center on Rt. 52 at Earl Thomas Conley Riverside Park. SOMC began construction at its South Campus of a new building that will house Urgent & Family Care, Outpatient Lab and Imaging Services, and Occupational Medicine as well as the addition of a new employee parking facility on Sherman Road that will free up parking spaces closer to the hospital's main entrance providing easier access for patients. SOMC continues its 10 year master plan that has become a tremendous benefit in meeting the health care needs of the Southern Ohio region.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

---

Kings Daughters Medical Center (KDMC), another regional hospital based in nearby Ashland, Kentucky, continues to make a presence in the southern Ohio area acquiring property from the City of Portsmouth for its Medical Specialties and Urgent Care offices as well as similar facilities springing up in communities outside and around the City.

Ground has been broken on the Southern Ohio Veterans Memorial Highway project, a 16-mile, limited access, four-lane highway that will bypass about 26 miles of U.S. 52 and U.S. 23 in Portsmouth, and the single largest highway project in Ohio history. Once completed, the Ohio Department of Transportation estimates it will reduce travel time by 16 minutes compared to the alternative route in the area. The bypass will reduce traffic congestion in and around the City and reduce the wear and tear on city streets. The project is scheduled to be completed in 2018.

Another local project that began in 2015 was the painting of the Carl Perkins Bridge on the west end of Portsmouth that crosses the Ohio River into Kentucky. A \$7 million, seven-month project directed by the Kentucky Transportation Cabinet was completed in late 2015.

**Unemployment Rates**

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County averaged 7.7% for the 2015 calendar year, which is substantially above the state average of 4.9% and the national average of 5.3%. While the local unemployment number is high in comparison to the state and national average, it remains lower than the majority of surrounding counties. While the state of the local economy has been somewhat declined, local initiatives are serving to promote a renewed spirit of pride in the community.

**Utilities**

Public utilities providing services to the City of Portsmouth are as follows:

- Electric                                      American Electric Power
- Telephone                                    Frontier Communications
- Natural Gas                                   Columbia Gas of Ohio

City water, wastewater and solid waste services are provided to residents of the area as indicated below:

Water is provided by the City of Portsmouth to approximately 13,400 customers both within the City and in some areas of Scioto County. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing five to six million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

Serving 7,850 connections are two separate facilities for wastewater treatment. The main plant located in Portsmouth has the capacity to treat ten million gallons daily and is currently treating approximately five million gallons daily. A small plant is located in Sciotoville. The City is currently collecting and treating sewage for Portsmouth, New Boston Village, the Rosemount area located in Clay Township and most recently in the Rigrish Addition area of Minford.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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Solid waste collection and disposal is operated by the City of Portsmouth providing service to approximately 6,375 customers. The solid waste transfer station officially commenced operations in the fall of 1993.

**Recreation and Cultural Facilities and Events**

Portsmouth boasts seventeen City owned parks and numerous sports facilities, including Spartan Stadium, Branch Rickey Park and several tennis courts. West of Portsmouth is the Shawnee State Park providing recreation, camping, cabins, a lodge and many other attractions for residents and out-of-town visitors.

Another citizen sponsored project, which started in 1992 and has recently been completed, is the painting of murals on the flood wall on Front Street in the Boneyfiddle District. These murals tell the "story" of Portsmouth and are proving to be a great tourist attraction. The funds were raised for this project by the people of Portsmouth through donations and fund-raisers and a state grant. With the recent conclusion of the main part of the ten year project there are now 50 completed panels on the flood wall. Maintenance of the project and new sites for continuing the project is ongoing.

As a result of the popularity of the Portsmouth Murals, plans to provide a visitors center to accommodate those viewing the 2000 feet of spectacular Portsmouth history have also been recently completed with the construction of the new Scioto County Welcome Center. The Welcome Center is open every day and houses the offices of the Portsmouth Area Chamber of Commerce as well as the Portsmouth-Scioto County Visitors Bureau. Tourists and visitors to the murals and Boneyfiddle district of downtown Portsmouth can make use of the indoor restroom facilities and gift shop inside the Center along with a long corridor filled with Portsmouth memorabilia. The Center with its large meeting facility is also frequent host to wedding receptions, parties and civic and other conferences and meetings.

An annual Roy Rogers Western Days Festival is held each summer to honor native son Roy Rogers, and a display of memorabilia from his collection is on permanent display in Portsmouth. Firstar Gallery offers month-long exhibits by area artists and hosts an annual area high school cash scholarship art contest. The Ackerman Collection is an exhibit of a collection of area photos dating from 1745. This is a private collection and is shown by appointment only.

Visitors can revel in Portsmouth's past by visiting the Boneyfiddle District Brewery Arcade, a unique and fascinating historic area for the antique enthusiast. Scioto County Historical Society presents the 1810 homestead, meticulously detailed and furnished to delight visitors. The Southern Ohio Museum/Cultural Center presents visual arts, science and history along with a theater and children's series which delights theater buffs. Exhibits change throughout the year.

Portsmouth is ideally located on the Ohio and Scioto Rivers for all types of water related activities, including fishing, boating and water skiing. There are camping facilities along the river which are usually filled to capacity during the summer months. These facilities are owned and operated by the City. As one of the largest festivals in Ohio, the annual Portsmouth River Days Festival is held over the Labor Day weekend and draws many visitors to our area. River Days provides quality, free entertainment to many tens of thousands of locals and visitors each year boasting the state's largest daytime parade as well as Ohio's largest queen's scholarship pageant. Each night features local, regional and national entertainment acts culminating with an annual fireworks extravaganza.

## ***CITY OF PORTSMOUTH, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2015***

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The cultural and recreational needs of the City have been enhanced by the 1993 formation of the Portsmouth Wind Symphony. Citizens from the Portsmouth and surrounding area who have a love of music and the necessary talents have come together to fill a void in the community and provide many hours of entertainment for the people of this area.

During the 1995-1996 academic year, the \$17 million, 102,000 square foot acoustically correct Vern Riffe Center for the Arts opened and has featured some of the biggest names in Broadway Theater, jazz, big band, dance, folk, dramatic arts, and pop music.

The Shawnee State University Clark Planetarium opened April 24, 1998. The Clark Planetarium is one of only 34 Digistar II Planetariums in the world. The Planetarium office can be contacted about show topics, times and for reservations to a show.

#### **Education**

Portsmouth City Schools and Sciotoville Community Schools are comprised of three elementary schools, two middle schools and two high schools, with a total combined enrollment of approximately 2,500 students. The pupil-teacher ratio is approximately eleven to one. Adult education programs are offered by Portsmouth City Schools and Shawnee State University.

In November of 2001, voters of the Portsmouth City School District approved by an overwhelming three to one margin a bond issue to finance its portion of the construction of four new school buildings. Facilities include one high school, one middle school and two new elementary school buildings in the Portsmouth and Sciotoville areas. The bond issue provides the local share of financing of the construction with the large majority of the costs to be paid by state school facility funds

In addition to the educational facilities, Portsmouth City Schools began construction of all new athletic facilities to complement the downtown school campus. The recreational facilities are being paid for entirely from private donations, primarily from an endowment of \$10,000,000 from a private foundation, the Clark Foundation. The facilities, now known as the Clark Athletic Complex have been mostly completed and include a new football stadium, known as the Trojan Coliseum. With all new field houses, stands, concession stand and restrooms, the Coliseum has been made to include many pieces of its past to resemble the floodwall that used to surround the old Spartan Stadium and many landmark items restored from the old high school. The complex also includes a new baseball park, six lighted tennis courts and a running track as well as being beautifully landscaped to include a walking path that is open to the public. The final phase of the Complex completed in 2013 now includes a new softball diamond. The Clark Athletic Complex is sure to rival any high school facility in the state and many small to mid-size university campus athletic facilities.

Higher education facilities in the area include Daymar College (formerly Southeastern Business College) in New Boston, 4 miles east of the City; Ohio University in Ironton, 35 miles east of the City; and Shawnee State University in Portsmouth.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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Shawnee State University is a four year university, the newest in the state. The University features a Fine and Performing Arts Center on the campus and an indoor Physical Education Center. Seventy-seven Bachelor and Associate degree programs are currently available. Immediate plans are to make Shawnee State campus a pedestrian only campus. Second Street and several side streets have been closed and Third Street was recently closed in furtherance of this plan. Twelve new apartment style dormitories have been constructed at the SSU campus enabling the university to offer much needed additional student housing. Shawnee State enrollment is steadily growing, already at over 4,300 students and the university plans to continue its student housing expansion to accommodate the increasing demand.

**Employee Relations**

The City of Portsmouth has contracts with five employee bargaining units. These groups are Local 512 of the International Association of Firefighters, Lodge 33 of the Fraternal Order of Police, Police/Fire Dispatchers-Fraternal Order of Police, Local 1039 AFSCME, Ohio Council 8 and AFSCME 1039-C Finance Department Employees. Contract periods for all unions are three year terms ending in December 2014 except AFSCME 1039, which ends in April 2015. Currently all three-year contract periods have ended, but are continuing on indefinite year to year extensions.

**Long-term Financial Planning**

As fund balances reduced over the past several years and expenses have been cut in many places where possible, by not filling positions as several employees have retired, along with other cost saving opportunities the City proposed a change in its charter in 2011 proposing an income tax increase of .6% to bring the rate from 1.4% to the new rate of 2.0% on the incomes of those who live or work in the City. This proposal was placed on the November 2011 ballot and was approved by City voters which took effect beginning January 2012. The increased rate provides an additional \$3,000,000 annually in general fund revenue to help fund police and fire departments and free up current revenue for additional public services.

Additionally, in an attempt to head off greater financial difficulties and to avoid a harsher emergency declaration, the Auditor of State issued a Fiscal Watch declaration for the City of Portsmouth to help the City restore its deficit fund balances and bring the City back into more sound fiscal health.

With reductions by the state of Ohio of local government revenue, personal property tax and estate tax, the City was forced to once again request another city income tax rate of 0.5% to a rate of 2.5% to replace the revenue lost from state cuts and to continue and enhance operations into the next ten or more years. The proposal was placed on the May 6, 2015 ballot and approved by the voters to become effective January 1, 2016. The new rate will provide an additional \$2,500,000 annually and allow the City to be less reliant on state funding.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**MAJOR INITIATIVES**

The City of Portsmouth went through a major change in 2014 by returning to the City Council/City Manager form of government. The City had operated under the elected strong Mayor/City Council form since 1990. In 2013 the citizens of Portsmouth approved a charter change to return a City Manager to the position of the City's chief executive officer. As a result, years 2014 and 2015 have been mostly a period of transition, evaluation and planning.

However, one major project in the plans for several years, and initiated through an agreed upon administrative consent decree with the EPA in 2013 included the commencement in 2014 of the installation of a 400,000 gallon underground stormwater retention system and stormwater/sanitary sewer separation in and around the Grandview Avenue area. Designed to reduce and eliminate flooding and basement backups from unusually heavy rains, it was completed in the spring of 2015 with a cost of \$2,500,000. This was the City's largest infrastructure project in 2015.

At the City's water filtration plant, a \$520,000 Rapid Mix water treatment system was put out for bid in 2014 and completed in 2015. The rapid mix water treatment system quickly blends water with chemicals, such as coagulants and softening agents, in a more uniform dispersion of chemicals thereby requiring less total chemical agents to be used resulting in money saved by the water plant. The water department also replaced over 2,000 feet of 2" waterlines with new 4" and 6" lines in the Hasting's Hill area.

As a convenience to the City's utility users, the Public Utilities office modified its billing system from quarterly billings to a monthly billing system along with upgrades including online payments for water, sewer and sanitation services.

The Utilities system continued to make improvements to its wastewater and flood defense systems including pump station electrical system upgrades and several other pump station enhancements as well as many repairs to flood gate, floodwall, and pump station lighting and heating facilities at its various locations throughout the city. All these improvements at the Waste Water Treatment Plant have now been completed. Scioto County has recently constructed a new sewer system in the Eden Park area, just north of the City and sewage is now being accepted and treated by the Sciotoville sewage treatment plant.

The Public Service department took over operation of its solid waste transfer station with existing staff that had been contracted out over for many years. The Service Department is currently seeking more flexibility within the transfer station and is in the process of upgrading its 50 ton solid waste permit to an unlimited capacity permit. Solid waste hauling from the transfer station to the landfill is still being contracted out by a private hauler.

The Nursing Division of the Portsmouth City Health Department implemented a new employee based clinic which provides free Clinic visits to City of Portsmouth employees. The goal of this program is to decrease City of Portsmouth employee insurance claims. The employee's visit to the Clinic is provided free of charge. However, if the City employee needs to have diagnostic tests performed, these are billed to the insurance company. This program is managed by the Director of Nursing. In 2015 three hundred and eighty-seven (387) City of Portsmouth employees and their spouses were seen for care in the Clinic. These visits to the Clinic resulted in approximately \$22,243 worth of medical claims savings to the City of Portsmouth's health insurance company.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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Additionally, the Director of Nursing manages a Wellness Program for City of Portsmouth employees. The goal of this program is provide City employees with personal and general wellness information, to promote a healthier lifestyle and decrease chronic illnesses. In 2015, the Nursing Division coordinated employee and spouse wellness assessments, biometric testing and wellness coaching to employees who qualified. The following additional programs were offered to city employees: “Lose to Win” weight loss program, free mammograms to screen for breast cancer, stress- reduction clinic, on-site flu vaccines, wellness informational flyers on a variety of wellness topics related to healthy eating, exercise, stress reduction and wellness screening

The Environmental Division of the Portsmouth City Health Department, in cooperation with City and County departments, implemented the Land Reutilization Program. The program has made great strides in returning tax delinquent properties to the tax districts. Only vacant parcels and vacant houses that are at least three (3) years certified tax delinquent are placed into the land reutilization program. After foreclosure by the County and two unsuccessful Sheriff Sales, the properties are stripped of all taxes and liens and deeded to the City Land Reutilization Program. The Health Department then has the properties appraised and sold at or above fair market value. In 2015, thirty-seven properties were put back in the hands of tax paying citizens, generating \$56,529 in sales.

The clinic completed the converting from paper charting to electronic health records, including billing. Ten local school districts collaborated in the continuation of DFC Youth-Led Prevention activities. The Annual Youth-Led Prevention Workshop, conducted in the spring of 2015, brought together over 150 Youth-Leaders and Adult Liaisons to learn about substance use prevention and to showcase their schools prevention efforts over the past year. PCHD hired a Special Projects Officer whose primary function is coordinating Accreditation and are on schedule to apply for Accreditation by fourth quarter 2016.

**FINANCIAL INFORMATION**

**Internal Control, Budgetary Control and the Accounting System**

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and members of the finance office.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The Auditor's Office (the "Fiscal Office") is responsible for the auditing and analysis of all purchase orders and vouchers of the City. Fiscal Office personnel review and process requisitions, purchase orders and vouchers. Their responsibilities are carefully conducted to ensure the availability of monies in the proper funds and accounts prior to the certification and payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for capital assets, accounting and payroll. These systems, coupled with the review and examination performed by the Fiscal Office, ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the department level for each function within each fund via legislation approved by City Council. Lower levels within each character are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available character level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

**Relevant Financial Policies**

In order to maintain emergency funding for its flood defense system, Portsmouth City Council established, upon the advice of the City Auditor, a policy to always maintain a minimum operating balance level of at least \$500,000 within its Flood Defense Levy fund.

**OTHER INFORMATION**

**Independent Audit**

The basic financial statements of the City of Portsmouth were audited by the office of David Yost, Auditor of State. The auditor's opinion has been included in this report.

**Awards**

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report with contents conforming to all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year. I believe this, our twentieth Comprehensive Annual Financial Report, meets the high standards set by the GFOA Certificate of Achievement program, and I am submitting the report to the GFOA for its review and critique.

***Letter of Transmittal  
For the Year Ended December 31, 2015***

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**Public Disclosure**

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Portsmouth, the recipients of this report include City, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it and is conveniently located on the City's Auditor's section of the official website of the City of Portsmouth under the Financial Division at:

<http://portsmouthoh.org/>

The extensive effort to prepare and distribute this report is indicative of the City Auditor's goal of full disclosure of the City's finances.

**Acknowledgments**

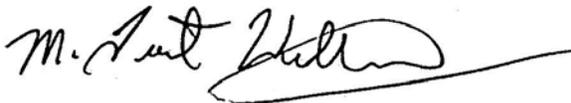
This report is the result of hard work and dedication on the part of many employees and individuals. Special thanks to Scioto County Auditor David Green and Scioto County Chief Deputy Auditor Heather Cunningham; City of Portsmouth Deputy Auditor Connie Snipes and the employees of the Portsmouth City Auditor's office and all other City of Portsmouth employees who have contributed to this endeavor.

Sincere appreciation goes to Donald J. Schonhardt & Associates, Inc. for their continued support and assistance in the preparation of this report.

I especially want to thank the citizens of Portsmouth for the opportunity to continue to improve the professionalism in financial reporting that they expect and deserve.

Thank you to the members of City Council, City Manager and other city administrators, without whose support we would have been unable to prepare this report.

Sincerely,



M. Trent Williams, CPM, CPFA  
City Auditor

**CITY OF PORTSMOUTH, OHIO**

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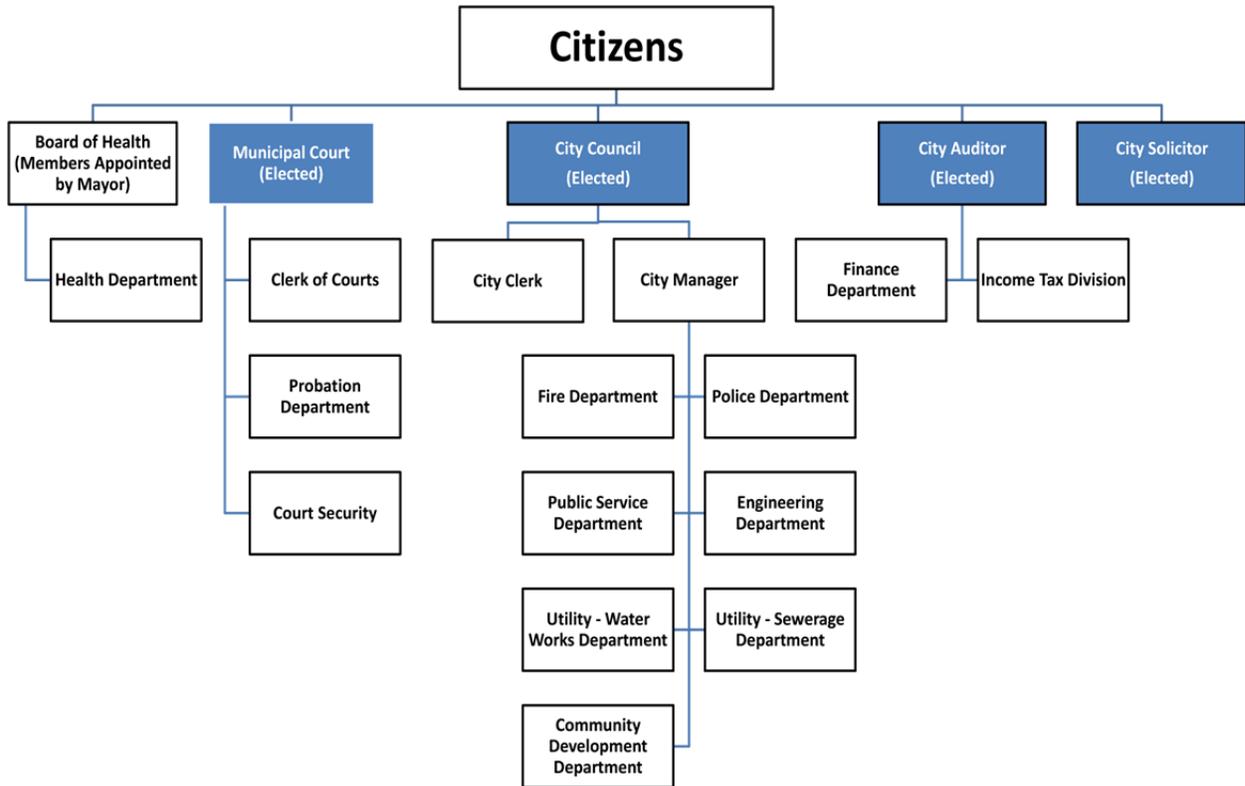
**List of Principal Officials  
For the Year Ended December 31, 2015**

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<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>
<b><u>Executive</u></b>			
City Manager (Appointed)	Derek K. Allen	Indefinite	2
City Auditor (Elected)	M. Trent Williams	01/02/12 - 01/02/16	17
City Solicitor (Elected)	John R. Haas	01/02/12 - 01/02/16	7
<b><u>Legislative</u> (Elected)</b>			
		<u>Ward</u>	
Member of Council	Kevin W. Johnson	1st	1/6/2014 - 12/31/17
Member of Council	James R. Saddler II	2nd	01/02/12 - 01/02/16
Member of Council	Kevin E. Johnson	3rd	1/6/2014 - 12/31/17
Member of Council (Acting Mayor)	James D. Kalb	4th	01/02/12 - 01/02/16
Member of Council	Gene Meadows	5th	1/6/2014 - 12/31/17
Member of Council	Jeffrey A. Kleha	6th	07/01/14 - 01/02/16
<b><u>Judicial</u> (Elected)</b>			
Municipal Court Judge	Russell D. Kegley	01/01/12 - 12/31/17	13
Municipal Court Judge	Steven L. Mowery	01/01/10 - 12/31/15	6
<b><u>Administrative</u> (Appointed)</b>			
Police Chief	Robert K. Ware	Indefinite	21
Fire Chief	William V. Raison	Indefinite	25
Public Service Director	William M. Beaumont	Indefinite	9
Director of Water	Samuel J. Sutherland	Indefinite	27
Director of Waste Water	Richard D. Duncan	Indefinite	21
Community Development Director	Tracy A. Shearer	Indefinite	5
City Clerk	Diana L. Ratliff	Indefinite	3
Municipal Court Clerk	R. Leroy Kegley	Indefinite	37
Health Commissioner	Christopher S. Smith	Indefinite	20
Income Tax Commissioner	Barbara A. Doyle	Indefinite	30
Civil Service Secretary	Jo Ann Aeh	Indefinite	30
<b><u>Executive Offices:</u></b>			
<b>Derek K. Allen, City Manager</b> City of Portsmouth 728 Second Street, Room 1 Portsmouth, Ohio 45662 Ph: 740-354-8807 Fax: 740-354-8809 Email: <a href="mailto:dallen@portsmouthoh.org">dallen@portsmouthoh.org</a>	<b>M. Trent Williams, Auditor</b> City of Portsmouth 728 Second Street, Room 3 Portsmouth, Ohio 45662 Ph: 740-354-7751 Fax: 740-353-458 Email: <a href="mailto:twilliams@portsmouthoh.org">twilliams@portsmouthoh.org</a>	<b>John R. Haas, Solicitor</b> City of Portsmouth 728 Second Street, Room 22 Portsmouth, Ohio 45662 Ph: 740-353-5229 Fax: 740-353-0136 Email: <a href="mailto:jhaas@portsmouthoh.org">jhaas@portsmouthoh.org</a>	

**City Organizational Chart**  
**For the Year Ended December 31, 2015**

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*Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting*

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Portsmouth  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**



Executive Director/CEO

# *FINANCIAL SECTION*

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Portsmouth  
Scioto County  
728 Second Street  
Portsmouth, Ohio 45662

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Notes 2 and 11 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the City'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

Columbus, Ohio

June 28, 2016



The discussion and analysis of the City of Portsmouth's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City'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 City's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2015 are as follows:

- ❑ In total, net position increased \$718,501. Net position of governmental activities increased \$301,341 which represents a 2.3 % increase from 2014. Net position of business-type activities increased \$417,160, or 2.6% from 2014.
- ❑ General revenues accounted for \$14,453,590 in revenue or 47.5% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$15,979,492 or 52.5% of total revenues of \$30,433,082.
- ❑ The City had \$19,080,687 in expenses related to governmental activities; only \$4,928,438 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- ❑ Among major funds, the General Fund had \$12,943,537 in revenues and other financing sources and \$12,490,615 in expenditures and other financing uses. The General Fund's fund balance increased from \$1,333,943 to \$1,775,488.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City one needs to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, sanitation, and primary care services are reported as business-type activities.

**Fund Financial Statements**

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

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

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, the Statement of Net Position and the Statement of Activities will essentially match the fund financial statements. The proprietary fund financial statements provide separate information for the Water, Sewer, Sanitation, and Primary Care services. All except the Primary Care Fund are considered major funds.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Net Position.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a summary of the City's net position for 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Current and other assets	\$11,288,566	\$10,477,062	\$4,416,561	\$4,694,062	\$15,705,127	\$15,171,124
Capital assets, Net	19,090,264	19,857,301	29,035,368	28,076,532	48,125,632	47,933,833
Total assets	<u>30,378,830</u>	<u>30,334,363</u>	<u>33,451,929</u>	<u>32,770,594</u>	<u>63,830,759</u>	<u>63,104,957</u>
Deferred outflows of resources	1,926,334	1,277,017	508,319	358,509	2,434,653	1,635,526
Long-term liabilities outstanding	2,338,312	2,503,997	13,776,505	13,275,703	16,114,817	15,779,700
Net Pension Liability	13,886,447	13,195,058	2,939,105	2,872,720	16,825,552	16,067,778
Other liabilities	552,777	774,958	618,779	823,615	1,171,556	1,598,573
Total liabilities	<u>16,777,536</u>	<u>16,474,013</u>	<u>17,334,389</u>	<u>16,972,038</u>	<u>34,111,925</u>	<u>33,446,051</u>
Deferred inflows of resources	1,874,920	1,786,000	51,634	0	1,926,554	1,786,000
Net position:						
Net investment in capital assets	18,924,619	19,585,820	15,753,500	15,436,290	34,678,119	35,022,110
Restricted	5,578,284	5,561,675	0	557,025	5,578,284	6,118,700
Unrestricted	(10,850,195)	(11,796,128)	820,725	163,750	(10,029,470)	(11,632,378)
Total net position	<u>\$13,652,708</u>	<u>\$13,351,367</u>	<u>\$16,574,225</u>	<u>\$16,157,065</u>	<u>\$30,226,933</u>	<u>\$29,508,432</u>

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements are prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability reduced beginning of year net position by \$11,918,041 in governmental activities and \$2,514,211 in business-type activities.

Changes in Net Position – The following table shows the changes in net position for 2015 compared to 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,726,794	\$1,814,591	\$11,015,503	\$11,649,440	\$12,742,297	\$13,464,031
Operating Grants and Contributions	3,201,644	3,108,213	0	0	3,201,644	3,108,213
Capital Grants and Contributions	0	0	35,551	0	35,551	0
Total Program Revenues	4,928,438	4,922,804	11,051,054	11,649,440	15,979,492	16,572,244
General revenues:						
Property Taxes	2,020,942	1,836,477	0	0	2,020,942	1,836,477
Income Taxes	10,605,852	10,165,799	0	0	10,605,852	10,165,799
Other Local Taxes	313,388	311,926	0	0	313,388	311,926
Intergovernmental Revenue, Unrestricted	1,069,435	917,790	0	0	1,069,435	917,790
Investment Earnings	30	182	0	0	30	182
Miscellaneous	443,943	544,864	0	0	443,943	544,864
Total General Revenues	14,453,590	13,777,038	0	0	14,453,590	13,777,038
Total Revenues	19,382,028	18,699,842	11,051,054	11,649,440	30,433,082	30,349,282
Program Expenses						
Security of Persons and Property	9,277,034	9,047,187	0	0	9,277,034	9,047,187
Public Health and Welfare Services	2,646,659	2,959,083	0	0	2,646,659	2,959,083
Leisure Time Activities	74,438	68,933	0	0	74,438	68,933
Community Environment	750,567	1,236,218	0	0	750,567	1,236,218
Transportation	2,048,345	2,431,358	0	0	2,048,345	2,431,358
General Government	4,194,086	4,037,247	0	0	4,194,086	4,037,247
Interest and Fiscal Charges	89,558	100,934	0	0	89,558	100,934
Water	0	0	5,549,162	5,939,858	5,549,162	5,939,858
Sewer	0	0	3,303,902	3,538,609	3,303,902	3,538,609
Sanitation	0	0	1,739,108	1,858,980	1,739,108	1,858,980
Primary Care	0	0	41,722	111,594	41,722	111,594
Total Expenses	19,080,687	19,880,960	10,633,894	11,449,041	29,714,581	31,330,001
Change in Net Position before transfers	301,341	(1,181,118)	417,160	200,399	718,501	(980,719)
Transfers	0	(47,325)	0	47,325	0	0
Total Change in Net Position	301,341	(1,228,443)	417,160	247,724	718,501	(980,719)
Beginning Net Position, Restated	13,351,367	N/A	16,157,065	N/A	29,508,432	N/A
Ending Net Position	\$13,652,708	\$13,351,367	\$16,574,225	\$16,157,065	\$30,226,933	\$29,508,432

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,277,017 for Governmental Activities and \$358,509 for Business-type Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,397,343 for Governmental Activities and \$319,706 for Business-type Activities.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2015 program expenses under GASB 68	\$19,080,687	\$10,633,894
Pension expense under GASB 68	(1,397,343)	(319,706)
2015 contractually required contribution	<u>1,289,351</u>	<u>351,497</u>
Adjusted 2015 program expenses	18,972,695	10,665,685
Total 2014 program expenses under GASB 27	<u>19,880,960</u>	<u>11,449,041</u>
Increase (Decrease) in program expenses not related to pension	<u><u>(\$908,265)</u></u>	<u><u>(\$783,356)</u></u>

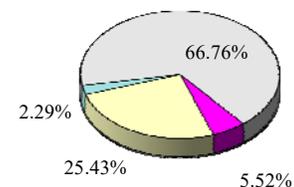
**Governmental Activities**

Net position of the City's governmental activities increased by \$301,341. The increase in net position is a result of slightly increased tax revenue and efforts to reduce spending.

The City receives an income tax, which is based on 2.0% of all salaries, wages, commissions and other compensation and on net profits earned from those working or doing business in the City.

Income taxes and property taxes made up 54.7% and 10.4% respectively of revenues for governmental activities for the City in 2015. The City's reliance upon tax revenues is demonstrated by the following graph indicating 66.76% of total revenues from general tax revenues:

Revenue Sources	2015	Percent of Total
General Tax Revenues	\$12,940,182	66.76%
Intergovernmental Revenue, Unrestricted	1,069,435	5.52%
Program Revenues	4,928,438	25.43%
General Other	<u>443,973</u>	<u>2.29%</u>
Total Revenue	<u><u>\$19,382,028</u></u>	<u><u>100.00%</u></u>



**Business-Type Activities**

The net position of the business-type activities increased by \$417,160. The increase in net position is a result of maintaining expenses lower than revenues.

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2015**

**Unaudited**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$6,513,582, which is an increase from last year's balance of \$6,142,239. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2015 and 2014:

	Fund Balance December 31, 2015	Fund Balance December 31, 2014	Increase (Decrease)
General	\$1,775,488	\$1,333,943	\$441,545
General Obligation Bond Retirement	123,719	124,831	(1,112)
Capital Improvement	1,830,897	1,712,416	118,481
Other Governmental	2,783,478	2,971,049	(187,571)
<b>Total</b>	<b>\$6,513,582</b>	<b>\$6,142,239</b>	<b>\$371,343</b>

General Fund – The City's General Fund balance increase is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2015 Revenues	2014 Revenues	Increase (Decrease)
Property and Other Taxes	\$10,652,389	\$10,478,016	\$174,373
Intergovernmental Revenue	978,960	904,843	74,117
Charges for Services	266,685	240,926	25,759
Licenses and Permits	210,454	199,938	10,516
Fines and Forfeitures	508,041	553,137	(45,096)
All Other Revenue	277,008	383,203	(106,195)
<b>Total</b>	<b>\$12,893,537</b>	<b>\$12,760,063</b>	<b>\$133,474</b>

General Fund revenues in 2015 increased approximately 1.0% compared to revenues in 2014. Fines and Forfeitures decreased as a result of the end of a federal grant for public safety that provided funding for increased traffic patrol. Although the purpose of the grant was to provide safer streets, a natural side result was a significant, but temporary increase in revenue from police fines.

	2015 Expenditures	2014 Expenditures	Increase (Decrease)
Security of Persons and Property	\$8,171,246	\$8,132,414	\$38,832
Public Health and Welfare Services	533,024	630,007	(96,983)
Community Environment	295,676	279,769	15,907
Transportation	317,707	344,167	(26,460)
General Government	2,783,535	2,929,096	(145,561)
<b>Total</b>	<b>\$12,101,188</b>	<b>\$12,315,453</b>	<b>(\$214,265)</b>

***Management's Discussion and Analysis  
For the Year Ended December 31, 2015***

***Unaudited***

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General Fund expenditures decreased by \$214,265 or 1.7% compared to the prior year. The decrease is the result of containing costs in the Health Department and the Municipal Court. There was also a 50% credit given by the State on workers compensation premiums.

*General Obligation Bond Retirement Fund* – The General Obligation Bond Retirement Fund balance decreased from \$124,831 to \$123,719. The fund remained stable compared to 2014.

*Capital Improvement Fund* - The Capital Improvement Fund balance increased from \$1,712,416 to \$1,830,897 as a result of slightly increased tax revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City'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 2015 the City amended its General Fund budget several times. Final budgeted expenditures exceeded original budgeted expenditures by \$613,045 as a result of additional expenses for fuel, police department special details, income tax refunds, legal fees and temporary advances to health department funds.

For the General Fund, final budget basis revenue of \$12,707,599 increased from original budget estimates of \$12,225,159 as a result of receiving higher than anticipated income taxes and reimbursements. The actual revenues of \$12,635,267 were not significantly different than the final budget basis revenue.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2015 the City had \$48,125,632 net of accumulated depreciation invested in buildings, improvements, machinery and equipment, and infrastructure. Of this total, \$19,090,264 was related to governmental activities and \$29,035,368 to the business-type activities. The following table shows 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$1,987,027	\$1,987,027	\$0
Buildings	6,379,702	6,379,702	0
Improvements	2,481,692	2,701,980	(220,288)
Machinery and Equipment	9,466,013	9,692,691	(226,678)
Infrastructure	30,066,369	29,851,803	214,566
Less: Accumulated Depreciation	<u>(31,290,539)</u>	<u>(30,755,902)</u>	<u>(534,637)</u>
Totals	<u>\$19,090,264</u>	<u>\$19,857,301</u>	<u>(\$767,037)</u>

The increases in infrastructure were for paving projects. These increases were somewhat offset by depreciation expense.

	Business-Type Activities		Increase (Decrease)
	2015	2014	
Land	\$63,504	\$63,504	\$0
Construction in Progress	4,834,230	2,927,469	1,906,761
Buildings	6,505,589	6,505,589	0
Improvements other than Buildings	30,709,007	30,160,739	548,268
Machinery and Equipment	14,390,101	14,328,289	61,812
Less: Accumulated Depreciation	<u>(27,467,063)</u>	<u>(25,909,058)</u>	<u>(1,558,005)</u>
Totals	<u>\$29,035,368</u>	<u>\$28,076,532</u>	<u>\$958,836</u>

Business type capital assets increased by \$958,836. Depreciation expense was offset by additional acquisitions. The wastewater treatment plant improvement is a continuing construction project. Additional information on the City's capital assets can be found in Note 10.

## **CITY OF PORTSMOUTH, OHIO**

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### ***Management's Discussion and Analysis For the Year Ended December 31, 2015***

***Unaudited***

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#### ***Debt***

At December 31, 2015, the City had \$1,305,000 in General Obligation Bonds outstanding, \$80,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Governmental Activities:		
General Obligation Bond	\$1,305,000	\$1,380,000
Net Pension Liability	13,886,447	0
Compensated Absences	719,338	646,944
Capital Leases	313,974	477,053
Total Governmental Activities	<u>\$16,224,759</u>	<u>\$2,503,997</u>
Business-Type Activities:		
Ohio Public Works Commission Loan	\$1,626,817	\$1,366,722
Water Refunding Revenue Bond	0	555,000
Ohio Water Development Authority Loan	9,933,465	8,289,564
Net Pension Liability	2,939,105	0
Compensated Absences	70,731	81,369
Capital Leases	2,145,492	2,983,048
Total Business-Type Activities	<u>16,715,610</u>	<u>13,275,703</u>
Totals	<u>\$32,940,369</u>	<u>\$15,779,700</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2015, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

#### **ECONOMIC FACTORS**

The local economy continues to stabilize and General fund have stabilized as well. The Auditor of State declared the City to be in Fiscal Watch on April 9, 2013. The City implemented its revised five-year fiscal recovery plan in October 2014 with a major component being a proposed one-half percent increase in the City's income tax rate. The process to put the proposal on the ballot began in December 2014 and on May 6, 2015, the voters of the City approved the proposed income tax increase to become effective January 1, 2016. Although still under Fiscal Watch, the City has achieved significant financial improvement.

Also, on August 26, 2013, the City Council authorized the Mayor to approve and sign an Administrative Order on Consent (AOC) which has been negotiated with the U.S. Environmental Protection Agency (USEPA) Region V. The AOC includes construction of a number of improvements to the City's sewer system. The estimated cost of the project is \$4.3 million and was substantially completed as of June 2015.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. M. Trent Williams, CPFA, City Auditor of the City of Portsmouth.

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
December 31, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 5,121,213	\$ 1,119,617	\$ 6,240,830
Receivables:			
Taxes	3,910,721	0	3,910,721
Accounts	482,993	2,567,557	3,050,550
Intergovernmental	1,778,156	0	1,778,156
Internal Balances	(192,213)	192,213	0
Inventory of Supplies at Cost	64,358	176,858	241,216
Prepaid Items	29,065	12,185	41,250
Restricted Assets:			
Cash and Cash Equivalents	94,273	348,131	442,404
Capital Assets:			
Capital Assets Not Being Depreciated	1,987,027	4,897,734	6,884,761
Capital Assets Being Depreciated, Net of Accumulated Depreciation	17,103,237	24,137,634	41,240,871
<b>Total Assets</b>	<b>30,378,830</b>	<b>33,451,929</b>	<b>63,830,759</b>
<b>Deferred Outflows of Resources:</b>			
Pension	1,926,334	508,319	2,434,653
<b>Liabilities:</b>			
Accounts Payable	126,767	152,310	279,077
Accrued Wages and Benefits	14,738	7,233	21,971
Intergovernmental Payable	324,897	111,105	436,002
Claims Payable	62,620	0	62,620
Refundable Deposits	0	348,131	348,131
Accrued Interest Payable	23,755	0	23,755
Long-term Liabilities:			
Due Within One Year	345,662	1,408,958	1,754,620
Due in More Than One Year:			
Net Pension Liability	13,886,447	2,939,105	16,825,552
Other Amounts Due in More Than One Year	1,992,650	12,367,547	14,360,197
<b>Total Liabilities</b>	<b>16,777,536</b>	<b>17,334,389</b>	<b>34,111,925</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax	1,809,000	0	1,809,000
Pension	65,920	51,634	117,554
<b>Total Deferred Inflows of Resources</b>	<b>1,874,920</b>	<b>51,634</b>	<b>1,926,554</b>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	18,924,619	15,753,500	34,678,119
Restricted For:			
Streets and Highways	393,601	0	393,601
Community Development	496,014	0	496,014
Security of Persons and Property	1,788,154	0	1,788,154
Public Health and Welfare	803,804	0	803,804
Capital Projects	1,858,463	0	1,858,463
Debt Service	143,975	0	143,975
Perpetual Care:			
Expendable	67,430	0	67,430
Nonexpendable	26,843	0	26,843
Unrestricted (Deficit)	<u>(10,850,195)</u>	<u>820,725</u>	<u>(10,029,470)</u>
<b>Total Net Position</b>	<u>\$ 13,652,708</u>	<u>\$ 16,574,225</u>	<u>\$ 30,226,933</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2015**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 9,277,034	\$ 778,082	\$ 56,942	\$ 0
Public Health and Welfare Services	2,646,659	279,450	2,040,533	0
Leisure Time Activities	74,438	76,955	2,288	0
Community Environment	750,567	112,766	82,000	0
Transportation	2,048,345	31,081	799,441	0
General Government	4,194,086	448,460	220,440	0
Interest and Fiscal Charges	89,558	0	0	0
<b>Total Governmental Activities</b>	<b>19,080,687</b>	<b>1,726,794</b>	<b>3,201,644</b>	<b>0</b>
<b>Business-Type Activities:</b>				
Water	5,549,162	5,693,192	0	35,551
Sewer	3,303,902	3,074,800	0	0
Sanitation	1,739,108	2,181,292	0	0
Primary Care	41,722	66,219	0	0
<b>Total Business-Type Activities</b>	<b>10,633,894</b>	<b>11,015,503</b>	<b>0</b>	<b>35,551</b>
<b>Totals</b>	<b>\$ 29,714,581</b>	<b>\$ 12,742,297</b>	<b>\$ 3,201,644</b>	<b>\$ 35,551</b>

**General Revenues**

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

**Total General Revenues**

Change in Net Position

Net Position Beginning of Year, Restated

**Net Position End of Year**

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (8,442,010)	\$ 0	\$ (8,442,010)
(326,676)	0	(326,676)
4,805	0	4,805
(555,801)	0	(555,801)
(1,217,823)	0	(1,217,823)
(3,525,186)	0	(3,525,186)
(89,558)	0	(89,558)
<u>(14,152,249)</u>	<u>0</u>	<u>(14,152,249)</u>
0	179,581	179,581
0	(229,102)	(229,102)
0	442,184	442,184
0	24,497	24,497
<u>0</u>	<u>417,160</u>	<u>417,160</u>
<u>(14,152,249)</u>	<u>417,160</u>	<u>(13,735,089)</u>
1,575,946	0	1,575,946
306,374	0	306,374
138,622	0	138,622
10,605,852	0	10,605,852
313,388	0	313,388
1,069,435	0	1,069,435
30	0	30
443,943	0	443,943
<u>14,453,590</u>	<u>0</u>	<u>14,453,590</u>
301,341	417,160	718,501
<u>13,351,367</u>	<u>16,157,065</u>	<u>29,508,432</u>
<u>\$ 13,652,708</u>	<u>\$ 16,574,225</u>	<u>\$ 30,226,933</u>

**CITY OF PORTSMOUTH, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2015**

	General	General Obligation Bond Retirement	Capital Improvement
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 632,738	\$ 123,719	\$ 1,668,053
Receivables:			
Taxes	3,148,347	155,430	236,880
Accounts	317,329	0	0
Intergovernmental	518,286	9,469	0
Due from Other Funds	0	0	0
Interfund Loans Receivables	7,997	0	0
Inventory of Supplies, at Cost	35,144	0	0
Prepaid Items	23,762	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
<b>Total Assets</b>	<b>\$ 4,683,603</b>	<b>\$ 288,618</b>	<b>\$ 1,904,933</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 103,247	\$ 0	\$ 11,562
Accrued Wages and Benefits Payable	13,729	0	0
Intergovernmental Payable	270,726	0	0
Due to Other Funds	24,453	0	34,908
Interfund Loans Payable	0	0	0
<b>Total Liabilities</b>	<b>412,155</b>	<b>0</b>	<b>46,470</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax	1,415,000	121,000	0
Unavailable Revenue	1,080,960	43,899	27,566
<b>Total Deferred Inflows of Resources</b>	<b>2,495,960</b>	<b>164,899</b>	<b>27,566</b>
<b>Fund Balances:</b>			
Nonspendable	58,906	0	0
Restricted	0	123,719	1,830,897
Committed	52,556	0	0
Assigned	62,043	0	0
Unassigned	1,601,983	0	0
<b>Total Fund Balances</b>	<b>1,775,488</b>	<b>123,719</b>	<b>1,830,897</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,683,603</b>	<b>\$ 288,618</b>	<b>\$ 1,904,933</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 2,169,198	\$ 4,593,708
370,064	3,910,721
165,664	482,993
1,250,401	1,778,156
24,453	24,453
19,950	27,947
29,214	64,358
5,303	29,065
94,273	94,273
\$ 4,128,520	\$ 11,005,674
\$ 11,958	\$ 126,767
1,009	14,738
54,171	324,897
0	59,361
27,947	27,947
95,085	553,710
273,000	1,809,000
976,957	2,129,382
1,249,957	3,938,382
61,360	120,266
2,681,581	4,636,197
58,919	111,475
0	62,043
(18,382)	1,583,601
2,783,478	6,513,582
\$ 4,128,520	\$ 11,005,674

**CITY OF PORTSMOUTH, OHIO**

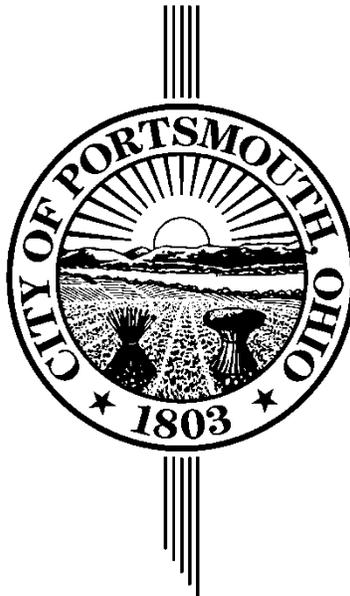
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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2015***

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<b>Total Governmental Fund Balances</b>		\$	6,513,582
<i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			19,090,264
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.			2,129,382
Internal Service Funds are used by management to charge the costs of insurance and use of supplies to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			307,580
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	1,926,334		
Deferred Inflows - Pension	(65,920)		
Net Pension Liability	<u>(13,886,447)</u>		(12,026,033)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds Payable	(1,305,000)		
Capital Leases Payable	(313,974)		
Compensated Absences Payable	(719,338)		
Accrued Interest Payable	<u>(23,755)</u>		<u>(2,362,067)</u>
<b><i>Net Position of Governmental Activities</i></b>		\$	<u>13,652,708</u>

See accompanying notes to the basic financial statements



**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015**

	General	General Obligation Bond Retirement	Capital Improvement
<b>Revenues:</b>			
Taxes	\$ 10,652,389	\$ 130,097	\$ 1,580,882
Intergovernmental Revenues	978,960	19,031	0
Charges for Services	266,685	0	0
Licenses and Permits	210,454	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	508,041	0	0
All Other Revenue	277,008	0	32,480
<b>Total Revenue</b>	<b>12,893,537</b>	<b>149,128</b>	<b>1,613,362</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	8,171,246	0	0
Public Health and Welfare Services	533,024	0	0
Leisure Time Activities	0	0	0
Community Environment	295,676	0	0
Transportation	317,707	0	0
General Government	2,783,535	0	0
Capital Outlay	0	0	1,323,226
Debt Service:			
Principal Retirement	0	75,000	163,079
Interest and Fiscal Charges	0	75,240	15,643
<b>Total Expenditures</b>	<b>12,101,188</b>	<b>150,240</b>	<b>1,501,948</b>
Excess (Deficiency) of Revenues Over Expenditures	792,349	(1,112)	111,414
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	50,000	0	7,067
Transfers In	0	0	0
Transfers Out	(389,427)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(339,427)</b>	<b>0</b>	<b>7,067</b>
Net Change in Fund Balances	452,922	(1,112)	118,481
<b>Fund Balances at Beginning of Year</b>	<b>1,333,943</b>	<b>124,831</b>	<b>1,712,416</b>
Decrease in Inventory	(11,377)	0	0
<b>Fund Balances End of Year</b>	<b>\$ 1,775,488</b>	<b>\$ 123,719</b>	<b>\$ 1,830,897</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 386,222	\$ 12,749,590
3,058,018	4,056,009
147,671	414,356
0	210,454
30	30
585,894	1,093,935
216,150	525,638
<u>4,393,985</u>	<u>19,050,012</u>
766,547	8,937,793
2,093,074	2,626,098
62,191	62,191
292,753	588,429
831,271	1,148,978
902,327	3,685,862
0	1,323,226
0	238,079
0	90,883
<u>4,948,163</u>	<u>18,701,539</u>
(554,178)	348,473
0	57,067
389,427	389,427
0	(389,427)
<u>389,427</u>	<u>57,067</u>
(164,751)	405,540
2,971,049	6,142,239
(22,820)	(34,197)
<u>\$ 2,783,478</u>	<u>\$ 6,513,582</u>

**CITY OF PORTSMOUTH, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2015***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	405,540
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlay	1,107,677	
Depreciation Expense	<u>(1,455,953)</u>	(348,276)
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to decrease net position.		
The statement of activities reports losses arising from the disposal of capital assets. However, in the governmental funds, proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.		(418,761)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		332,016
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,289,351
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(1,397,343)
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
General Obligation Bonds Payable	75,000	
Capital Leases Payable	<u>163,079</u>	238,079
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		1,325
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated Absences	(72,394)	
Change in Inventory	<u>(34,197)</u>	(106,591)
Internal Service Funds used by management to charge the costs of insurance and use of supplies to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.		
		306,001
<b><i>Change in Net Position of Governmental Activities</i></b>	<u>\$</u>	<u>301,341</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 10,142,000	\$ 10,432,000	\$ 10,436,792	\$ 4,792
Intergovernmental Revenue	905,159	905,159	935,945	30,786
Charges for Services	249,000	259,000	267,449	8,449
Licenses and Permits	194,000	201,440	210,454	9,014
Fines and Forfeitures	635,000	635,000	507,444	(127,556)
All Other Revenues	100,000	275,000	277,183	2,183
Total Revenues	<u>12,225,159</u>	<u>12,707,599</u>	<u>12,635,267</u>	<u>(72,332)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	8,428,129	8,514,469	8,388,725	125,744
Community Environment	286,624	299,388	285,128	14,260
Transportation	345,955	351,987	329,116	22,871
General Government	1,797,308	2,113,217	1,967,043	146,174
Total Expenditures	<u>10,858,016</u>	<u>11,279,061</u>	<u>10,970,012</u>	<u>309,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,367,143	1,428,538	1,665,255	236,717
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	50,000	50,000
Transfers In	0	0	158	158
Transfers Out	(1,747,998)	(1,939,998)	(1,934,998)	5,000
Total Other Financing Sources (Uses):	<u>(1,747,998)</u>	<u>(1,939,998)</u>	<u>(1,884,840)</u>	<u>55,158</u>
Net Change in Fund Balance	(380,855)	(511,460)	(219,585)	291,875
Fund Balance at Beginning of Year	<u>672,810</u>	<u>672,810</u>	<u>672,810</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 291,955</u>	<u>\$ 161,350</u>	<u>\$ 453,225</u>	<u>\$ 291,875</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<b>Assets:</b>			
Current assets:			
Cash and Cash Equivalents	\$ 568,645	\$ 0	\$ 545,151
Accounts receivable (net of allowance for uncollectibles)	1,372,825	779,280	415,452
Due from Other Funds	509,593	236,836	0
Inventory of Supplies at Cost	150,005	26,433	420
Prepaid Items	5,852	4,376	1,638
Total current assets	<u>2,606,920</u>	<u>1,046,925</u>	<u>962,661</u>
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	348,131	0	0
Capital assets:			
Capital Assets Not Being Depreciated	268,216	4,629,518	0
Capital Assets Being Depreciated, net of accumulated depreciation	<u>15,292,190</u>	<u>8,411,203</u>	<u>434,241</u>
Total capital assets	<u>15,560,406</u>	<u>13,040,721</u>	<u>434,241</u>
Total noncurrent assets	<u>15,908,537</u>	<u>13,040,721</u>	<u>434,241</u>
Total Assets	<u>18,515,457</u>	<u>14,087,646</u>	<u>1,396,902</u>
<b>Deferred Outflows of Resources:</b>			
Pension	<u>257,831</u>	<u>166,245</u>	<u>82,035</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts Payable	43,146	64,469	44,514
Accrued Wages and Benefits	2,052	4,306	875
Intergovernmental Payable	54,297	36,803	19,895
Claims Payable	0	0	0
Refundable Deposits	348,131	0	0
Due to Other Funds	201,928	509,593	0
Capital Leases Payable - Current	691,393	181,374	0
OWDA Loans Payable - Current	256,090	198,610	0
OPWC Loans Payable - Current	0	65,000	0
Compensated Absences Payable - Current	8,315	8,176	0
Total Current Liabilities	<u>1,605,352</u>	<u>1,068,331</u>	<u>65,284</u>

**CITY OF PORTSMOUTH, OHIO**

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Nonmajor Primary Care	Total	Governmental Activities Internal Service Fund
\$ 5,821	\$ 1,119,617	\$ 527,505
0	2,567,557	0
0	746,429	0
0	176,858	0
319	12,185	0
<u>6,140</u>	<u>4,622,646</u>	<u>527,505</u>
0	348,131	0
0	4,897,734	0
0	24,137,634	0
<u>0</u>	<u>29,035,368</u>	<u>0</u>
<u>0</u>	<u>29,383,499</u>	<u>0</u>
<u>6,140</u>	<u>34,006,145</u>	<u>527,505</u>
<u>2,208</u>	<u>508,319</u>	<u>0</u>
181	152,310	0
0	7,233	0
110	111,105	0
0	0	62,620
0	348,131	0
0	711,521	0
0	872,767	0
0	454,700	0
0	65,000	0
0	16,491	0
<u>291</u>	<u>2,739,258</u>	<u>62,620</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
Capital Leases Payable	1,016,711	256,014	0
OWDA Loans Payable	3,736,568	5,742,197	0
OPWC Loans Payable	0	1,561,817	0
Compensated Absences Payable	39,627	14,613	0
Net Pension Liability	1,490,781	961,231	474,325
Total Noncurrent Liabilities	<u>6,283,687</u>	<u>8,535,872</u>	<u>474,325</u>
<b>Total Liabilities</b>	<u>7,889,039</u>	<u>9,604,203</u>	<u>539,609</u>
<b>Deferred Inflows of Resources:</b>			
Pension	<u>26,190</u>	<u>16,887</u>	<u>8,333</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	9,859,644	5,459,615	434,241
Unrestricted	<u>998,415</u>	<u>(826,814)</u>	<u>496,754</u>
Total Net Position	<u>\$ 10,858,059</u>	<u>\$ 4,632,801</u>	<u>\$ 930,995</u>

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

Total Net Position per the government-wide Statement of Net Position

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Nonmajor Primary Care	Total	Governmental Activities Internal Service Fund
0	1,272,725	0
0	9,478,765	0
0	1,561,817	0
0	54,240	0
12,768	2,939,105	0
12,768	15,306,652	0
13,059	18,045,910	62,620
224	51,634	0
0	15,753,500	0
(4,935)	663,420	464,885
<u>\$ (4,935)</u>	<u>\$ 16,416,920</u>	<u>\$ 464,885</u>
	157,305	
	<u>\$ 16,574,225</u>	

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<b>Operating Revenues:</b>			
Charges for Services	\$ 5,631,757	\$ 3,056,477	\$ 2,174,630
Other Operating Revenues	61,421	18,323	6,662
<b>Total Operating Revenues</b>	<b>5,693,178</b>	<b>3,074,800</b>	<b>2,181,292</b>
<b>Operating Expenses:</b>			
Personal Services	2,635,710	1,953,534	1,054,164
Contractual Services	997,292	725,371	70,488
Materials and Supplies	643,204	162,547	566,122
Depreciation	1,146,673	339,319	72,013
<b>Total Operating Expenses</b>	<b>5,422,879</b>	<b>3,180,771</b>	<b>1,762,787</b>
<b>Operating Income (Loss)</b>	<b>270,299</b>	<b>(105,971)</b>	<b>418,505</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	14	0	0
Interest and Fiscal Charges	(208,605)	(174,376)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(208,591)</b>	<b>(174,376)</b>	<b>0</b>
<b>Income (Loss) Before Contributions</b>	<b>61,708</b>	<b>(280,347)</b>	<b>418,505</b>
Capital Contributions	35,551	0	0
<b>Change in Net Position</b>	<b>97,259</b>	<b>(280,347)</b>	<b>418,505</b>
Net Position Beginning of Year, Restated	10,760,800	4,913,148	512,490
<b>Net Position End of Year</b>	<b>\$ 10,858,059</b>	<b>\$ 4,632,801</b>	<b>\$ 930,995</b>

Change in Net Position - Total Enterprise Funds

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

Change in Net Position - Total Business-Type Activities

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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<u>Nonmajor Primary Care</u>	<u>Total</u>	<u>Governmental Activities Internal Service Fund</u>
\$ 64,440	\$ 10,927,304	\$ 803,468
<u>1,779</u>	<u>88,185</u>	<u>0</u>
66,219	11,015,489	803,468
22,569	5,665,977	338,583
50	1,793,201	0
20,741	1,392,614	0
<u>0</u>	<u>1,558,005</u>	<u>0</u>
43,360	10,409,797	338,583
22,859	605,692	464,885
0	14	0
<u>0</u>	<u>(382,981)</u>	<u>0</u>
<u>0</u>	<u>(382,967)</u>	<u>0</u>
22,859	222,725	464,885
<u>0</u>	<u>35,551</u>	<u>0</u>
22,859	258,276	464,885
<u>(27,794)</u>	<u>16,158,644</u>	<u>0</u>
<u>\$ (4,935)</u>	<u>\$ 16,416,920</u>	<u>\$ 464,885</u>
	258,276	
	<u>158,884</u>	
	<u>\$ 417,160</u>	

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,701,989	\$3,031,624	\$2,144,198
Cash Payments for Goods and Services	(1,804,343)	(929,505)	(612,114)
Cash Payments to Employees	(2,753,700)	(2,022,723)	(1,087,205)
Customer Deposits Received	110,500	0	0
Customer Deposits Refunded	(97,836)	0	0
Net Cash Provided by Operating Activities	<u>1,156,610</u>	<u>79,396</u>	<u>444,879</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Loan from Other Funds	0	509,593	0
Receipt of Loan Payment from Other Funds		112,670	0
Loan to Other Funds	(509,593)	0	0
Repayment of Loan to Other Funds	(98,023)	(106,667)	0
Principal Paid on Ohio Public Works Commission Loan	0	(30,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(607,616)</u>	<u>485,596</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Water Development Authority Loan	0	2,029,468	0
Proceeds from Ohio Public Works Commission Loan	0	325,095	0
Proceeds of Ohio Public Works Commission Grant	35,551	0	0
Acquisition and Construction of Assets	(217,878)	(2,398,989)	0
Principal Paid on Mortgage Revenue Bond	(555,000)	0	0
Principal Paid on Ohio Public Works Commission Loan	0	(35,000)	0
Principal Paid on Ohio Water Development Authority Loan	(248,530)	(137,037)	0
Capital Lease Payment	(663,403)	(174,153)	0
Interest Paid on All Debt	(214,363)	(174,376)	0
Net Cash Used by Capital and Related Financing Activities	<u>(1,863,623)</u>	<u>(564,992)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	14	0	0
Net Cash Provided by Investing Activities	<u>14</u>	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,314,615)	0	444,879
Cash and Cash Equivalents at Beginning of Year	<u>2,231,391</u>	<u>0</u>	<u>100,272</u>
Cash and Cash Equivalents at End of Year	<u>\$916,776</u>	<u>\$0</u>	<u>\$545,151</u>
<u>Reconciliation of Cash and Cash Equivalent per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$568,645	\$0	\$545,151
Restricted Cash and Cash Equivalents	348,131	0	0
Cash and Cash Equivalents at End of Year	<u>\$916,776</u>	<u>\$0</u>	<u>\$545,151</u>

**CITY OF PORTSMOUTH, OHIO**

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Nonmajor		Governmental Activities Internal Service Fund
Primary Care	Total	
\$66,219	\$10,944,030	\$1,124,753
(11,473)	(3,357,435)	(316,930)
(27,207)	(5,890,835)	0
0	110,500	0
0	(97,836)	0
27,539	1,708,424	807,823
0	509,593	0
0	112,670	0
0	(509,593)	0
(21,718)	(226,408)	(280,318)
0	(30,000)	0
(21,718)	(143,738)	(280,318)
0	2,029,468	0
0	325,095	0
0	35,551	0
0	(2,616,867)	0
0	(555,000)	0
0	(35,000)	0
0	(385,567)	0
0	(837,556)	0
0	(388,739)	0
0	(2,428,615)	0
0	14	0
0	14	0
5,821	(863,915)	527,505
0	2,331,663	0
\$5,821	\$1,467,748	\$527,505
\$5,821	\$1,119,617	\$527,505
0	348,131	0
\$5,821	\$1,467,748	\$527,505

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2015**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$270,299	(\$105,971)	\$418,505
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,146,673	339,319	72,013
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	8,811	(43,176)	(37,094)
Decrease in Due from Other Funds	0	0	0
(Increase) Decrease in Inventory	(136,002)	(7,153)	49
(Increase) Decrease in Prepaid Items	95	0	(62)
Increase in Deferred Outflows-Pension	(75,987)	(48,995)	(24,177)
Increase (Decrease) in Accounts Payable	(27,940)	(34,434)	24,509
Decrease in Intergovernmental Payable	(36,908)	(25,787)	(12,430)
Increase in Accrued Wages and Benefits	1,068	2,920	537
Increase in Claims Payable	0	0	0
Increase in Customer Deposits	12,664	0	0
Decrease in Due to Other Funds	(54,274)	(37,038)	(16,017)
Increase (Decrease) in Compensated Absences	(11,751)	1,113	0
Increase in Net Pension Liability	33,672	21,711	10,713
Increase in Deferred Inflows-Pension	26,190	16,887	8,333
Total Adjustments	886,311	185,367	26,374
Net Cash Provided by Operating Activities	\$1,156,610	\$79,396	\$444,879

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2015 the Water Fund and Sewer Fund had outstanding liabilities of \$9,107 and \$34,529, respectively for certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Nonmajor		Governmental Activities Internal Service Fund
Primary Care	Total	Fund
\$22,859	\$605,692	\$464,885
0	1,558,005	0
0	(71,459)	0
0	0	321,285
9,711	(133,395)	0
(319)	(286)	0
(651)	(149,810)	0
(74)	(37,939)	0
(3,177)	(78,302)	0
0	4,525	0
0	0	21,653
0	12,664	0
(1,323)	(108,652)	0
0	(10,638)	0
289	66,385	0
224	51,634	0
4,680	1,102,732	342,938
\$27,539	\$1,708,424	\$807,823

**CITY OF PORTSMOUTH, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2015**

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	<u>Private Purpose Trust</u>	
	<u>Private Purpose</u>	<u>Agency</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 18,716	\$ 0
Receivables:		
Accounts	0	521,296
Restricted Assets:		
Cash and Cash Equivalents	0	76,757
<b>Total Assets</b>	<u>18,716</u>	<u>598,053</u>
<b>Liabilities:</b>		
Intergovernmental Payable	0	31,898
Claims Payable	6,637	0
Due to Others	0	566,155
<b>Total Liabilities</b>	<u>6,637</u>	<u>598,053</u>
Unrestricted	<u>12,079</u>	<u>0</u>
<b>Total Net Position</b>	<u>\$ 12,079</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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***Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2015***

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	<u>Private Purpose</u>
<b>Additions:</b>	
Total Additions	\$           0
<b>Deductions:</b>	
Total Deductions	<u>                  0</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>          12,079</u>
Net Position End of Year	<u>\$       12,079</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Portsmouth, Ohio (the "City") is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council-City Manager form of government, was adopted in 1928 and has been amended several times.

The financial statements are presented as of December 31, 2015 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

The accompanying basic financial statements comply with the provisions of accounting principles general accepted in the United States of America in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police and fire protection, parks and recreation, planning, zoning, street maintenance and general administrative services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system and a refuse collection service, each of which is reported as an enterprise fund.

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Governmental Funds***

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources and use and balances of financial resources). The following are the City's major governmental funds:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

General Obligation Bond Retirement Fund – This fund is used for the accumulation of resources for, and the payment of, principal and interest on general obligation debt other than those accounted for in the proprietary funds.

Capital Improvement Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund – This fund is used to account for the operation of the City's water service.

Sewer Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Sanitation Fund – This fund is used to account for the operation of the City's refuse collection and disposal service.

The following enterprise fund is nonmajor:

Primary Care Fund – This fund is used to account for the revenue and expenses for the operation of a general community primary care clinic health facility.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governments on a cost-reimbursement basis. The Employees Insurance Account "B" Insurance Fund accounts for the accumulation and allocation of costs associated with the employee health care plans.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units and therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust that accounts for unclaimed monies. The agency funds account for performance bonds placed in escrow for various demolition projects, revenues and expenditures of State Patrol fines to the County Law Library Resources Board, funds from the three percent (3%) fees as required by Ohio Revised Code, and funds that flow through the municipal court office. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. Basis of Presentation – Financial Statements**

***Government-wide Financial Statements*** – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are externally 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 of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements** (Continued)

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by 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 a 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 financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which the City considers to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

The accrual basis of accounting is utilized for reporting purposes by the government-wide, the proprietary funds and fiduciary funds financial statements. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

**E. Budgetary Process**

The annual budgetary process is prescribed by Charter and 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 ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control for the General Fund is by department level, by personal services and other expenditures and for all other funds by personal services and other expenditures. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the legal level as stated above without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications above the object level by fund may only be made by ordinance of the City Council.

**1. Tax Budget**

The City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage by July 15. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure.

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

3. Appropriations

The appropriation ordinance establishes spending controls at the fund level by department, by personal services and other expenditures for the General Fund and by the personal services and other expenditures in all other funds. The appropriation ordinance may be amended during the year as additional information becomes available provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments within a fund may be modified during the year by an ordinance of City Council. Several supplemental appropriations were made during 2015. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**5. Lapsing of Appropriations**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

**6. Budgetary Basis of Accounting**

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. In addition, encumbrances are recorded as the equivalent of expenditures on the budgetary basis. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$452,922
Increase (Decrease):	
Accrued Revenues at December 31, 2015 received during 2016	(1,524,550)
Accrued Revenues at December 31, 2014 received during 2015	1,266,438
Accrued Expenditures at December 31, 2015 paid during 2016	377,093
Accrued Expenditures at December 31, 2014 paid during 2015	(678,144)
2014 Prepays for 2015	26,318
2015 Prepays for 2016	(23,762)
Perspective Difference-	
Budgeted Special Revenue Funds reclassified as General Fund	(52,556)
Outstanding Encumbrances	(63,344)
Budget Basis	<u><u>(\$219,585)</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and investments with original maturity dates of three months or less. The City pools its cash, except for cash and investments in certain fiduciary funds and monies held for construction in enterprise funds, for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be cash equivalents. See Note 5, "Cash, Cash Equivalents and Investments."

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2015, 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.

**I. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Capital Assets and Depreciation (Continued)**

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Infrastructure is included in Improvements other than Buildings in Note 10 B. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Buildings	15 - 50
Improvements other than Buildings	25-50
Infrastructure	10-50
Machinery, Equipment, Furniture and Fixtures	3 - 15

**J. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds Payable	Bond Retirement Fund
Mortgage Revenue Bond Payable	Water Fund
Ohio Public Works Commission Loans Payable	Sewer Fund
Ohio Water Development Authority	Water Fund, Sewer Fund
Compensated Absences	General Fund, Water Fund, Sewer Fund, Sanitation Fund
Capital Leases Payable	Capital Improvement Fund Water Fund, Sewer Fund, Sanitation Fund

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Compensated Absences**

All full-time City employees earn vacation at a rate of 1.25 days per calendar month of active service. An employee's vacation must be used during the period in which it is earned unless the Department Head allows the balance to be carried over to the following year. Upon separation from the City, the employee (or his estate) shall receive 100% of all vacation, sick leave and compensatory time earned prior to July 1, 1981. After that date they will receive 100% of vacation and compensatory time and one-third of all sick time.

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered and it is probable that the City will compensate the employees for the benefits at termination or retirement. The City uses the vesting method for determining the liability for sick leave. Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For Water, Sewer, and Sanitation funds (enterprise funds), the entire compensated absences amount is reported as a fund liability.

**L. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Interfund services provided and used are not eliminated in the process of consolidation. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund activity within governmental activities and business-type activities are eliminated for reporting on the government-wide financial statements.

In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. The elimination of the internal service funds is based on the activity of each fund to which it provides service.

**O. Fund Balances**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

*Restricted* – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

*Assigned* – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Fund Balances** (Continued)

*Unassigned* – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

**P. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, collection of solid waste refuse, and primary care health services. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide and proprietary statements of net position for pension. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide and proprietary statements of net position explained in Note 11.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Restricted Assets**

Certain assets are classified as restricted cash on the statement of net position and the balance sheet because these funds are being held as customer deposits or for endowments.

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net Position December 31, 2014	\$25,269,408	\$18,671,276
Adjustments:		
Net Pension Liability	(13,195,058)	(2,872,720)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>1,277,017</u>	<u>358,509</u>
Restated Net Position December 31, 2014	<u>\$13,351,367</u>	<u>\$16,157,065</u>

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Primary Care Fund</u>
Net Position December 31, 2014	\$12,036,065	\$5,735,418	\$918,244	(\$16,872)
Adjustments:				
Net Pension Liability	(1,457,109)	(939,520)	(463,612)	(12,479)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>181,844</u>	<u>117,250</u>	<u>57,858</u>	<u>1,557</u>
Restated Net Position December 31, 2014	<u>\$10,760,800</u>	<u>\$4,913,148</u>	<u>\$512,490</u>	<u>(\$27,794)</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General Fund	General Obligation Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$23,762	\$0	\$0	\$5,303	\$29,065
Supplies Inventory	35,144	0	0	29,214	64,358
Endowment	0	0	0	26,843	26,843
Total Nonspendable	58,906	0	0	61,360	120,266
Restricted:					
Transportation Projects	0	0	0	204,456	204,456
Court Projects	0	0	0	648,399	648,399
Public Safety	0	0	0	929,124	929,124
Health	0	0	0	418,158	418,158
Cemetery	0	0	0	67,430	67,430
Community Development	0	0	0	389,574	389,574
Debt Retirement	0	123,719	0	0	123,719
Capital Improvements	0	0	1,830,897	0	1,830,897
Parks and Recreation	0	0	0	24,440	24,440
Total Restricted	0	123,719	1,830,897	2,681,581	4,636,197
Committed:					
Parks and Recreation	0	0	0	46,529	46,529
Health	52,556	0	0	12,390	64,946
Total Committed	52,556	0	0	58,919	111,475
Assigned:					
Services and Supplies	62,043	0	0	0	62,043
Total Assigned	62,043	0	0	0	62,043
Unassigned:					
Total Unassigned	1,601,983	0	0	(18,382)	1,583,601
Total Fund Balances	\$1,775,488	\$123,719	\$1,830,897	\$2,783,478	\$6,513,582

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficit**

The fund deficits of \$13,688 in the Municipal Court Grants Fund, \$3,971 in the Municipal Court Security Fund and \$404 in the Family Planning Fund (special revenue fund) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The net position deficit of \$4,935 in the Primary Care Fund (enterprise fund) arose from the recognition of expenditures on the accrual basis which are greater than expenditures recognized on the cash basis. A deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**B. Cash Deficit**

The Sewer Fund had a negative cash balance of \$509,593 contrary to Ohio Revised Code Section 5705.10(I).

**NOTE 5 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the City into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 5 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$6,778,707 and the bank balance was \$8,058,802. Federal depository insurance covered \$422,007 of the bank balance and \$7,636,795 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$7,636,795</u>
Total Balance	<u><u>\$7,636,795</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes collected during 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. Public utility tangible personal property is currently assessed at varying percentages of its true value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2010. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Portsmouth. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2015 was \$10.25 per \$1,000 of assessed value. The assessed value upon which the 2015 tax collections were based was \$215,872,520. This amount constituted \$200,386,110 in real property assessed value and \$15,486,410 in public utility assessed.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .1025% (10.25 mills) of assessed value.

**B. Income Tax**

The City levies a tax of 2.0% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2015 consisted of taxes, intergovernmental, and accounts receivable. All receivables are expected to be collected with the next year.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivables and payables balances at December 31, 2015 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$0	\$24,453
Capital Improvement	0	34,908
Other Governmental Funds	<u>24,453</u>	<u>0</u>
Total Governmental Funds	24,453	59,361
Water Fund	509,593	201,928
Sewer Fund	<u>236,836</u>	<u>509,593</u>
Total Enterprise Funds	<u>746,429</u>	<u>711,521</u>
	<u>\$770,882</u>	<u>\$770,882</u>

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$7,997	\$0
Other Governmental Funds	<u>19,950</u>	<u>27,947</u>
Total Governmental Funds	<u>27,947</u>	<u>27,947</u>

On the Statement of Net Position, the Business-Type Activities reported an internal balance at December 31, 2015 of \$192,213, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the Water Fund is for an overdraft in the Sewer Fund. The Due from Other Funds in the Other Governmental Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund. All interfund receivables are expected to be collected within the next year.

**NOTE 9 - TRANSFERS**

Following is a summary of Transfers in and out for all funds for 2015:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$389,427
Other Governmental Funds	<u>389,427</u>	<u>0</u>
Totals	<u>\$389,427</u>	<u>\$389,427</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; or to return money to the fund from which it was originally provided once a project is completed.

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Capital Assets**

Summary by category of changes in Governmental Capital Assets:

*Historical Cost:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
<i>Capital assets not being depreciated:</i>				
Land	\$1,987,027	\$0	\$0	\$1,987,027
Subtotal	1,987,027	0	0	1,987,027
<i>Capital assets being depreciated:</i>				
Buildings	6,379,702	0	0	6,379,702
Improvements	2,701,980	220,572	(440,860)	2,481,692
Machinery and Equipment	9,692,691	587,658	(814,336)	9,466,013
Infrastructure	29,851,803	299,447	(84,881)	30,066,369
Subtotal	48,626,176	1,107,677	(1,340,077)	48,393,776
Total Cost	\$50,613,203	\$1,107,677	(\$1,340,077)	\$50,380,803

*Accumulated Depreciation:*

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	(\$2,463,484)	(\$135,680)	\$0	(\$2,599,164)
Improvements	(1,325,470)	(96,418)	35,269	(1,386,619)
Machinery and Equipment	(7,662,751)	(418,754)	811,752	(7,269,753)
Infrastructure	(19,304,197)	(805,101)	74,295	(20,035,003)
Total Depreciation	(\$30,755,902)	(\$1,455,953) *	\$921,316	(\$31,290,539)
<i>Net Value:</i>	\$19,857,301			\$19,090,264

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$296,867
Public Health & Welfare Services	35,283
Leisure Time Activities	12,480
Community Environment	65,427
Transportation	832,012
General Government	213,884
Total Depreciation Expense	\$1,455,953

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 10 - CAPITAL ASSETS (Continued)**

**B. Business Type Capital Assets**

Summary by Category at December 31, 2015:

**Historical Cost:**

Class	December 31, 2014	Additions	Deletions	December 31, 2015
<b>Capital assets not being depreciated:</b>				
Land	\$63,504	\$0	\$0	\$63,504
Construction in Progress	2,927,469	2,129,934	(223,173)	4,834,230
Subtotal	2,990,973	2,129,934	(223,173)	4,897,734
<b>Capital assets being depreciated:</b>				
Buildings	6,505,589	0	0	6,505,589
Improvements other than Buildings	30,160,739	548,268	0	30,709,007
Machinery and Equipment	14,328,289	61,812	0	14,390,101
Subtotal	50,994,617	610,080	0	51,604,697
Total Cost	\$53,985,590	\$2,740,014	(\$223,173)	\$56,502,431

**Accumulated Depreciation:**

Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	(\$948,226)	(\$146,425)	\$0	(\$1,094,651)
Improvements other than Buildings	(17,801,040)	(542,407)	0	(18,343,447)
Machinery and Equipment	(7,159,792)	(869,173)	0	(8,028,965)
Total Depreciation	(\$25,909,058)	(\$1,558,005)	\$0	(\$27,467,063)

**Net Value:**

\$28,076,532	\$29,035,368
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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$800,245 for 2015.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$840,603 for 2015.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,691,387	\$10,134,165	\$16,825,552
Proportion of the Net Pension Liability	0.055479%	0.1956245%	
Pension Expense	\$727,866	\$989,183	\$1,717,049

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$357,032	\$436,773	\$793,805
City contributions subsequent to the measurement date	<u>800,245</u>	<u>840,603</u>	<u>1,640,848</u>
Total Deferred Outflows of Resources	<u>\$1,157,277</u>	<u>\$1,277,376</u>	<u>\$2,434,653</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$117,554</u>	<u>\$0</u>	<u>\$117,554</u>

\$1,640,848 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2016	\$35,018	\$109,194	\$144,212
2017	35,018	109,193	144,211
2018	80,184	109,193	189,377
2019	<u>89,258</u>	<u>109,193</u>	<u>198,451</u>
Total	<u>\$239,478</u>	<u>\$436,773</u>	<u>\$676,251</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$12,310,235	\$6,691,387	\$1,958,963

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$14,017,083	\$10,134,165	\$6,846,514

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (“OPERS”)**

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

**A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee’s Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The City's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$133,374, \$137,598 and \$67,743, respectively, which were equal to the required contributions for each year.

**B. Ohio Police and Fire Pension Fund (“OP&F”)**

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

**B. Ohio Police and Fire Pension Fund (“OP&F”) (Continued)**

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the portion of employer contributions allocated to health care was 0.5% of covered payroll for police officers. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions for health care to the OP&F for the years ending December 31, 2015, 2014, and 2013 were \$9,724, \$9,423 and \$74,143 for police and \$10,023, \$9,803 and \$69,095 for firefighters, respectively, which were equal to the required contributions for each year.

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2015 were as follows:

				Balance			Balance	Amount due
				December 31,	Additions	(Deletions)	December 31,	Within
				2014 *			2015	One Year
<b>Business-Type Activities Long-Term Debt:</b>								
Ohio Public Works Commission Loans:								
2000	0.0%	Wastewater Improvement	2021	\$195,000	\$0	(\$30,000)	\$165,000	\$30,000
2008	0.0%	Wastewater-Sludge Digester	2029	507,500	0	(35,000)	472,500	35,000
2011	0.0%	Wastewater-Primary Clarifier	2028	441,049	0	0	441,049	0
2014	0.0%	Wastewater-Grandview Avenue	2035	223,173	325,095	0	548,268	0
Total Ohio Public Works Commission Loans				1,366,722	325,095	(65,000)	1,626,817	65,000
Refunding Revenue Bond:								
2003	1.6-4.15%	Waterworks Improvement	2015	555,000	0	(555,000)	0	0
Ohio Water Development Authority Loans:								
2007	3.25%	Water MIEX Installation	2028	2,690,759	0	(169,344)	2,521,415	174,892
2008	4.11%	Wastewater-Sludge Digester	2038	437,585	0	(11,346)	426,239	11,817
2009	3.43%	Wastewater-Lawson Run	2031	1,455,273	0	(69,618)	1,385,655	72,027
2010	0.00%	Water-High Service Pumps	2029	32,650	0	(2,252)	30,398	2,252
2010	4.39%	Wastewater-Collection System	2016	660,653	0	(16,774)	643,879	19,169
2012	2.00%	Water-Filtration Filter Rebuild	2032	1,517,779	0	(76,934)	1,440,845	78,946
2014	3.30%	Wastewater-Sewer Improvements	2045	1,494,865	2,029,468	(39,299)	3,485,034	95,597
Total Ohio Water Development Authority Loans				8,289,564	2,029,468	(385,567)	9,933,465	454,700
Net Pension Liability								
Ohio Public Employees Retirement System				2,872,720	66,385	0	2,939,105	0
Compensated Absences				81,369	227,117	(237,755)	70,731	16,491
Capital Lease - Enterprise Funds				2,983,048	0	(837,556)	2,145,492	872,767
Total Business-Type Long-Term Debt				\$16,148,423	\$2,648,065	(\$2,080,878)	\$16,715,610	\$1,408,958
<b>Governmental Activities Long-Term Debt:</b>								
General Obligation Bond								
2001	3.6-5.5%	Police and Fireman's Disability and Pension	2027	\$1,380,000	\$0	(\$75,000)	\$1,305,000	\$80,000
Net Pension Liability								
Ohio Public Employees Retirement System				3,667,531	84,751	0	3,752,282	0
Ohio Police and Fire Pension Fund				9,527,527	606,638	0	10,134,165	0
Total Net Pension Liability				13,195,058	691,389	0	13,886,447	0
Compensated Absences				646,944	673,881	(601,487)	719,338	96,881
Capital Lease Payable				477,053	0	(163,079)	313,974	168,781
Total Governmental Activities				\$15,699,055	\$1,365,270	(\$839,566)	\$16,224,759	\$345,662

\* As restated. See Note 2 for additional information.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

				<u>Original Issue</u>
<b>Business-Type Activities</b>				
Ohio Public Works Commission Loans (OPWC):				
0.00%	Wastewater Improvement	2001-2021		\$600,000
0.00%	Wastewater-Sludge Digester	2008-2029		700,000
0.00%	Wastewater-Primary Clarifier	2011-2028		441,049
0.00%	Wastewater-Grandview Avenue	2014-2035		548,268 *
Total OPWC Loans				<u>\$2,289,317</u>
Ohio Water Development Authority Loans (OWDA):				
3.25%	Water MIEX Installation	2007-2028		\$3,734,915
4.11%	Wastewater-Sludge Digester	2008-2038		501,078
3.43%	Wastewater-Lawson Run	2009-2031		1,711,234
0.00%	Water-High Service Pumps	2010-2029		45,034
4.39%	Wasterwater-Collection System	2010-2016		676,977 *
2.00%	Water Filtration Filter Rebuild	2012-2032		1,739,606 *
3.30%	Wasterwater-Sewer Improvements	2014-2045		3,524,333 *
Total OWDA Loans				<u>\$11,933,177</u>
* Amount Disbursed as of December 31, 2015				
<b>Governmental Activities Long-Term Debt</b>				
General Obligation Bonds:				
3.6- 5.50%	Police and Fireman's Disability and Pension	2001-2027		\$2,090,000
Total General Obligation Bonds				<u>\$2,090,000</u>

The Water Refunding Revenue Bond is secured by operating revenues of the Water Fund.

In 2010, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$746,979 for wastewater collection system planning and design. The amount is subject to change and has not been finalized. The interest rate on the loan is 2.74% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$643,879 at December 31, 2015.

In 2012, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$1,762,725 for water filtration filter rebuild. The amount is subject to change and has not been finalized. The interest rate on the loan is 2.00% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$1,440,844 at December 31, 2015.

In 2014, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$3,939,809 for sewer improvements. The amount is subject to change and has not been finalized. The interest rate on the loan is 3.30% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$3,485,034 at December 31, 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2015 follows:

<b>Business-Type Activities:</b>				
<u>Years</u>	<u>OPWC Loans</u>		<u>OWDA Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$65,000	\$0	\$454,700	\$305,010
2017	135,000	0	468,708	291,001
2018	135,000	0	483,164	276,546
2019	135,000	0	498,081	261,629
2020	135,000	0	513,474	245,236
2021-2025	540,000	0	2,816,045	982,503
2026-2030	472,500	0	2,480,379	548,505
2031-2035	9,317	0	1,179,842	274,324
2036-2040	0	0	1,039,072	80,096
<b>Totals</b>	<b>\$1,626,817</b>	<b>\$0</b>	<b>\$9,933,465</b>	<b>\$3,264,850</b>

<b>Governmental Activities:</b>		
<u>Years</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$80,000	\$71,265
2017	85,000	67,025
2018	90,000	62,520
2019	90,000	57,750
2020	100,000	52,800
2021-2025	580,000	176,000
2026-2027	280,000	23,375
<b>Totals</b>	<b>\$1,305,000</b>	<b>\$510,735</b>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 14 - CAPITALIZED LEASES**

The City leases water meters, utility and dump trucks and a sludge digester, classified as machinery and equipment under capital leases. The cost of the equipment and vehicles obtained under capital leases is \$5,815,490 in the Water Fund and \$663,900 in the Sewer Fund. The related liability is included in the Water and Sewer Funds. In addition the City leases a fire truck and window replacements with an original cost of \$749,983. The original cost of the equipment and the related liability are reported on the Government – wide Statement of Net Position.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2015.

Year Ending December 31,	Business-Type Activities	Governmental Activities
2016	\$945,546	\$178,721
2017	945,546	105,646
2018	366,892	44,019
Minimum Lease Payments	2,257,984	328,386
Less amount representing interest at the City's incremental borrowing rate of interest	(112,492)	(14,412)
Present value of minimum lease payments	<u>\$2,145,492</u>	<u>\$313,974</u>

**NOTE 15 - CONTINGENCIES**

**A. Litigation**

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**B. Federal and State Grants**

For the period January 1, 2015 to December 31, 2015, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. However, amounts are undeterminable at this time.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 16 - INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains insurance coverage for bodily injury, personal injury, general liability, boiler and machinery coverage and fleet (automotive) insurance in addition to professional liability coverage for police and fire and elected officials. The City also carries commercial insurance for employee health coverage and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Workers' Compensation claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The City has elected to provide a health reimbursement plan through a self insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program.

The liability for unpaid claims costs of \$62,620 reported in the fund at December 31, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2014	\$26,636	\$294,552	(\$280,221)	\$40,967
2015	\$40,967	\$338,583	(\$316,930)	\$62,620

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 17 – SUBSEQUENT EVENTS**

In January, 2016, the City issued Refunding General Obligation Bonds to advance refund its Ohio Police and Fire Accrued Liability Bond.

In May 2016, City Officials met with a representative of Ohio Police and Fire (OP&F) concerning the City not paying the pension related to the additional 120 hours cash out provided for under the ‘Holidays’ section of the Collective Bargaining Agreement between the City of Portsmouth and the firefighters’ union. It is estimated that the City will pay close to \$285,000 to OP&F for those contributions related to the additional holiday pay for those employees who were paid the additional holiday pay in the year in which it was earned.

**NOTE 18 – SIGNIFICANT COMMITMENTS**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to honor upon performance by the vendor in the next year were as follows:

Governmental Funds:	
General Fund	\$63,344
Capital Improvement Fund	646,222
Other Governmental Funds	<u>59,317</u>
Total Governmental Funds	768,883
Enterprise Funds:	
Water Fund	<u>66,450</u>
Total	<u><u>\$835,333</u></u>

**NOTE 19 – FINANCIAL CONDITION**

On April 9, 2013, the Ohio Auditor of State declared the City of Portsmouth to be in a state of fiscal watch under Section 118.02(E) of the Ohio Revised Code.

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF PORTSMOUTH, OHIO**

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***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Two Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.055479%	0.055479%
City's proportionate share of the net pension liability (asset)	\$6,540,251	\$6,691,387
City's covered-employee payroll	\$6,774,262	\$6,801,733
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	96.55%	98.38%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>
City's proportion of the net pension liability (asset)	0.195625%	0.195625%
City's proportionate share of the net pension liability (asset)	\$9,527,527	\$10,134,165
City's covered-employee payroll	\$3,981,831	\$3,799,457
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	239.28%	266.73%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of City Contributions  
Last Three Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$880,654	\$816,208	\$800,245
Contributions in relation to the contractually required contribution	<u>880,654</u>	<u>816,208</u>	<u>800,245</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$6,774,262	\$6,801,733	\$6,668,708
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$718,990	\$819,318	\$840,603
Contributions in relation to the contractually required contribution	<u>718,990</u>	<u>819,318</u>	<u>840,603</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$3,981,831	\$3,799,457	\$3,949,444
Contributions as a percentage of covered-employee payroll	18.06%	21.56%	21.28%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES  
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS,  
AND FIDUCIARY FUNDS.*

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

**Municipal Court Grants Fund**

To account for the Community Corrections Act grant used to support the advancement of court programs.

**Municipal Court Subsidy Fund**

To account for the Municipal Court's operating expenditures funded by the General Fund. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.).

**Municipal Court Special Projects Fund**

To account for revenues derived from fines levied by the court and are to be used by the court for special projects.

**Municipal Court Probation Services Fund**

To account for fees assessed to criminal and traffic offenders who are placed by the Municipal Court on probation or other community control sanctions to cover the cost of Probation department services and related expenditures.

**Municipal Court Programs Fund**

To account for revenues derived from the Guardian Interlock grant, the home monitoring fees and the Municipal Corrections grant and are used to support the guardian interlock and home monitoring programs.

**Municipal Court Computer Fund**

To account for revenues derived from mandatory fines to be used for computers and update of court computer functions.

**Municipal Court Security Fund**

To account for revenues derived from fines to be used for security measures in the Court.

**Fire Donation Fund**

To account for donation of monies to be used for operations of the Fire Department.

**Fire Pension Fund**

To account for taxes levied toward partial payment of the current and accrued liability for fire disability and pension.

**Police Pension Fund**

To account for taxes levied toward partial payment of the current and accrued liability for police disability and pension.

(Continued)

***Special Revenue Funds***

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**D.A.R.E. State Grant Fund**

To account for revenues and expenditures relative to D.A.R.E. activities.

**Police Donation Fund**

To account for donation of monies to be used for operations of the Police Department.

**Justice Assistance Grant (JAG) Grants Fund**

To account for monies received from the United States Department of Justice for the purpose of funding special enforcement initiatives in areas which have been identified as high crime risk.

**Community Oriented Policing Services (COPS) Fast Grant Fund**

To account for federal and state grant monies designated for the cost of additional police officers.

**Indigent Drivers Alcohol Treatment Fund**

To account for the revenues from fines as established by the state to pay for alcohol related treatment programs for indigent persons.

**Indigent Drivers Alcohol Monitoring Fund**

To account for the revenues from fines to be used for electronic monitoring devices where alcohol was a contributing factor

**Enforcement and Education Fund**

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

**Mandatory Fines Fund**

To account for mandatory fines for drug offenses.

**Law Enforcement Fund**

To account for revenues derived from drug related crimes and expenditures to be used for law enforcement programs.

**Federal Forfeitures Fund**

To account for monies from the United States Marshall allocated to the City based upon the City's participation in the confiscation of contraband

**Ohio Peace Officers Training (OPOTA) Fund**

To account for monies to be used for continuing professional training programs for law enforcement offices

**Community Oriented Policing Services (COPS)**

**Hiring Recovery Program Grant Fund**

To account for grant monies to be used for the hiring of three police officers for a period of 24 months to assist in combating rural crime.

(Continued)

***Special Revenue Funds***

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**Rural Law Enforcement Assistance Grant Fund**

To account for grant monies to be used for hiring and/or preserving law enforcement jobs, to combat crime, especially drug-related crime.

**Street Construction, Maintenance and Repair Fund**

To account for revenues distributed by the State from the motor vehicle and gasoline taxes. Expenditures may only be for street construction and maintenance.

**State Highway Improvement Fund**

To account for the revenues distributed by the State from the motor vehicle taxes, permissive fees and gasoline taxes. Expenditures may only be for street and state highway improvements and maintenance.

**Environmental State Grants Fund**

To account for various state grant funds to be used to improve the quality of the environment in the City.

**Community Development Fund**

To account for federal and state grants which are designed for community and environmental improvements.

**Tourism and Cultural Development Fund**

To account for revenue derived from Hotel/Motel tax and distributed to various area cultural and recreational organizations.

**Health Department Subsidy Fund**

To account for the Health Department's operating expenditures funded by the General Fund. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.).

**State Grant Health Fund**

To account for various State grants which are designated for Health purposes.

**Rural AIDS State Grant Fund**

To account for receipt of various State grant funds to be used to cover the costs of education and supplies related to the HIV Prevention Program.

**Drug Free Communities Grant Fund**

To account for grant monies received from the Substance Abuse and Mental Health Services Administration to be used for the administration of the Drug Free Communities (DFC) program.

**Family Planning Fund**

To account for federal grant funds to be used to care for the uninsured and underinsured.

**Regional HIV Prevention Fund**

To account for federal grant funds to be used to educate the public about HIV. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

***Special Revenue Funds***

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**Ryan White Title III Fund**

To account for federal grant funds to assist clients with early intervention services with respect to HIV.

**Flood Defense Fund**

To account for a property tax levy designated for flood defense improvements.

**Land Reutilization Fund**

To account for the revenue and expenditures generated in administering the land reutilization program authorized by section 5722 of the Ohio Revised Code concerning the acquisition, management and disposition of affected delinquent lands within the City.

**Rental Licensing Program Fund**

To account for revenue from rental property owners to cover the costs of the administration, inspections and licensing of the Rental Licensing program.

**Council Trust for Recreation Fund**

To account for revenue from investment interest, rents, leases and user fees from various City recreational facilities and expenditures for improvements to these same facilities.

**Playground Trust Fund**

To account for revenue and expenditures of interest earned on investment of specific bequests to the City to provide recreational needs for the City.

***Permanent Funds***

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The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

**Cemetery Trust Fund**

To account for revenue received from investment of specified bequests to the City for upkeep of Cemetery plots. Expenditures to be made only from interest earned on investments.

**Mausoleum Trust Fund**

To account for revenue received from investment of specified bequests to the City for upkeep of the Mausoleum. Expenditures are to be made only from interest earned on investments.

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,169,198	\$ 0	\$ 2,169,198
Receivables (net of allowance for doubtful accounts):			
Taxes	370,064	0	370,064
Accounts	165,664	0	165,664
Intergovernmental	1,250,401	0	1,250,401
Due from Other Funds	24,453	0	24,453
Interfund Loans Receivables	19,950	0	19,950
Inventory of Supplies, at Cost	29,214	0	29,214
Prepaid Items	5,303	0	5,303
Restricted Assets:			
Cash and Cash Equivalents	0	94,273	94,273
<b>Total Assets</b>	<b>\$ 4,034,247</b>	<b>\$ 94,273</b>	<b>\$ 4,128,520</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 11,958	\$ 0	\$ 11,958
Accrued Wages and Benefits Payable	1,009	0	1,009
Intergovernmental Payable	54,171	0	54,171
Interfund Loans Payable	27,947	0	27,947
<b>Total Liabilities</b>	<b>95,085</b>	<b>0</b>	<b>95,085</b>
<b>Deferred Inflows of Resources</b>			
Property Tax	273,000	0	273,000
Unavailable Revenue	976,957	0	976,957
<b>Total Deferred Inflows of Resources</b>	<b>1,249,957</b>	<b>0</b>	<b>1,249,957</b>
<b>Fund Balances:</b>			
Nonspendable	34,517	26,843	61,360
Restricted	2,614,151	67,430	2,681,581
Committed	58,919	0	58,919
Unassigned	(18,382)	0	(18,382)
<b>Total Fund Balances</b>	<b>2,689,205</b>	<b>94,273</b>	<b>2,783,478</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Funds Balances</b>	<b>\$ 4,034,247</b>	<b>\$ 94,273</b>	<b>\$ 4,128,520</b>

**CITY OF PORTSMOUTH, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2015***

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	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 386,222	\$ 0	\$ 386,222
Intergovernmental Revenues	3,058,018	0	3,058,018
Charges for Services	147,671	0	147,671
Investment Earnings	30	0	30
Fines and Forfeitures	585,894	0	585,894
All Other Revenue	216,150	0	216,150
<b>Total Revenue</b>	<b>4,393,985</b>	<b>0</b>	<b>4,393,985</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	766,547	0	766,547
Public Health and Welfare Services	2,070,629	22,445	2,093,074
Leisure Time Activities	62,191	0	62,191
Community Environment	292,753	0	292,753
Transportation	831,271	0	831,271
General Government	902,327	0	902,327
<b>Total Expenditures</b>	<b>4,925,718</b>	<b>22,445</b>	<b>4,948,163</b>
Excess (Deficiency) of Revenues Over Expenditures	(531,733)	(22,445)	(554,178)
<b>Other Financing Sources (Uses):</b>			
Transfers In	389,427	0	389,427
<b>Total Other Financing Sources (Uses)</b>	<b>389,427</b>	<b>0</b>	<b>389,427</b>
Net Change in Fund Balances	(142,306)	(22,445)	(164,751)
<b>Fund Balances at Beginning of Year</b>	<b>2,854,331</b>	<b>116,718</b>	<b>2,971,049</b>
Decrease in Inventory	(22,820)	0	(22,820)
<b>Fund Balances End of Year</b>	<b>\$ 2,689,205</b>	<b>\$ 94,273</b>	<b>\$ 2,783,478</b>

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 0	\$ 264,295	\$ 113,503	\$ 108,689	\$ 27,369
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	69,253	67,748	3,763	14,063
Intergovernmental	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Interfund Loans Receivables	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 333,548</b>	<b>\$ 181,251</b>	<b>\$ 112,452</b>	<b>\$ 41,432</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 0	\$ 2,610	\$ 0	\$ 0	\$ 2,725
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	5,691	2,031	3,513	438	0
Interfund Loans Payable	7,997	0	0	0	0
<b>Total Liabilities</b>	<b>13,688</b>	<b>4,641</b>	<b>3,513</b>	<b>438</b>	<b>2,725</b>
<b>Deferred Inflows of Resources:</b>					
Property Tax	0	0	0	0	0
Unavailable Revenue	0	47,916	46,875	2,604	9,730
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>47,916</b>	<b>46,875</b>	<b>2,604</b>	<b>9,730</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	0
Restricted	0	280,991	130,863	109,410	28,977
Committed	0	0	0	0	0
Unassigned	(13,688)	0	0	0	0
<b>Total Fund Balances</b>	<b>(13,688)</b>	<b>280,991</b>	<b>130,863</b>	<b>109,410</b>	<b>28,977</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 0</b>	<b>\$ 333,548</b>	<b>\$ 181,251</b>	<b>\$ 112,452</b>	<b>\$ 41,432</b>

**CITY OF PORTSMOUTH, OHIO**

<u>Municipal Court Security</u>	<u>Fire Donation</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>	<u>Police Donation</u>	<u>JAG Grants</u>
\$ 0	\$ 257	\$ 0	\$ 0	\$ 52,533	\$ 10,305	\$ 2,365
0	0	66,756	66,756	0	0	0
0	0	0	0	0	0	0
0	0	4,058	4,058	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 257</u>	<u>\$ 70,814</u>	<u>\$ 70,814</u>	<u>\$ 52,533</u>	<u>\$ 10,305</u>	<u>\$ 2,365</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
3,971	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>3,971</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	52,000	52,000	0	0	0
0	0	18,814	18,814	0	0	0
0	0	70,814	70,814	0	0	0
0	0	0	0	0	0	0
0	257	0	0	52,533	10,305	2,365
0	0	0	0	0	0	0
<u>(3,971)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(3,971)</u>	<u>257</u>	<u>0</u>	<u>0</u>	<u>52,533</u>	<u>10,305</u>	<u>2,365</u>
<u>\$ 0</u>	<u>\$ 257</u>	<u>\$ 70,814</u>	<u>\$ 70,814</u>	<u>\$ 52,533</u>	<u>\$ 10,305</u>	<u>\$ 2,365</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	COPS Fast Grant	Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 216,430	\$ 31,903	\$ 52,239	\$ 367	\$ 10,280
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	5,983	3,791	1,063	0
Intergovernmental	19,301	0	0	0	50
Due from Other Funds	0	0	0	0	0
Interfund Loans Receivables	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 235,731</b>	<b>\$ 37,886</b>	<b>\$ 56,030</b>	<b>\$ 1,430</b>	<b>\$ 10,330</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	20	0
Interfund Loans Payable	19,950	0	0	0	0
<b>Total Liabilities</b>	<b>19,950</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Property Tax	0	0	0	0	0
Unavailable Revenue	0	4,140	2,623	735	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>4,140</b>	<b>2,623</b>	<b>735</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	0
Restricted	215,781	33,746	53,407	675	10,330
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>215,781</b>	<b>33,746</b>	<b>53,407</b>	<b>675</b>	<b>10,330</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 235,731</b>	<b>\$ 37,886</b>	<b>\$ 56,030</b>	<b>\$ 1,430</b>	<b>\$ 10,330</b>

**CITY OF PORTSMOUTH, OHIO**

Law Enforcement	Federal Forfeitures	OPOTA Fund	COPS - Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair	State Highway Improvement
\$ 149,265	\$ 103,432	\$ 3,120	\$ 14,805	\$ 13,342	\$ 0	\$ 75,235
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	377,389	26,562
0	0	0	0	0	0	0
19,950	0	0	0	0	0	0
0	0	0	0	0	24,429	0
0	0	0	0	0	2,503	0
<u>\$ 169,215</u>	<u>\$ 103,432</u>	<u>\$ 3,120</u>	<u>\$ 14,805</u>	<u>\$ 13,342</u>	<u>\$ 404,321</u>	<u>\$ 101,797</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 318	\$ 0
0	0	0	0	0	167	842
0	0	0	0	0	10,403	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,888</u>	<u>842</u>
0	0	0	0	0	0	0
0	0	0	0	0	245,000	18,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>245,000</u>	<u>18,000</u>
0	0	0	0	0	26,932	0
169,215	103,432	3,120	14,805	13,342	121,501	82,955
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>169,215</u>	<u>103,432</u>	<u>3,120</u>	<u>14,805</u>	<u>13,342</u>	<u>148,433</u>	<u>82,955</u>
<u>\$ 169,215</u>	<u>\$ 103,432</u>	<u>\$ 3,120</u>	<u>\$ 14,805</u>	<u>\$ 13,342</u>	<u>\$ 404,321</u>	<u>\$ 101,797</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

	Environmental State Grants	Community Development	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 77,757	\$ 309,886	\$ 19,365	\$ 14,580	\$ 499
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	21,870	0	0
Accounts	0	0	0	0	0
Intergovernmental	345,757	96,000	0	67,053	237,653
Due from Other Funds	0	24,453	0	0	0
Interfund Loans Receivables	0	0	0	0	0
Inventory of Supplies, at Cost	464	0	0	0	4,321
Prepaid Items	630	0	0	0	319
<b>Total Assets</b>	<b>\$ 424,608</b>	<b>\$ 430,339</b>	<b>\$ 41,235</b>	<b>\$ 81,633</b>	<b>\$ 242,792</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 54	\$ 0	\$ 0	\$ 4,700	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	10,652	0	0	1,360	2,242
Interfund Loans Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>10,706</b>	<b>0</b>	<b>0</b>	<b>6,060</b>	<b>2,242</b>
<b>Deferred Inflows of Resources:</b>					
Property Tax	0	0	0	0	0
Unavailable Revenue	265,530	82,000	0	33,326	62,648
<b>Total Deferred Inflows of Resources</b>	<b>265,530</b>	<b>82,000</b>	<b>0</b>	<b>33,326</b>	<b>62,648</b>
<b>Fund Balances:</b>					
Nonspendable	1,094	0	0	0	4,640
Restricted	147,278	348,339	41,235	42,247	173,262
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<b>Total Fund Balances</b>	<b>148,372</b>	<b>348,339</b>	<b>41,235</b>	<b>42,247</b>	<b>177,902</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 424,608</b>	<b>\$ 430,339</b>	<b>\$ 41,235</b>	<b>\$ 81,633</b>	<b>\$ 242,792</b>

**CITY OF PORTSMOUTH, OHIO**

Drug Free Communities Grant	Family Planning	Ryan White Title III	Flood Defense	Land Reutilization	Rental Licensing Program	Council Trust for Recreation
\$ 11,169	\$ 1,722	\$ 29,944	\$ 346,435	\$ 24,140	\$ 12,390	\$ 47,137
0	0	0	214,682	0	0	0
0	0	0	0	0	0	0
15,259	45,042	0	12,219	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
245	319	319	479	0	0	489
<u>\$ 26,673</u>	<u>\$ 47,083</u>	<u>\$ 30,263</u>	<u>\$ 573,815</u>	<u>\$ 24,140</u>	<u>\$ 12,390</u>	<u>\$ 47,626</u>
\$ 98	\$ 433	\$ 29	\$ 791	\$ 0	\$ 0	\$ 200
0	0	0	0	0	0	0
3,112	2,012	5,950	1,675	693	0	408
0	0	0	0	0	0	0
<u>3,210</u>	<u>2,445</u>	<u>5,979</u>	<u>2,466</u>	<u>693</u>	<u>0</u>	<u>608</u>
0	0	0	169,000	0	0	0
15,259	45,042	0	57,901	0	0	0
<u>15,259</u>	<u>45,042</u>	<u>0</u>	<u>226,901</u>	<u>0</u>	<u>0</u>	<u>0</u>
245	319	319	479	0	0	489
7,959	0	23,965	343,969	23,447	0	0
0	0	0	0	0	12,390	46,529
0	(723)	0	0	0	0	0
<u>8,204</u>	<u>(404)</u>	<u>24,284</u>	<u>344,448</u>	<u>23,447</u>	<u>12,390</u>	<u>47,018</u>
<u>\$ 26,673</u>	<u>\$ 47,083</u>	<u>\$ 30,263</u>	<u>\$ 573,815</u>	<u>\$ 24,140</u>	<u>\$ 12,390</u>	<u>\$ 47,626</u>

(Continued)

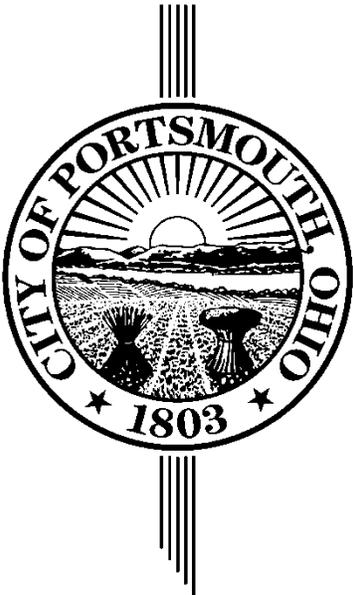
**CITY OF PORTSMOUTH, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2015**

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	<u>Playground Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 24,440	\$ 2,169,198
Receivables (net of allowance for doubtful accounts):		
Taxes	0	370,064
Accounts	0	165,664
Intergovernmental	0	1,250,401
Due from Other Funds	0	24,453
Interfund Loans Receivables	0	19,950
Inventory of Supplies, at Cost	0	29,214
Prepaid Items	0	5,303
<b>Total Assets</b>	<u>\$ 24,440</u>	<u>\$ 4,034,247</u>
<b>Liabilities:</b>		
Accounts Payable	\$ 0	\$ 11,958
Accrued Wages and Benefits Payable	0	1,009
Intergovernmental Payable	0	54,171
Interfund Loans Payable	0	27,947
<b>Total Liabilities</b>	<u>0</u>	<u>95,085</u>
<b>Deferred Inflows of Resources:</b>		
Property Tax	0	273,000
Unavailable Revenue	0	976,957
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>1,249,957</u>
<b>Fund Balances:</b>		
Nonspendable	0	34,517
Restricted	24,440	2,614,151
Committed	0	58,919
Unassigned	0	(18,382)
<b>Total Fund Balances</b>	<u>24,440</u>	<u>2,689,205</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 24,440</u>	<u>\$ 4,034,247</u>



**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	220,440	0	0	0	0
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	132,340	109,884	123,722	32,971
All Other Revenue	0	0	53,095	0	0
<b>Total Revenue</b>	<b>220,440</b>	<b>132,340</b>	<b>162,979</b>	<b>123,722</b>	<b>32,971</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	224,760	149,646	165,740	119,791	28,959
<b>Total Expenditures</b>	<b>224,760</b>	<b>149,646</b>	<b>165,740</b>	<b>119,791</b>	<b>28,959</b>
Excess (Deficiency) of Revenues Over Expenditures	(4,320)	(17,306)	(2,761)	3,931	4,012
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	40,000	32,003	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>40,000</b>	<b>32,003</b>	<b>0</b>
Net Change in Fund Balances	(4,320)	(17,306)	37,239	35,934	4,012
<b>Fund Balances at Beginning of Year</b>	<b>(9,368)</b>	<b>298,297</b>	<b>93,624</b>	<b>73,476</b>	<b>24,965</b>
Decrease in Inventory	0	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ (13,688)</b>	<b>\$ 280,991</b>	<b>\$ 130,863</b>	<b>\$ 109,410</b>	<b>\$ 28,977</b>

**CITY OF PORTSMOUTH, OHIO**

Municipal Court Security	Fire Donation	Fire Pension	Police Pension	D.A.R.E. State Grant	Police Donation	JAG Grants
\$ 0	\$ 0	\$ 56,636	\$ 56,636	\$ 0	\$ 0	\$ 0
0	0	8,157	8,156	7,515	0	516
0	0	0	0	0	0	0
0	0	0	0	0	0	0
47,760	0	0	0	0	0	0
0	1,200	0	0	0	0	0
<u>47,760</u>	<u>1,200</u>	<u>64,793</u>	<u>64,792</u>	<u>7,515</u>	<u>0</u>	<u>516</u>
0	1,995	64,793	64,792	0	1,009	11,016
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
165,537	0	0	0	0	0	0
<u>165,537</u>	<u>1,995</u>	<u>64,793</u>	<u>64,792</u>	<u>0</u>	<u>1,009</u>	<u>11,016</u>
(117,777)	(795)	0	0	7,515	(1,009)	(10,500)
112,424	0	0	0	0	0	0
<u>112,424</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(5,353)	(795)	0	0	7,515	(1,009)	(10,500)
1,382	1,052	0	0	45,018	11,314	12,865
0	0	0	0	0	0	0
<u>\$ (3,971)</u>	<u>\$ 257</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 52,533</u>	<u>\$ 10,305</u>	<u>\$ 2,365</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

	COPS Fast Grant	Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	49,301	0	0	0	0
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	8,387	54,176	1,995	897
All Other Revenue	5,350	0	0	0	0
<b>Total Revenue</b>	<b>54,651</b>	<b>8,387</b>	<b>54,176</b>	<b>1,995</b>	<b>897</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	25,285	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	43,041	2,861	1,992	0
<b>Total Expenditures</b>	<b>25,285</b>	<b>43,041</b>	<b>2,861</b>	<b>1,992</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	29,366	(34,654)	51,315	3	897
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	29,366	(34,654)	51,315	3	897
<b>Fund Balances at Beginning of Year</b>	<b>186,415</b>	<b>68,400</b>	<b>2,092</b>	<b>672</b>	<b>9,433</b>
Decrease in Inventory	0	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 215,781</b>	<b>\$ 33,746</b>	<b>\$ 53,407</b>	<b>\$ 675</b>	<b>\$ 10,330</b>

**CITY OF PORTSMOUTH, OHIO**

Law Enforcement	Federal Forfeitures	OPOTA Fund	COPS Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair	State Highway Improvement
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	3,120	0	0	749,965	53,476
0	0	0	0	0	0	0
0	0	0	0	0	0	0
65,257	8,505	0	0	0	0	0
3,596	0	0	0	0	10,629	9,930
<u>68,853</u>	<u>8,505</u>	<u>3,120</u>	<u>0</u>	<u>0</u>	<u>760,594</u>	<u>63,406</u>
27,042	4,980	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	738,577	92,694
0	0	0	0	0	0	0
<u>27,042</u>	<u>4,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>738,577</u>	<u>92,694</u>
41,811	3,525	3,120	0	0	22,017	(29,288)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
41,811	3,525	3,120	0	0	22,017	(29,288)
127,404	99,907	0	14,805	13,342	133,340	112,243
0	0	0	0	0	(6,924)	0
<u>\$ 169,215</u>	<u>\$ 103,432</u>	<u>\$ 3,120</u>	<u>\$ 14,805</u>	<u>\$ 13,342</u>	<u>\$ 148,433</u>	<u>\$ 82,955</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Environmental State Grants	Community Development	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant
<b>Revenues:</b>					
Taxes	\$ 0	\$ 0	\$ 95,331	\$ 0	\$ 0
Intergovernmental Revenues	576,196	77,000	0	183,112	630,023
Charges for Services	0	0	0	41,500	0
Investment Earnings	0	30	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	7,500	0	0	0	69,107
<b>Total Revenue</b>	<b>583,696</b>	<b>77,030</b>	<b>95,331</b>	<b>224,612</b>	<b>699,130</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	529,941	0	0	222,665	604,396
Leisure Time Activities	0	0	0	0	0
Community Environment	0	201,077	91,676	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
<b>Total Expenditures</b>	<b>529,941</b>	<b>201,077</b>	<b>91,676</b>	<b>222,665</b>	<b>604,396</b>
Excess (Deficiency) of Revenues Over Expenditures	53,755	(124,047)	3,655	1,947	94,734
<b>Other Financing Sources (Uses):</b>					
Transfers In	18,000	0	0	30,000	145,000
<b>Total Other Financing Sources (Uses)</b>	<b>18,000</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>145,000</b>
Net Change in Fund Balances	71,755	(124,047)	3,655	31,947	239,734
<b>Fund Balances at Beginning of Year</b>	<b>77,412</b>	<b>472,386</b>	<b>37,580</b>	<b>10,300</b>	<b>(56,442)</b>
Decrease in Inventory	(795)	0	0	0	(5,390)
<b>Fund Balances End of Year</b>	<b>\$ 148,372</b>	<b>\$ 348,339</b>	<b>\$ 41,235</b>	<b>\$ 42,247</b>	<b>\$ 177,902</b>

**CITY OF PORTSMOUTH, OHIO**

Drug Free Communities Grant	Family Planning	Regional HIV Prevention	Ryan White Title III	Flood Defense	Land Reutilization	Rental Licensing Program
\$ 0	\$ 0	\$ 0	\$ 0	\$ 177,619	\$ 0	\$ 0
130,008	51,987	0	284,520	24,526	0	0
0	47,295	0	3,546	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	548	0	49	222	52,150	0
<u>130,008</u>	<u>99,830</u>	<u>0</u>	<u>288,115</u>	<u>202,367</u>	<u>52,150</u>	<u>0</u>
0	0	0	0	565,635	0	0
125,731	121,796	81,496	328,585	0	46,994	9,025
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>125,731</u>	<u>121,796</u>	<u>81,496</u>	<u>328,585</u>	<u>565,635</u>	<u>46,994</u>	<u>9,025</u>
4,277	(21,966)	(81,496)	(40,470)	(363,268)	5,156	(9,025)
0	12,000	0	0	0	0	0
0	12,000	0	0	0	0	0
4,277	(9,966)	(81,496)	(40,470)	(363,268)	5,156	(9,025)
3,927	19,273	81,496	64,754	707,716	18,291	21,415
0	(9,711)	0	0	0	0	0
<u>\$ 8,204</u>	<u>\$ (404)</u>	<u>\$ 0</u>	<u>\$ 24,284</u>	<u>\$ 344,448</u>	<u>\$ 23,447</u>	<u>\$ 12,390</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

	Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>			
Taxes	\$ 0	\$ 0	\$ 386,222
Intergovernmental Revenues	0	0	3,058,018
Charges for Services	55,330	0	147,671
Investment Earnings	0	0	30
Fines and Forfeitures	0	0	585,894
All Other Revenue	486	2,288	216,150
<b>Total Revenue</b>	<u>55,816</u>	<u>2,288</u>	<u>4,393,985</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	0	0	766,547
Public Health and Welfare Services	0	0	2,070,629
Leisure Time Activities	62,191	0	62,191
Community Environment	0	0	292,753
Transportation	0	0	831,271
General Government	0	0	902,327
<b>Total Expenditures</b>	<u>62,191</u>	<u>0</u>	<u>4,925,718</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,375)	2,288	(531,733)
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	0	389,427
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>389,427</u>
Net Change in Fund Balances	(6,375)	2,288	(142,306)
<b>Fund Balances at Beginning of Year</b>	53,393	22,152	2,854,331
Decrease in Inventory	0	0	(22,820)
<b>Fund Balances End of Year</b>	<u>\$ 47,018</u>	<u>\$ 24,440</u>	<u>\$ 2,689,205</u>

**CITY OF PORTSMOUTH, OHIO**

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***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2015***

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	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Assets:</b>			
Restricted Assets:			
Cash and Cash Equivalents	\$ 89,421	\$ 4,852	\$ 94,273
<b>Total Assets</b>	<u>\$ 89,421</u>	<u>\$ 4,852</u>	<u>\$ 94,273</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Nonspendable	22,339	4,504	26,843
Restricted	<u>67,082</u>	<u>348</u>	<u>67,430</u>
<b>Total Fund Balances</b>	<u>89,421</u>	<u>4,852</u>	<u>94,273</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 89,421</u>	<u>\$ 4,852</u>	<u>\$ 94,273</u>

**CITY OF PORTSMOUTH, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2015***

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	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Revenues:</b>			
<b>Total Revenue</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Public Health and Welfare Services	<u>22,445</u>	<u>0</u>	<u>22,445</u>
<b>Total Expenditures</b>	<u>22,445</u>	<u>0</u>	<u>22,445</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,445)	0	(22,445)
<b>Fund Balances at Beginning of Year</b>	<u>111,866</u>	<u>4,852</u>	<u>116,718</u>
<b>Fund Balances End of Year</b>	<u>\$ 89,421</u>	<u>\$ 4,852</u>	<u>\$ 94,273</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 10,142,000	\$ 10,432,000	\$ 10,436,792	\$ 4,792
Intergovernmental Revenues	905,159	905,159	935,945	30,786
Charges for Services	249,000	259,000	267,449	8,449
Licenses and Permits	194,000	201,440	210,454	9,014
Fines and Forfeitures	635,000	635,000	507,444	(127,556)
All Other Revenues	100,000	275,000	277,183	2,183
Total Revenues	<u>12,225,159</u>	<u>12,707,599</u>	<u>12,635,267</u>	<u>(72,332)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Personal Services	3,702,099	3,781,352	3,681,153	100,199
Materials and Supplies	107,500	107,500	123,668	(16,168)
Contractual Services	<u>187,600</u>	<u>194,688</u>	<u>278,704</u>	<u>(84,016)</u>
Total Police	3,997,199	4,083,540	4,083,525	15
Fire:				
Personal Services	3,683,015	3,683,015	3,602,921	80,094
Materials and Supplies	29,000	29,648	37,166	(7,518)
Contractual Services	<u>67,350</u>	<u>66,701</u>	<u>105,339</u>	<u>(38,638)</u>
Total Fire	3,779,365	3,779,364	3,745,426	33,938
Police Dispatch:				
Personal Services	<u>431,565</u>	<u>431,565</u>	<u>341,022</u>	<u>90,543</u>
Total Police Dispatch	431,565	431,565	341,022	90,543
Street Lighting:				
Contractual Services	<u>220,000</u>	<u>220,000</u>	<u>218,752</u>	<u>1,248</u>
Total Street Lighting	<u>220,000</u>	<u>220,000</u>	<u>218,752</u>	<u>1,248</u>
Total Security of Persons and Property	<u>8,428,129</u>	<u>8,514,469</u>	<u>8,388,725</u>	<u>125,744</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	137,791	137,791	125,723	12,068
Materials and Supplies	100	100	46	54
Contractual Services	<u>73,565</u>	<u>73,565</u>	<u>71,428</u>	<u>2,137</u>
Total Building Inspection	<u>211,456</u>	<u>211,456</u>	<u>197,197</u>	<u>14,259</u>
Administration:				
Personal Services	66,168	78,932	79,007	(75)
Materials and Supplies	1,250	1,250	1,176	74
Contractual Services	<u>7,750</u>	<u>7,750</u>	<u>7,748</u>	<u>2</u>
Total Administration	<u>75,168</u>	<u>87,932</u>	<u>87,931</u>	<u>1</u>
Total Community Environment	<u>286,624</u>	<u>299,388</u>	<u>285,128</u>	<u>14,260</u>
Transportation:				
Traffic Lights:				
Personal Services	215,103	215,103	183,572	31,531
Materials and Supplies	4,725	4,725	7,746	(3,021)
Contractual Services	<u>17,475</u>	<u>17,475</u>	<u>23,114</u>	<u>(5,639)</u>
Total Traffic Lights	<u>237,303</u>	<u>237,303</u>	<u>214,432</u>	<u>22,871</u>
Cemetery Grounds:				
Personal Services	105,627	111,659	109,746	1,913
Materials and Supplies	3,025	3,025	3,600	(575)
Contractual Services	<u>0</u>	<u>0</u>	<u>1,338</u>	<u>(1,338)</u>
Total Cemetery Grounds	<u>108,652</u>	<u>114,684</u>	<u>114,684</u>	<u>0</u>
Total Transportation	<u>345,955</u>	<u>351,987</u>	<u>329,116</u>	<u>22,871</u>
General Government:				
City Council:				
Personal Services	89,390	95,620	113,588	(17,968)
Materials and Supplies	750	700	428	272
Contractual Services	<u>26,187</u>	<u>26,237</u>	<u>8,541</u>	<u>17,696</u>
Total City Council	<u>116,327</u>	<u>122,557</u>	<u>122,557</u>	<u>0</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Executive:				
Personal Services	55,162	55,162	28,410	26,752
Materials and Supplies	1,125	1,125	5,513	(4,388)
Contractual Services	<u>6,326</u>	<u>6,326</u>	<u>20,647</u>	<u>(14,321)</u>
Total Executive	62,613	62,613	54,570	8,043
Legal:				
Personal Services	236,541	236,541	232,730	3,811
Materials and Supplies	2,160	4,090	3,689	401
Contractual Services	<u>7,038</u>	<u>5,108</u>	<u>3,335</u>	<u>1,773</u>
Total Legal	245,739	245,739	239,754	5,985
Finance:				
Personal Services	192,208	192,208	180,192	12,016
Materials and Supplies	2,201	2,970	2,697	273
Contractual Services	30,169	29,149	37,722	(8,573)
Capital Outlay	<u>275</u>	<u>525</u>	<u>250</u>	<u>275</u>
Total Finance	224,853	224,852	220,861	3,991
Civil Service:				
Personal Services	7,100	7,100	5,979	1,121
Contractual Services	<u>3,150</u>	<u>3,150</u>	<u>3,102</u>	<u>48</u>
Total Civil Service	10,250	10,250	9,081	1,169
Income Tax:				
Personal Services	114,317	116,620	104,605	12,015
Materials and Supplies	999	1,555	2,608	(1,053)
Contractual Services	<u>50,133</u>	<u>49,576</u>	<u>22,289</u>	<u>27,287</u>
Total Income Tax	165,449	167,751	129,502	38,249

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Engineering:				
Personal Services	76,706	76,706	57,843	18,863
Materials and Supplies	2,800	2,800	4,770	(1,970)
Contractual Services	<u>2,850</u>	<u>2,850</u>	<u>9,713</u>	<u>(6,863)</u>
Total Engineering	82,356	82,356	72,326	10,030
Public Service:				
Personal Services	22,473	27,125	19,301	7,824
Materials and Supplies	617	617	1,635	(1,018)
Contractual Services	<u>8,226</u>	<u>8,226</u>	<u>15,031</u>	<u>(6,805)</u>
Total Public Service	31,316	35,968	35,967	1
City Building:				
Personal Services	64,929	64,929	66,501	(1,572)
Materials and Supplies	2,000	2,000	2,069	(69)
Contractual Services	<u>77,250</u>	<u>93,803</u>	<u>92,162</u>	<u>1,641</u>
Total City Building	144,179	160,732	160,732	0
Garage:				
Personal Services	121,064	121,064	112,648	8,416
Materials and Supplies	4,119	55,792	53,010	2,782
Contractual Services	<u>11,142</u>	<u>11,142</u>	<u>22,340</u>	<u>(11,198)</u>
Total Garage	136,325	187,998	187,998	0
Non-Departmental:				
Personal Services	7,500	7,500	0	7,500
Materials and Supplies	0	1,000	531	469
Contractual Services	570,401	802,901	732,935	69,966
Capital Outlay	<u>0</u>	<u>1,000</u>	<u>229</u>	<u>771</u>
Total Non-Departmental	<u>577,901</u>	<u>812,401</u>	<u>733,695</u>	<u>78,706</u>
Total General Government	<u>1,797,308</u>	<u>2,113,217</u>	<u>1,967,043</u>	<u>146,174</u>
Total Expenditures	<u>10,858,016</u>	<u>11,279,061</u>	<u>10,970,012</u>	<u>309,049</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,367,143	1,428,538	1,665,255	236,717

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	50,000	50,000
Transfers In	0	0	158	158
Transfers Out	<u>(1,747,998)</u>	<u>(1,939,998)</u>	<u>(1,934,998)</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>(1,747,998)</u>	<u>(1,939,998)</u>	<u>(1,884,840)</u>	<u>55,158</u>
Net Change in Fund Balance	(380,855)	(511,460)	(219,585)	291,875
Fund Balance at Beginning of Year	<u>672,810</u>	<u>672,810</u>	<u>672,810</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 291,955</u>	<u>\$ 161,350</u>	<u>\$ 453,225</u>	<u>\$ 291,875</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 140,000	\$ 140,000	\$ 130,097	\$ (9,903)
Intergovernmental Revenues	<u>0</u>	<u>10,000</u>	<u>19,031</u>	<u>9,031</u>
Total Revenues	<u>140,000</u>	<u>150,000</u>	<u>149,128</u>	<u>(872)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	70,000	75,000	75,000	0
Interest and Fiscal Charges	<u>78,880</u>	<u>75,240</u>	<u>75,240</u>	<u>0</u>
Total Expenditures	<u>148,880</u>	<u>150,240</u>	<u>150,240</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,880)	(240)	(1,112)	(872)
Fund Balance at Beginning of Year	<u>124,831</u>	<u>124,831</u>	<u>124,831</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 115,951</u>	<u>\$ 124,591</u>	<u>\$ 123,719</u>	<u>\$ (872)</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds  
For the Year Ended December 31, 2015**

<b>CAPITAL IMPROVEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 1,300,000	\$ 1,570,000	\$ 1,542,511	\$ (27,489)
All Other Revenues	<u>0</u>	<u>30,000</u>	<u>32,480</u>	<u>2,480</u>
Total Revenues	<u>1,300,000</u>	<u>1,600,000</u>	<u>1,574,991</u>	<u>(25,009)</u>
<b>Expenditures:</b>				
Capital Outlay	681,365	2,283,159	1,959,080	324,079
Debt Service:				
Principal Retirement	0	176,068	176,068	0
Interest and Fiscal Charges	<u>0</u>	<u>17,301</u>	<u>17,301</u>	<u>0</u>
Total Expenditures	<u>681,365</u>	<u>2,476,528</u>	<u>2,152,449</u>	<u>324,079</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	618,635	(876,528)	(577,458)	299,070
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>7,067</u>	<u>7,067</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>7,067</u>	<u>7,067</u>
Net Change in Fund Balance	618,635	(876,528)	(570,391)	306,137
Fund Balance at Beginning of Year	910,856	910,856	910,856	0
Prior Year Encumbrances	<u>681,366</u>	<u>681,366</u>	<u>681,366</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,210,857</u>	<u>\$ 715,694</u>	<u>\$ 1,021,831</u>	<u>\$ 306,137</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

<b>MUNICIPAL COURT GRANTS FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 220,000	\$ 225,000	\$ 220,440	\$ (4,560)
Total Revenues	<u>220,000</u>	<u>225,000</u>	<u>220,440</u>	<u>(4,560)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	182,459	201,725	201,725	0
Materials and Supplies	<u>37,981</u>	<u>27,500</u>	<u>27,500</u>	<u>0</u>
Total Expenditures	<u>220,440</u>	<u>229,225</u>	<u>229,225</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(440)	(4,225)	(8,785)	(4,560)
<b>Other Financing Sources (Uses):</b>				
Advances In	<u>0</u>	<u>0</u>	<u>7,997</u>	<u>7,997</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>7,997</u>	<u>7,997</u>
Net Change in Fund Balance	(440)	(4,225)	(788)	3,437
Fund Balance at Beginning of Year	<u>788</u>	<u>788</u>	<u>788</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 348</u>	<u>\$ (3,437)</u>	<u>\$ 0</u>	<u>\$ 3,437</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

<b>MUNICIPAL COURT SUBSIDY FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Personal Services	902,799	901,815	878,527	23,288
Materials and Supplies	70,399	66,799	3,368	63,431
Contractual Services	32,800	37,384	35,448	1,936
Total Expenditures	<u>1,005,998</u>	<u>1,005,998</u>	<u>917,343</u>	<u>88,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,005,998)	(1,005,998)	(917,343)	88,655
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,005,000	1,006,000	1,005,998	(2)
Transfers Out	0	0	(80,427)	(80,427)
Advances Out	0	0	(7,997)	(7,997)
Total Other Financing Sources (Uses)	<u>1,005,000</u>	<u>1,006,000</u>	<u>917,574</u>	<u>(88,426)</u>
Net Change in Fund Balance	(998)	2	231	229
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (998)</u>	<u>\$ 2</u>	<u>\$ 231</u>	<u>\$ 229</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 100,000</u>	<u>\$ 135,000</u>	<u>\$ 132,987</u>	<u>\$ (2,013)</u>
Total Revenues	<u>100,000</u>	<u>135,000</u>	<u>132,987</u>	<u>(2,013)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	31,301	87,902	88,048	(146)
Materials and Supplies	49,466	28,554	28,532	22
Contractual Services	<u>35,000</u>	<u>31,097</u>	<u>30,973</u>	<u>124</u>
Total Expenditures	<u>115,767</u>	<u>147,553</u>	<u>147,553</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,767)	(12,553)	(14,566)	(2,013)
Fund Balance at Beginning of Year	<u>270,273</u>	<u>270,273</u>	<u>270,273</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 254,506</u>	<u>\$ 257,720</u>	<u>\$ 255,707</u>	<u>\$ (2,013)</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

**MUNICIPAL COURT PROBATION SERVICES FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 100,000	\$ 100,000	\$ 106,963	\$ 6,963
All Other Revenues	<u>0</u>	<u>60,000</u>	<u>53,095</u>	<u>(6,905)</u>
Total Revenues	<u>100,000</u>	<u>160,000</u>	<u>160,058</u>	<u>58</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	108,425	162,219	160,474	1,745
Materials and Supplies	1,576	4,671	5,840	(1,169)
Contractual Services	<u>0</u>	<u>0</u>	<u>575</u>	<u>(575)</u>
Total Expenditures	<u>110,001</u>	<u>166,890</u>	<u>166,889</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,001)	(6,890)	(6,831)	59
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>
Net Change in Fund Balance	(10,001)	(6,890)	33,169	40,059
Fund Balance at Beginning of Year	<u>72,889</u>	<u>72,889</u>	<u>72,889</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 62,888</u>	<u>\$ 65,999</u>	<u>\$ 106,058</u>	<u>\$ 40,059</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

<b>MUNICIPAL COURT PROGRAMS FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 100,000	\$ 130,000	\$ 128,486	\$ (1,514)
Total Revenues	<u>100,000</u>	<u>130,000</u>	<u>128,486</u>	<u>(1,514)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	14,974	15,438	14,709	729
Contractual Services	<u>70,027</u>	<u>119,562</u>	<u>105,301</u>	<u>14,261</u>
Total Expenditures	<u>85,001</u>	<u>135,000</u>	<u>120,010</u>	<u>14,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,999	(5,000)	8,476	13,476
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>32,003</u>	<u>32,003</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>32,003</u>	<u>32,003</u>
Net Change in Fund Balance	14,999	(5,000)	40,479	45,479
Fund Balance at Beginning of Year	<u>67,810</u>	<u>67,810</u>	<u>67,810</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 82,809</u>	<u>\$ 62,810</u>	<u>\$ 108,289</u>	<u>\$ 45,479</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 40,000</u>	<u>\$ 35,000</u>	<u>\$ 32,974</u>	<u>\$ (2,026)</u>
Total Revenues	<u>40,000</u>	<u>35,000</u>	<u>32,974</u>	<u>(2,026)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	0	492	492	0
Materials and Supplies	15,000	15,000	10,989	4,011
Contractual Services	<u>25,000</u>	<u>24,508</u>	<u>18,090</u>	<u>6,418</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>29,571</u>	<u>10,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(5,000)	3,403	8,403
Fund Balance at Beginning of Year	<u>21,820</u>	<u>21,820</u>	<u>21,820</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,820</u>	<u>\$ 16,820</u>	<u>\$ 25,223</u>	<u>\$ 8,403</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 47,760</u>	<u>\$ 47,760</u>	<u>\$ 47,760</u>	<u>\$ 0</u>
Total Revenues	<u>47,760</u>	<u>47,760</u>	<u>47,760</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	<u>166,505</u>	<u>167,832</u>	<u>167,832</u>	<u>0</u>
Contractual Services	<u>8,495</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>175,000</u>	<u>167,832</u>	<u>167,832</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(127,240)</u>	<u>(120,072)</u>	<u>(120,072)</u>	<u>0</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>122,240</u>	<u>112,240</u>	<u>112,424</u>	<u>184</u>
Total Other Financing Sources (Uses)	<u>122,240</u>	<u>112,240</u>	<u>112,424</u>	<u>184</u>
Net Change in Fund Balance	<u>(5,000)</u>	<u>(7,832)</u>	<u>(7,648)</u>	<u>184</u>
Fund Balance at Beginning of Year	<u>7,648</u>	<u>7,648</u>	<u>7,648</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,648</u>	<u>\$ (184)</u>	<u>\$ 0</u>	<u>\$ 184</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 1,200</u>	<u>\$ 200</u>
Total Revenues	<u>0</u>	<u>1,000</u>	<u>1,200</u>	<u>200</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>400</u>	<u>1,995</u>	<u>1,995</u>	<u>0</u>
Total Expenditures	<u>400</u>	<u>1,995</u>	<u>1,995</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400)	(995)	(795)	200
Fund Balance at Beginning of Year	652	652	652	0
Prior Year Encumbrances	<u>400</u>	<u>400</u>	<u>400</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 652</u>	<u>\$ 57</u>	<u>\$ 257</u>	<u>\$ 200</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,000	\$ 60,000	\$ 56,636	\$ (3,364)
Intergovernmental Revenues	0	5,000	8,157	3,157
Total Revenues	<u>60,000</u>	<u>65,000</u>	<u>64,793</u>	<u>(207)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	<u>60,000</u>	<u>64,793</u>	<u>64,793</u>	<u>0</u>
Total Expenditures	<u>60,000</u>	<u>64,793</u>	<u>64,793</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	207	0	(207)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 207</u>	<u>\$ 0</u>	<u>\$ (207)</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,000	\$ 60,000	\$ 56,636	\$ (3,364)
Intergovernmental Revenues	0	5,000	8,156	3,156
Total Revenues	<u>60,000</u>	<u>65,000</u>	<u>64,792</u>	<u>(208)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	<u>60,000</u>	<u>64,792</u>	<u>64,792</u>	<u>0</u>
Total Expenditures	<u>60,000</u>	<u>64,792</u>	<u>64,792</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	208	0	(208)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 208</u>	<u>\$ 0</u>	<u>\$ (208)</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 15,000</u>	<u>\$ 10,000</u>	<u>\$ 7,515</u>	<u>\$ (2,485)</u>
Total Revenues	<u>15,000</u>	<u>10,000</u>	<u>7,515</u>	<u>(2,485)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>15,030</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>15,030</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30)	10,000	7,515	(2,485)
Fund Balance at Beginning of Year	<u>45,018</u>	<u>45,018</u>	<u>45,018</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,988</u>	<u>\$ 55,018</u>	<u>\$ 52,533</u>	<u>\$ (2,485)</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenues	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>12,419</u>	<u>1,009</u>	<u>1,009</u>	<u>0</u>
Total Expenditures	<u>12,419</u>	<u>1,009</u>	<u>1,009</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,419)	(1,009)	(1,009)	0
Fund Balance at Beginning of Year	<u>11,314</u>	<u>11,314</u>	<u>11,314</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,895</u>	<u>\$ 10,305</u>	<u>\$ 10,305</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 516</u>	<u>\$ 516</u>
Total Revenues	<u>20,000</u>	<u>0</u>	<u>516</u>	<u>516</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	11,016	6,058	6,058	0
Capital Outlay	<u>0</u>	<u>4,958</u>	<u>4,958</u>	<u>0</u>
Total Expenditures	<u>11,016</u>	<u>11,016</u>	<u>11,016</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,984	(11,016)	(10,500)	516
Fund Balance at Beginning of Year	<u>12,865</u>	<u>12,865</u>	<u>12,865</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,849</u>	<u>\$ 1,849</u>	<u>\$ 2,365</u>	<u>\$ 516</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

**COPS FAST GRANT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
All Other Revenues	0	0	5,350	5,350
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>35,350</u>	<u>5,350</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	43,000	0	0	0
Contractual Services	0	12,450	12,450	0
Capital Outlay	<u>38,650</u>	<u>12,835</u>	<u>12,835</u>	<u>0</u>
Total Expenditures	<u>81,650</u>	<u>25,285</u>	<u>25,285</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,650)	4,715	10,065	5,350
<b>Other Financing Sources (Uses):</b>				
Advances In	40,000	30,000	23,963	(6,037)
Advances Out	<u>0</u>	<u>(4,013)</u>	<u>(4,013)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>25,987</u>	<u>19,950</u>	<u>(6,037)</u>
Net Change in Fund Balance	(11,650)	30,702	30,015	(687)
Fund Balance at Beginning of Year	<u>186,415</u>	<u>186,415</u>	<u>186,415</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 174,765</u>	<u>\$ 217,117</u>	<u>\$ 216,430</u>	<u>\$ (687)</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 25,000</u>	<u>\$ 10,000</u>	<u>\$ 9,838</u>	<u>\$ (162)</u>
Total Revenues	<u>25,000</u>	<u>10,000</u>	<u>9,838</u>	<u>(162)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>27,000</u>	<u>68,016</u>	<u>43,041</u>	<u>24,975</u>
Total Expenditures	<u>27,000</u>	<u>68,016</u>	<u>43,041</u>	<u>24,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(58,016)	(33,203)	24,813
Fund Balance at Beginning of Year	<u>64,470</u>	<u>64,470</u>	<u>64,470</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 62,470</u>	<u>\$ 6,454</u>	<u>\$ 31,267</u>	<u>\$ 24,813</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 10,000</u>	<u>\$ 55,000</u>	<u>\$ 52,605</u>	<u>\$ (2,395)</u>
Total Revenues	<u>10,000</u>	<u>55,000</u>	<u>52,605</u>	<u>(2,395)</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>8,400</u>	<u>8,400</u>	<u>2,861</u>	<u>5,539</u>
Total Expenditures	<u>8,400</u>	<u>8,400</u>	<u>2,861</u>	<u>5,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,600	46,600	49,744	3,144
<b>Other Financing Sources (Uses):</b>				
Advances Out	<u>0</u>	<u>(16,421)</u>	<u>0</u>	<u>16,421</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(16,421)</u>	<u>0</u>	<u>16,421</u>
Net Change in Fund Balance	1,600	30,179	49,744	19,565
Fund Balance at Beginning of Year	<u>2,092</u>	<u>2,092</u>	<u>2,092</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,692</u>	<u>\$ 32,271</u>	<u>\$ 51,836</u>	<u>\$ 19,565</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 1,655</u>	<u>\$ (345)</u>
Total Revenues	<u>0</u>	<u>2,000</u>	<u>1,655</u>	<u>(345)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	568	1,434	1,434	0
Contractual Services	<u>0</u>	<u>610</u>	<u>610</u>	<u>0</u>
Total Expenditures	<u>568</u>	<u>2,044</u>	<u>2,044</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(568)	(44)	(389)	(345)
Fund Balance at Beginning of Year	<u>643</u>	<u>643</u>	<u>643</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 75</u>	<u>\$ 599</u>	<u>\$ 254</u>	<u>\$ (345)</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 1,316</u>	<u>\$ (684)</u>
Total Revenues	<u>0</u>	<u>2,000</u>	<u>1,316</u>	<u>(684)</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	2,000	1,316	(684)
Fund Balance at Beginning of Year	<u>8,964</u>	<u>8,964</u>	<u>8,964</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,964</u>	<u>\$ 10,964</u>	<u>\$ 10,280</u>	<u>\$ (684)</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>LAW ENFORCEMENT FUND</b>				
<b>Revenues:</b>				
Fines and Forfeitures	\$ 70,000	\$ 70,000	\$ 65,257	\$ (4,743)
All Other Revenues	0	5,000	3,596	(1,404)
Total Revenues	70,000	75,000	68,853	(6,147)
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	107,126	27,042	27,042	0
Total Expenditures	107,126	27,042	27,042	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,126)	47,958	41,811	(6,147)
<b>Other Financing Sources (Uses):</b>				
Advances In	0	0	4,013	4,013
Advances Out	0	(23,963)	(23,963)	0
Total Other Financing Sources (Uses)	0	(23,963)	(19,950)	4,013
Net Change in Fund Balance	(37,126)	23,995	21,861	(2,134)
Fund Balance at Beginning of Year	127,404	127,404	127,404	0
Fund Balance at End of Year	\$ 90,278	\$ 151,399	\$ 149,265	\$ (2,134)

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 0	\$ 5,000	\$ 8,505	\$ 3,505
Total Revenues	<u>0</u>	<u>5,000</u>	<u>8,505</u>	<u>3,505</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	0	79	79	0
Materials and Supplies	0	4,980	4,980	0
Contractual Services	<u>99,893</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>99,893</u>	<u>5,059</u>	<u>5,059</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,893)	(59)	3,446	3,505
Fund Balance at Beginning of Year	<u>99,986</u>	<u>99,986</u>	<u>99,986</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 93</u>	<u>\$ 99,927</u>	<u>\$ 103,432</u>	<u>\$ 3,505</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 3,120</u>	<u>\$ 120</u>
Total Revenues	<u>0</u>	<u>3,000</u>	<u>3,120</u>	<u>120</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,000	3,120	120
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 3,120</u>	<u>\$ 120</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>14,805</u>	<u>14,805</u>	<u>14,805</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,805</u>	<u>\$ 14,805</u>	<u>\$ 14,805</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>13,342</u>	<u>13,342</u>	<u>13,342</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,342</u>	<u>\$ 13,342</u>	<u>\$ 13,342</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 755,000	\$ 755,000	\$ 743,349	\$ (11,651)
All Other Revenues	<u>0</u>	<u>0</u>	<u>10,629</u>	<u>10,629</u>
Total Revenues	<u>755,000</u>	<u>755,000</u>	<u>753,978</u>	<u>(1,022)</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	849,697	690,798	690,798	0
Materials and Supplies	47,550	40,958	40,958	0
Contractual Services	<u>47,420</u>	<u>33,399</u>	<u>33,399</u>	<u>0</u>
Total Expenditures	<u>944,667</u>	<u>765,155</u>	<u>765,155</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,667)	(10,155)	(11,177)	(1,022)
Fund Balance at Beginning of Year	<u>11,177</u>	<u>11,177</u>	<u>11,177</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (178,490)</u>	<u>\$ 1,022</u>	<u>\$ 0</u>	<u>\$ (1,022)</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 50,000	\$ 55,000	\$ 54,088	\$ (912)
All Other Revenues	<u>0</u>	<u>10,000</u>	<u>9,930</u>	<u>(70)</u>
Total Revenues	<u>50,000</u>	<u>65,000</u>	<u>64,018</u>	<u>(982)</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	0	65,500	65,500	0
Materials and Supplies	63,184	1,352	1,352	0
Contractual Services	0	25,000	25,000	0
Capital Outlay	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Expenditures	<u>63,184</u>	<u>131,852</u>	<u>131,852</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,184)	(66,852)	(67,834)	(982)
Fund Balance at Beginning of Year	94,885	94,885	94,885	0
Prior Year Encumbrances	<u>8,184</u>	<u>8,184</u>	<u>8,184</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 89,885</u>	<u>\$ 36,217</u>	<u>\$ 35,235</u>	<u>\$ (982)</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

ENVIRONMENTAL STATE GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 534,500	\$ 534,500	\$ 503,557	\$ (30,943)
All Other Revenues	7,500	7,500	7,500	0
Total Revenues	<u>542,000</u>	<u>542,000</u>	<u>511,057</u>	<u>(30,943)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	482,347	479,486	478,876	610
Materials and Supplies	15,059	13,559	10,675	2,884
Contractual Services	59,600	50,652	44,120	6,532
Capital Outlay	0	13,309	13,001	308
Total Expenditures	<u>557,006</u>	<u>557,006</u>	<u>546,672</u>	<u>10,334</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(15,006)	(15,006)	(35,615)	(20,609)
<b>Other Financing Sources (Uses):</b>				
Transfers In	18,000	18,000	18,000	0
Total Other Financing Sources (Uses)	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Net Change in Fund Balance	2,994	2,994	(17,615)	(20,609)
Fund Balance at Beginning of Year	95,372	95,372	95,372	0
Fund Balance at End of Year	<u>\$ 98,366</u>	<u>\$ 98,366</u>	<u>\$ 77,757</u>	<u>\$ (20,609)</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

COMMUNITY DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 100,000	\$ 83,600	\$ (16,400)
Investment Earnings	0	0	30	30
All Other Revenues	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>300,000</u>	<u>100,000</u>	<u>83,630</u>	<u>(16,370)</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	31,300	0	0	0
Contractual Services	<u>43,867</u>	<u>201,903</u>	<u>201,903</u>	<u>0</u>
Total Expenditures	<u>75,167</u>	<u>201,903</u>	<u>201,903</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	224,833	(101,903)	(118,273)	(16,370)
Fund Balance at Beginning of Year	<u>428,159</u>	<u>428,159</u>	<u>428,159</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 652,992</u>	<u>\$ 326,256</u>	<u>\$ 309,886</u>	<u>\$ (16,370)</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	<u>\$ 80,000</u>	<u>\$ 95,000</u>	<u>\$ 94,487</u>	<u>\$ (513)</u>
Total Revenues	<u>80,000</u>	<u>95,000</u>	<u>94,487</u>	<u>(513)</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	<u>80,000</u>	<u>91,676</u>	<u>91,676</u>	<u>0</u>
Total Expenditures	<u>80,000</u>	<u>91,676</u>	<u>91,676</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	3,324	2,811	(513)
Fund Balance at Beginning of Year	<u>16,554</u>	<u>16,554</u>	<u>16,554</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,554</u>	<u>\$ 19,878</u>	<u>\$ 19,365</u>	<u>\$ (513)</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

<b>HEALTH DEPARTMENT SUBSIDY FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	517,400	517,400	453,818	63,582
Materials and Supplies	2,025	2,025	5,753	(3,728)
Contractual Services	100,575	100,575	81,039	19,536
Total Expenditures	<u>620,000</u>	<u>620,000</u>	<u>540,610</u>	<u>79,390</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(620,000)	(620,000)	(540,610)	79,390
<b>Other Financing Sources (Uses):</b>				
Transfers In	620,000	620,000	620,000	0
Total Other Financing Sources (Uses)	<u>620,000</u>	<u>620,000</u>	<u>620,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	79,390	79,390
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,390</u>	<u>\$ 79,390</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STATE GRANT HEALTH FUND</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 201,000	\$ 201,000	\$ 171,472	\$ (29,528)
Charges for Services	41,000	41,000	41,500	500
All Other Revenues	3,000	3,000	0	(3,000)
Total Revenues	245,000	245,000	212,972	(32,028)
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Prevention:				
Personal Services	65,275	59,275	56,260	3,015
Materials and Supplies	4,725	4,725	7,855	(3,130)
Contractual Services	18,194	18,194	14,688	3,506
Total Prevention	88,194	82,194	78,803	3,391
State Grant - Safety Grant:				
Personal Services	40,687	44,687	43,347	1,340
Materials and Supplies	0	0	60	(60)
Contractual Services	812	812	1,326	(514)
Total State Grant - Safety Grant	41,499	45,499	44,733	766
Bioterrorism Grant:				
Personal Services	71,846	73,846	71,290	2,556
Materials and Supplies	6,847	6,847	2,828	4,019
Contractual Services	35,901	35,901	44,056	(8,155)
Capital Outlay	3,398	3,398	1,063	2,335
Total Bioterrorism Grant	117,992	119,992	119,237	755
Total Expenditures	247,685	247,685	242,773	4,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,685)	(2,685)	(29,801)	(27,116)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	30,000	30,000
Total Other Financing Sources (Uses)	0	0	30,000	30,000
Net Change in Fund Balance	(2,685)	(2,685)	199	2,884
Fund Balance at Beginning of Year	8,141	8,141	8,141	0
Prior Year Encumbrances	1,500	1,500	1,500	0
Fund Balance at End of Year	\$ 6,956	\$ 6,956	\$ 9,840	\$ 2,884

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

	<b>RURAL AIDS STATE GRANT FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 735,000	\$ 600,000	\$ 503,121	\$ (96,879)
All Other Revenues	<u>0</u>	<u>55,000</u>	<u>69,107</u>	<u>14,107</u>
Total Revenues	<u>735,000</u>	<u>655,000</u>	<u>572,228</u>	<u>(82,772)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	278,030	207,119	207,119	0
Materials and Supplies	12,976	11,726	11,726	0
Contractual Services	<u>456,588</u>	<u>573,958</u>	<u>492,462</u>	<u>81,496</u>
Total Expenditures	<u>747,594</u>	<u>792,803</u>	<u>711,307</u>	<u>81,496</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,594)	(137,803)	(139,079)	(1,276)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>145,000</u>	<u>145,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>145,000</u>	<u>145,000</u>	<u>0</u>
Net Change in Fund Balance	(12,594)	7,197	5,921	(1,276)
Fund Balance at Beginning of Year	(16,237)	(16,237)	(16,237)	0
Prior Year Encumbrances	<u>10,815</u>	<u>10,815</u>	<u>10,815</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (18,016)</u>	<u>\$ 1,775</u>	<u>\$ 499</u>	<u>\$ (1,276)</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 125,000</u>	<u>\$ 140,000</u>	<u>\$ 138,677</u>	<u>\$ (1,323)</u>
Total Revenues	<u>125,000</u>	<u>140,000</u>	<u>138,677</u>	<u>(1,323)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	103,772	112,078	112,078	0
Materials and Supplies	8,732	5,878	5,878	0
Contractual Services	<u>12,497</u>	<u>9,582</u>	<u>9,582</u>	<u>0</u>
Total Expenditures	<u>125,001</u>	<u>127,538</u>	<u>127,538</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	12,462	11,139	(1,323)
Fund Balance at Beginning of Year	<u>30</u>	<u>30</u>	<u>30</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29</u>	<u>\$ 12,492</u>	<u>\$ 11,169</u>	<u>\$ (1,323)</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>FAMILY PLANNING FUND</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 79,000	\$ 79,000	\$ 58,573	\$ (20,427)
Charges for Services	46,000	46,000	47,295	1,295
All Other Revenues	0	0	548	548
Total Revenues	125,000	125,000	106,416	(18,584)
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	112,708	108,708	96,936	11,772
Materials and Supplies	14,977	18,977	30,051	(11,074)
Contractual Services	1,586	1,586	1,205	381
Total Expenditures	129,271	129,271	128,192	1,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,271)	(4,271)	(21,776)	(17,505)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	12,000	12,000
Total Other Financing Sources (Uses)	0	0	12,000	12,000
Net Change in Fund Balance	(4,271)	(4,271)	(9,776)	(5,505)
Fund Balance at Beginning of Year	11,028	11,028	11,028	0
Prior Year Encumbrances	470	470	470	0
Fund Balance at End of Year	\$ 7,227	\$ 7,227	\$ 1,722	\$ (5,505)

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	<u>81,496</u>	<u>81,496</u>	<u>81,496</u>	<u>0</u>
Total Expenditures	<u>81,496</u>	<u>81,496</u>	<u>81,496</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,496)	(81,496)	(81,496)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>81,496</u>	<u>81,496</u>	<u>81,496</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 312,000	\$ 300,000	\$ 292,391	\$ (7,609)
Charges for Services	62,000	0	3,546	3,546
All Other Revenues	<u>1,000</u>	<u>0</u>	<u>49</u>	<u>49</u>
Total Revenues	<u>375,000</u>	<u>300,000</u>	<u>295,986</u>	<u>(4,014)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	202,179	202,179	215,860	(13,681)
Materials and Supplies	76,162	76,162	68,192	7,970
Contractual Services	<u>99,032</u>	<u>89,032</u>	<u>56,275</u>	<u>32,757</u>
Total Expenditures	<u>377,373</u>	<u>367,373</u>	<u>340,327</u>	<u>27,046</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,373)	(67,373)	(44,341)	23,032
Fund Balance at Beginning of Year	69,835	69,835	69,835	0
Prior Year Encumbrances	<u>4,450</u>	<u>4,450</u>	<u>4,450</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 71,912</u>	<u>\$ 6,912</u>	<u>\$ 29,944</u>	<u>\$ 23,032</u>

**CITY OF PORTSMOUTH, OHIO****Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 193,000	\$ 203,000	\$ 177,619	\$ (25,381)
Intergovernmental Revenues	0	0	24,526	24,526
All Other Revenues	0	0	222	222
Total Revenues	<u>193,000</u>	<u>203,000</u>	<u>202,367</u>	<u>(633)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	89,543	92,029	90,890	1,139
Materials and Supplies	8,700	17,834	16,634	1,200
Contractual Services	81,301	146,866	119,427	27,439
Capital Outlay	90,000	382,410	351,237	31,173
Total Expenditures	<u>269,544</u>	<u>639,139</u>	<u>578,188</u>	<u>60,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,544)	(436,139)	(375,821)	60,318
Fund Balance at Beginning of Year	692,680	692,680	692,680	0
Prior Year Encumbrances	15,000	15,000	15,000	0
Fund Balance at End of Year	<u>\$ 631,136</u>	<u>\$ 271,541</u>	<u>\$ 331,859</u>	<u>\$ 60,318</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 50,000</u>	<u>\$ 55,000</u>	<u>\$ 52,150</u>	<u>\$ (2,850)</u>
Total Revenues	<u>50,000</u>	<u>55,000</u>	<u>52,150</u>	<u>(2,850)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	44,406	44,406	38,712	5,694
Contractual Services	<u>13,595</u>	<u>13,595</u>	<u>8,738</u>	<u>4,857</u>
Total Expenditures	<u>58,001</u>	<u>58,001</u>	<u>47,450</u>	<u>10,551</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,001)	(3,001)	4,700	7,701
Fund Balance at Beginning of Year	<u>19,440</u>	<u>19,440</u>	<u>19,440</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,439</u>	<u>\$ 16,439</u>	<u>\$ 24,140</u>	<u>\$ 7,701</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and Permits	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 0</u>	<u>\$ (75,000)</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>0</u>	<u>(75,000)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	71,821	71,821	1,745	70,076
Materials and Supplies	4,000	4,000	0	4,000
Contractual Services	14,451	19,766	10,766	9,000
Capital Outlay	<u>5,729</u>	<u>414</u>	<u>0</u>	<u>414</u>
Total Expenditures	<u>96,001</u>	<u>96,001</u>	<u>12,511</u>	<u>83,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,001)	(21,001)	(12,511)	8,490
Fund Balance at Beginning of Year	<u>24,901</u>	<u>24,901</u>	<u>24,901</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,900</u>	<u>\$ 3,900</u>	<u>\$ 12,390</u>	<u>\$ 8,490</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015***

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**COUNCIL TRUST FOR RECREATION FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 55,000	\$ 55,000	\$ 55,330	\$ 330
All Other Revenues	<u>0</u>	<u>0</u>	<u>486</u>	<u>486</u>
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>55,816</u>	<u>816</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Personal Services	0	25,000	26,053	(1,053)
Materials and Supplies	0	13,000	8,923	4,077
Contractual Services	<u>2,287</u>	<u>26,920</u>	<u>27,578</u>	<u>(658)</u>
Total Expenditures	<u>2,287</u>	<u>64,920</u>	<u>62,554</u>	<u>2,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,713	(9,920)	(6,738)	3,182
Fund Balance at Beginning of Year	51,588	51,588	51,588	0
Prior Year Encumbrances	<u>2,287</u>	<u>2,287</u>	<u>2,287</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 106,588</u>	<u>\$ 43,955</u>	<u>\$ 47,137</u>	<u>\$ 3,182</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,288</u>	<u>\$ 288</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,288</u>	<u>288</u>
<b>Expenditures:</b>				
Leisure Time Activity:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	2,288	288
Fund Balance at Beginning of Year	<u>22,152</u>	<u>22,152</u>	<u>22,152</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,152</u>	<u>\$ 24,152</u>	<u>\$ 24,440</u>	<u>\$ 288</u>

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	0	5,000	5,000	0
Materials and Supplies	2,150	1,928	1,928	0
Contractual Services	17,500	18,065	18,065	0
Capital Outlay	<u>350</u>	<u>81</u>	<u>81</u>	<u>0</u>
Total Expenditures	<u>20,000</u>	<u>25,074</u>	<u>25,074</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000)	(25,074)	(25,074)	0
Fund Balance at Beginning of Year	<u>114,495</u>	<u>114,495</u>	<u>114,495</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 94,495</u>	<u>\$ 89,421</u>	<u>\$ 89,421</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2015***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>4,852</u>	<u>4,852</u>	<u>4,852</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,852</u>	<u>\$ 4,852</u>	<u>\$ 4,852</u>	<u>\$ 0</u>

***Fiduciary Funds***

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Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***Agency Funds***

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**Performance Bonds Fund**

To account for funds placed in escrow for various construction projects.

**Law Library Fund**

To account for revenue and expenditures of State Patrol fines to the County Law Library.

**Ohio Board of Building Standards Fund**

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

**Municipal Court Fund**

To account for funds that flow through the municipal court office.

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015**

	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<b>Performance Bonds Fund</b>				
Restricted Assets:				
Cash and Cash Equivalents	\$37,847	\$36,912	(\$56,912)	\$17,847
Total Assets	<u>\$37,847</u>	<u>\$36,912</u>	<u>(\$56,912)</u>	<u>\$17,847</u>
Liabilities:				
Due to Others	\$37,847	\$36,912	(\$56,912)	\$17,847
Total Liabilities	<u>\$37,847</u>	<u>\$36,912</u>	<u>(\$56,912)</u>	<u>\$17,847</u>
<b>Law Library Fund</b>				
Assets:				
Accounts Receivable	\$20,683	\$22,877	(\$20,683)	\$22,877
Restricted Assets:				
Cash and Cash Equivalents	2,204	33,056	(32,828)	2,432
Total Assets	<u>\$22,887</u>	<u>\$55,933</u>	<u>(\$53,511)</u>	<u>\$25,309</u>
Liabilities:				
Due to Others	\$22,887	\$55,933	(\$53,511)	\$25,309
Total Liabilities	<u>\$22,887</u>	<u>\$55,933</u>	<u>(\$53,511)</u>	<u>\$25,309</u>
<b>Ohio Board of Building Standards Fund</b>				
Restricted Assets:				
Cash and Cash Equivalents	\$19	\$3,184	(\$617)	\$2,586
Total Assets	<u>\$19</u>	<u>\$3,184</u>	<u>(\$617)</u>	<u>\$2,586</u>
Liabilities:				
Due to Others	\$19	\$3,184	(\$617)	\$2,586
Total Liabilities	<u>\$19</u>	<u>\$3,184</u>	<u>(\$617)</u>	<u>\$2,586</u>
<b>Municipal Court Fund</b>				
Assets:				
Accounts Receivable	\$465,997	\$498,419	(\$465,997)	\$498,419
Restricted Assets:				
Cash and Cash Equivalents	43,959	1,931,315	(1,921,382)	53,892
Total Assets	<u>\$509,956</u>	<u>\$2,429,734</u>	<u>(\$2,387,379)</u>	<u>\$552,311</u>
Liabilities:				
Intergovernmental Payables	\$30,190	\$487,579	(\$485,871)	\$31,898
Due to Others	479,766	1,942,155	(1,901,508)	520,413
Total Liabilities	<u>\$509,956</u>	<u>\$2,429,734</u>	<u>(\$2,387,379)</u>	<u>\$552,311</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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***Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2015***

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	Balance December 31, 2014	Additions	Deductions	Balance December 31, 2015
<b>Totals - All Agency Funds</b>				
Assets:				
Accounts Receivable	\$486,680	\$521,296	(\$486,680)	\$521,296
Restricted Assets:				
Cash and Cash Equivalents	84,029	2,004,467	(2,011,739)	76,757
Total Assets	<u>\$570,709</u>	<u>\$2,525,763</u>	<u>(\$2,498,419)</u>	<u>\$598,053</u>
Liabilities:				
Intergovernmental Payables	\$30,190	\$487,579	(\$485,871)	\$31,898
Due to Others	540,519	2,038,184	(2,012,548)	566,155
Total Liabilities	<u>\$570,709</u>	<u>\$2,525,763</u>	<u>(\$2,498,419)</u>	<u>\$598,053</u>

# *STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 11
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
<b>Revenue Capacity</b>	S 12 – S 15
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, which the income tax.	
<b>Debt Capacity</b>	S 16 – S 25
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 26 – S 29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 30 – S 35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

## *City of Portsmouth*

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	2006	2007	2008	2009
<b>Governmental Activities:</b>				(1)
Net Investment in Capital Assets	\$20,148,126	\$19,314,512	\$18,230,304	\$17,772,546
Restricted	4,810,459	5,064,839	5,412,572	6,422,601
Unrestricted	566,578	274,557	(445,016)	(568,870)
Total Governmental Activities Net Position	<u>\$25,525,163</u>	<u>\$24,653,908</u>	<u>\$23,197,860</u>	<u>\$23,626,277</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$9,654,908	\$9,373,296	\$9,820,832	\$10,048,483
Restricted	935,246	783,278	755,780	873,786
Unrestricted	2,610,303	3,074,363	2,750,796	1,772,923
Total Business-type Activities Net Position	<u>\$13,200,457</u>	<u>\$13,230,937</u>	<u>\$13,327,408</u>	<u>\$12,695,192</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$29,803,034	\$28,687,808	\$28,051,136	\$27,821,029
Restricted	5,745,705	5,848,117	6,168,352	7,296,387
Unrestricted	3,176,881	3,348,920	2,305,780	1,204,053
Total Primary Government Net Position	<u>\$38,725,620</u>	<u>\$37,884,845</u>	<u>\$36,525,268</u>	<u>\$36,321,469</u>

Source: City Auditor's Office

(1) Amounts adjusted as a result of a prior period adjustment.

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
	(1)			(1)	
\$17,777,202	\$20,921,788	\$20,630,492	\$20,650,606	\$19,585,820	\$18,924,619
6,165,793	6,931,652	5,446,225	5,948,525	5,561,675	5,578,284
(1,189,432)	(2,855,991)	(1,846,035)	(101,280)	(11,796,128)	(10,850,195)
<u>\$22,753,563</u>	<u>\$24,997,449</u>	<u>\$24,230,682</u>	<u>\$26,497,851</u>	<u>\$13,351,367</u>	<u>\$13,652,708</u>
\$13,226,718	\$14,001,292	\$14,995,902	\$15,122,072	\$15,436,290	\$15,753,500
930,461	942,914	953,034	963,878	557,025	0
1,998,260	2,030,176	1,921,714	2,337,602	163,750	820,725
<u>\$16,155,439</u>	<u>\$16,974,382</u>	<u>\$17,870,650</u>	<u>\$18,423,552</u>	<u>\$16,157,065</u>	<u>\$16,574,225</u>
\$31,003,920	\$34,923,080	\$35,626,394	\$35,772,678	\$35,022,110	\$34,678,119
7,096,254	7,874,566	6,399,259	6,912,403	6,118,700	5,578,284
808,828	(825,815)	75,679	2,236,322	(11,632,378)	(10,029,470)
<u>\$38,909,002</u>	<u>\$41,971,831</u>	<u>\$42,101,332</u>	<u>\$44,921,403</u>	<u>\$29,508,432</u>	<u>\$30,226,933</u>

## City of Portsmouth

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
<b>Expenses</b>				(1)
Governmental Activities:				
Security of Persons and Property	\$7,122,782	\$7,625,070	\$7,842,183	\$8,048,728
Public Health and Welfare Services	3,018,275	2,861,477	2,986,843	3,044,217
Leisure Time Activities	107,307	26,055	38,446	67,947
Community Environment	635,785	454,715	585,826	750,295
Transportation	2,192,216	2,534,541	2,532,238	2,471,165
General Government	3,694,527	4,122,079	4,271,908	4,099,865
Interest and Fiscal Charges	101,815	138,677	158,664	158,928
<i>Total Governmental Activities Expenses</i>	<u>16,872,707</u>	<u>17,762,614</u>	<u>18,416,108</u>	<u>18,641,145</u>
Business-type Activities:				
Water	4,692,859	5,659,269	5,491,584	6,383,345
Sewer	2,533,086	2,690,618	2,920,998	2,634,267
Sanitation	1,100,988	1,295,143	1,463,080	1,396,175
Primary Care	1,147	160,583	190,251	82,577
<i>Total Business-type Activities Expenses</i>	<u>8,328,080</u>	<u>9,805,613</u>	<u>10,065,913</u>	<u>10,496,364</u>
<i>Total Primary Government Expenses</i>	<u>\$25,200,787</u>	<u>\$27,568,227</u>	<u>\$28,482,021</u>	<u>\$29,137,509</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$952,245	\$1,064,597	\$917,498	\$1,058,701
Public Health and Welfare Services	343,817	427,938	405,343	374,135
Leisure Time Activities	65,966	81,513	73,823	75,800
Community Environment	144,084	204,896	194,868	88,559
Transportation	54,013	59,246	40,901	36,450
General Government	412,112	377,847	423,422	402,007
Operating Grants and Contributions	3,676,237	3,388,057	3,350,201	5,066,400
Capital Grants and Contributions	781	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>5,649,255</u>	<u>5,604,094</u>	<u>5,406,056</u>	<u>7,102,052</u>

*City of Portsmouth*

2010	2011 (1)	2012	2013	2014	2015
\$7,783,737	\$8,579,519	\$8,608,663	\$8,888,183	\$9,047,187	\$9,277,034
3,148,969	2,621,773	2,840,139	2,893,736	2,959,083	2,646,659
68,553	79,666	126,749	83,400	68,933	74,438
547,482	693,688	822,320	616,289	1,236,218	750,567
2,394,638	1,632,106	2,119,056	1,872,986	2,431,358	2,048,345
3,655,472	4,197,318	3,960,999	3,890,219	4,037,247	4,194,086
126,256	121,302	113,254	111,808	100,934	89,558
<u>17,725,107</u>	<u>17,925,372</u>	<u>18,591,180</u>	<u>18,356,621</u>	<u>19,880,960</u>	<u>19,080,687</u>
6,683,628	5,786,341	6,032,711	5,841,561	5,939,858	5,549,162
2,575,805	2,896,984	2,894,710	3,097,309	3,538,609	3,303,902
1,438,197	1,314,807	1,431,274	1,532,213	1,858,980	1,739,108
13,571	44,432	50,045	92,388	111,594	41,722
<u>10,711,201</u>	<u>10,042,564</u>	<u>10,408,740</u>	<u>10,563,471</u>	<u>11,449,041</u>	<u>10,633,894</u>
<u>\$28,436,308</u>	<u>\$27,967,936</u>	<u>\$28,999,920</u>	<u>\$28,920,092</u>	<u>\$31,330,001</u>	<u>\$29,714,581</u>
\$782,236	\$758,640	\$862,367	\$1,179,840	\$755,818	\$778,082
367,324	336,951	414,378	407,318	351,480	279,450
76,784	68,158	86,633	79,158	76,153	76,955
114,273	95,092	89,638	76,568	93,865	112,766
37,253	41,584	36,224	34,715	39,790	31,081
432,183	349,822	435,442	442,522	497,485	448,460
4,186,589	2,727,791	2,926,892	4,341,552	3,108,213	3,201,644
0	0	0	0	0	0
<u>5,996,642</u>	<u>4,378,038</u>	<u>4,851,574</u>	<u>6,561,673</u>	<u>4,922,804</u>	<u>4,928,438</u>

(continued)

## City of Portsmouth

### Changes in Net Position Last Ten Years (accrual basis of accounting)

	2006	2007	2008	2009
Business-type Activities:				(1)
Charges for Services				
Water	5,559,506	5,641,577	5,689,761	5,497,291
Sewer	2,532,099	2,639,583	2,645,697	2,620,549
Sanitation	1,334,647	1,322,894	1,332,278	1,417,370
Primary Care	10,514	82,039	126,946	61,011
Capital Grants and Contributions	0	0	231,602	0
<i>Total Business-type Activities Program Revenues</i>	9,436,766	9,686,093	10,026,284	9,596,221
<i>Total Primary Government Program Revenues</i>	15,086,021	15,290,187	15,432,340	16,698,273
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(11,223,452)	(12,158,520)	(13,010,052)	(11,539,093)
Business-type Activities	1,108,686	(119,520)	(39,629)	(900,143)
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$10,114,766)	(\$12,278,040)	(\$13,049,681)	(\$12,439,236)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$1,581,990	\$1,742,823	\$1,681,199	\$1,774,175
Special Purposes	278,976	344,718	320,395	336,757
Debt Service	93,208	150,919	233,466	755,347
Income Taxes	6,012,029	6,349,696	6,686,131	6,573,256
Other Local Taxes	259,561	266,330	288,923	343,294
Grants and Entitlements not Restricted to Specific Programs	1,646,207	2,037,424	2,183,479	1,815,651
Investment Earnings	343,205	341,030	119,544	2,347
Miscellaneous	175,372	204,325	176,967	635,052
Transfers	0	(150,000)	(136,100)	(62,500)
<i>Total Governmental Activities</i>	10,390,548	11,287,265	11,554,004	12,173,379
Business-type Activities:				
Transfers	0	150,000	136,100	62,500
<i>Total Business-type Activities</i>	0	150,000	136,100	62,500
<i>Total Primary Government</i>	\$10,390,548	\$11,437,265	\$11,690,104	\$12,235,879
<b>Change in Net Position</b>				
Governmental Activities	(\$832,904)	(\$871,255)	(\$1,456,048)	\$634,286
Business-type Activities	1,108,686	30,480	96,471	(837,643)
<i>Total Primary Government Change in Net Position</i>	\$275,782	(\$840,775)	(\$1,359,577)	(\$203,357)

Source: City Auditor's Office

(1) Amounts adjusted as a result of a prior period adjustment.

*City of Portsmouth*

2010	2011 (1)	2012	2013	2014	2015
6,264,595	6,008,911	6,332,121	6,348,951	6,260,916	5,693,192
2,915,708	2,943,096	3,178,003	3,289,947	3,350,865	3,074,800
1,375,636	1,369,124	1,341,395	1,385,365	1,957,495	2,181,292
36,409	40,166	45,259	92,110	80,164	66,219
2,761,124	500,210	408,230	0	0	35,551
<u>13,353,472</u>	<u>10,861,507</u>	<u>11,305,008</u>	<u>11,116,373</u>	<u>11,649,440</u>	<u>11,051,054</u>
19,350,114	15,239,545	16,156,582	17,678,046	16,572,244	15,979,492
(11,728,465)	(13,547,334)	(13,739,606)	(11,794,948)	(14,958,156)	(14,152,249)
2,642,271	818,943	896,268	552,902	200,399	417,160
<u>(\$9,086,194)</u>	<u>(\$12,728,391)</u>	<u>(\$12,843,338)</u>	<u>(\$11,242,046)</u>	<u>(\$14,757,757)</u>	<u>(\$13,735,089)</u>
\$1,735,968	\$1,596,316	\$1,465,856	\$1,455,262	\$1,397,123	\$1,575,946
331,289	326,443	300,613	289,880	303,136	306,374
638,636	154,074	147,508	145,693	136,218	138,622
6,705,817	6,684,933	9,620,121	10,253,546	10,165,799	10,605,852
279,059	296,427	330,303	318,840	311,926	313,388
1,707,566	2,536,309	806,287	1,285,909	917,790	1,069,435
686	44	40	1,641	182	30
274,706	251,205	302,111	311,346	544,864	443,943
(817,976)	0	0	0	(47,325)	0
<u>10,855,751</u>	<u>11,845,751</u>	<u>12,972,839</u>	<u>14,062,117</u>	<u>13,729,713</u>	<u>14,453,590</u>
817,976	0	0	0	47,325	0
<u>817,976</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,325</u>	<u>0</u>
<u>\$11,673,727</u>	<u>\$11,845,751</u>	<u>\$12,972,839</u>	<u>\$14,062,117</u>	<u>\$13,777,038</u>	<u>\$14,453,590</u>
(\$872,714)	(\$1,701,583)	(\$766,767)	\$2,267,169	(\$1,228,443)	\$301,341
3,460,247	818,943	896,268	552,902	247,724	417,160
<u>\$2,587,533</u>	<u>(\$882,640)</u>	<u>\$129,501</u>	<u>\$2,820,071</u>	<u>(\$980,719)</u>	<u>\$718,501</u>

## *City of Portsmouth*

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2006	2007	2008	2009
General Fund				(1)
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	82,472	129,318	68,808	72,684
Unreserved	619,184	669,976	194,845	(217,359)
<i>Total General Fund</i>	<u>701,656</u>	<u>799,294</u>	<u>263,653</u>	<u>(144,675)</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	535,621	399,443	1,748,111	572,079
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,519,419	2,578,171	2,575,725	3,013,959
Capital Projects Funds	969,910	1,409,916	(133,202)	671,599
Permanent Fund	174,297	161,071	159,392	159,635
<i>Total All Other Governmental Funds</i>	<u>4,199,247</u>	<u>4,548,601</u>	<u>4,350,026</u>	<u>4,417,272</u>
<i>Total Governmental Funds</i>	<u>\$4,900,903</u>	<u>\$5,347,895</u>	<u>\$4,613,679</u>	<u>\$4,272,597</u>

Source: City Auditor's Office

(1) Amounts adjusted as a result of a prior period adjustment.

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
\$0	\$46,310	\$33,670	\$36,236	\$72,839	\$58,906
0	0	0	0	0	52,556
0	0	0	0	373,351	62,043
0	(1,704,694)	(795,901)	937,700	887,753	1,601,983
19,498	0	0	0	0	0
(549,541)	0	0	0	0	0
<u>(530,043)</u>	<u>(1,658,384)</u>	<u>(762,231)</u>	<u>973,936</u>	<u>1,333,943</u>	<u>1,775,488</u>
\$0	\$57,896	\$55,253	\$63,215	\$86,495	\$61,360
0	4,927,522	4,699,200	4,735,911	4,723,099	4,636,197
0	55,800	132,861	104,261	74,273	58,919
0	(227,741)	(102,569)	(42,822)	(75,571)	(18,382)
485,976	0	0	0	0	0
2,373,901	0	0	0	0	0
1,099,276	0	0	0	0	0
157,531	0	0	0	0	0
<u>4,116,684</u>	<u>4,813,477</u>	<u>4,784,745</u>	<u>4,860,565</u>	<u>4,808,296</u>	<u>4,738,094</u>
<u>\$3,586,641</u>	<u>\$3,155,093</u>	<u>\$4,022,514</u>	<u>\$5,834,501</u>	<u>\$6,142,239</u>	<u>\$6,513,582</u>

## City of Portsmouth

### Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)

	2006	2007	2008	2009
<b>Revenues:</b>				(1)
Taxes	\$8,310,392	\$8,705,227	\$9,100,353	\$9,699,794
Intergovernmental Revenues	5,068,076	5,442,279	5,421,898	5,784,432
Charges for Services	526,403	628,968	565,075	568,133
Licenses and Permits	174,978	255,533	232,738	199,195
Investment Earnings	343,205	341,030	119,544	2,347
Special Assessments	781	0	0	0
Fines and Forfeitures	1,181,478	1,251,120	1,180,816	1,248,024
All Other Revenue	302,800	308,225	491,256	199,061
<b>Total Revenue</b>	15,908,113	16,932,382	17,111,680	17,700,986
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	6,868,634	7,264,770	7,444,324	7,782,726
Public Health and Welfare Services	2,957,064	2,806,647	2,910,053	2,991,954
Leisure Time Activities	99,621	19,116	25,986	52,655
Community Environment	562,329	587,307	527,297	685,755
Transportation	1,168,987	1,484,907	1,463,599	1,421,995
General Government	3,303,143	3,133,796	3,430,535	3,257,913
Capital Outlay	1,418,055	1,601,796	1,677,173	1,933,349
Debt Service:				
Principal Retirement	153,071	179,200	195,134	248,519
Interest and Fiscal Charges	102,436	139,489	159,480	159,771
<b>Total Expenditures</b>	16,633,340	17,217,028	17,833,581	18,534,637
Excess (Deficiency) of Revenues Over Expenditures	(725,227)	(284,646)	(721,901)	(833,651)
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	32,001	22,637	0	474,793
Other Financing Sources - Capital Leases	497,862	852,153	0	0
Transfers In	18,000	18,000	20,000	716,242
Transfers Out	(18,000)	(168,000)	(20,000)	(716,242)
<b>Total Other Financing Sources (Uses)</b>	529,863	724,790	0	474,793
<b>Net Change in Fund Balance</b>	(\$195,364)	\$440,144	(\$721,901)	(\$358,858)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	1.66%	2.00%	2.12%	2.37%

Source: City Auditor's Office

(1) Amounts adjusted as a result of a prior period adjustment.

*City of Portsmouth*

2010	2011	2012	2013	2014	2015
\$9,701,137	\$9,061,432	\$11,758,657	\$12,497,593	\$12,500,502	\$12,749,590
5,386,662	5,973,637	5,189,942	5,163,625	4,414,477	4,056,009
516,537	448,864	472,811	393,396	403,816	414,356
226,215	200,268	273,045	273,901	238,668	210,454
686	44	40	1,641	182	30
0	0	0	0	0	0
1,095,018	974,985	1,115,368	1,581,009	1,109,375	1,093,935
319,215	267,930	413,568	369,475	574,018	525,638
<u>17,245,470</u>	<u>16,927,160</u>	<u>19,223,431</u>	<u>20,280,640</u>	<u>19,241,038</u>	<u>19,050,012</u>
7,447,624	8,359,182	8,200,417	8,535,167	8,560,561	8,937,793
3,104,530	2,585,053	2,782,053	2,855,740	2,939,025	2,626,098
53,261	64,374	65,033	70,920	56,452	62,191
486,232	668,983	809,263	551,749	904,167	588,429
1,330,947	1,306,133	1,291,458	1,014,996	1,297,001	1,148,978
3,380,820	3,462,550	3,376,636	3,373,740	3,672,978	3,685,862
1,069,168	699,867	1,830,744	1,696,298	1,161,110	1,323,226
242,748	161,881	286,885	248,051	255,331	238,079
127,206	122,282	114,338	112,998	102,147	90,883
<u>17,242,536</u>	<u>17,430,305</u>	<u>18,756,827</u>	<u>18,459,659</u>	<u>18,948,772</u>	<u>18,701,539</u>
2,934	(503,145)	466,604	1,820,981	292,266	348,473
45,369	33,034	27,030	0	0	57,067
129,610	0	389,116	0	0	0
711,600	18,000	40,862	18,000	178,410	389,427
(1,529,576)	(18,000)	(40,862)	(18,000)	225,735	(389,427)
<u>(642,997)</u>	<u>33,034</u>	<u>416,146</u>	<u>0</u>	<u>404,145</u>	<u>57,067</u>
<u>(\$640,063)</u>	<u>(\$470,111)</u>	<u>\$882,750</u>	<u>\$1,820,981</u>	<u>\$696,411</u>	<u>\$405,540</u>
2.30%	1.65%	2.35%	2.13%	1.92%	1.87%

## *City of Portsmouth*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Income Tax Rate	1.40%	1.40%	1.40%	1.40%
Estimated Personal Income (in thousands)	\$499,328	\$534,476	\$576,273	\$570,628
Total Tax Collected	\$6,036,828	\$6,178,521	\$7,057,662	\$6,624,731
Income Tax Receipts				
Withholding	5,211,420	5,323,577	6,202,595	5,775,601
Percentage	86.33%	86.16%	87.89%	87.18%
Corporate	564,472	629,463	613,663	603,317
Percentage	9.35%	10.19%	8.69%	9.11%
Individuals	260,936	225,481	241,404	245,813
Percentage	4.32%	3.65%	3.42%	3.71%

Source: City Income Tax Department

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
1.40%	1.40%	2.00%	2.00%	2.00%	2.00%
\$565,377	\$584,289	\$615,922	\$620,756	\$639,688	\$639,688
\$6,687,883	\$6,717,776	\$9,272,190	\$10,223,100	\$10,151,503	\$10,282,891
5,810,503	5,900,172	8,296,325	8,846,473	8,921,883	9,013,520
86.89%	87.83%	89.48%	86.53%	87.89%	87.66%
653,048	565,908	678,619	1,006,435	891,858	887,742
9.76%	8.42%	7.32%	9.84%	8.79%	8.63%
224,332	251,696	297,246	370,192	337,762	381,629
3.35%	3.75%	3.20%	3.63%	3.32%	3.71%



# City of Portsmouth

## Income Tax Collections Current Year and Nine Years Ago

### Calendar Year 2015

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.09%	\$245,554,650	47.76%	\$4,911,093	47.76%
All Others	10,557	99.91%	268,589,900	52.24%	5,371,798	52.24%
Total	10,567	100.00%	\$514,144,550	100.00%	\$10,282,891	100.00%

### Calendar Year 2006

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.18%	\$169,014,328	39.20%	\$2,366,201	39.20%
All Others	5,446	99.82%	262,187,714	60.80%	3,670,628	60.80%
Total	5,456	100.00%	\$431,202,042	100.00%	\$6,036,829	100.00%

Source: City Income Tax Department

## *City of Portsmouth*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$1,865,000	\$1,815,000	\$1,760,000	\$1,705,000
Bond Anticipation Notes Payable	22,475	0	0	0
Capital Leases	416,448	1,161,876	1,021,742	828,223
<b>Business-type Activities</b> <sup>(1)</sup>				
OWDA Loan Payable	\$0	\$1,732,784	\$4,094,027	\$3,968,134
OPWC Loan Payable	435,000	405,000	913,377	1,060,000
Water Refunding Revenue Bonds Payable	4,170,189	3,790,141	3,400,093	2,995,045
Capital Leases	305,421	7,855,343	7,661,637	6,901,831
Total Primary Government	<u>\$7,214,533</u>	<u>\$16,760,144</u>	<u>\$18,850,876</u>	<u>\$17,458,233</u>
<b>Population</b> <sup>(2)</sup>				
City of Portsmouth	20,909	20,909	20,909	20,909
Outstanding Debt Per Capita	\$345	\$802	\$902	\$835
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	499,328	534,476	576,273	570,628
Percentage of Personal Income	1.44%	3.14%	3.27%	3.06%

**Sources:**

(1) City Auditor's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

Note: OPWC Loan Payable was restated in 2011 for a prior period adjustment.

*City of Portsmouth*

2010	2011	2012	2013	2014	2015
\$1,645,000	\$1,585,000	\$1,520,000	\$1,450,000	\$1,380,000	\$1,305,000
0	0	0	0	0	0
775,085	673,204	840,435	662,384	477,053	313,974
\$4,881,242	\$5,237,048	\$6,944,097	\$6,974,518	\$8,289,564	\$993,465
995,000	1,299,069	1,306,049	1,208,549	1,366,722	1,626,817
2,575,000	2,100,000	1,605,000	1,090,000	555,000	0
6,109,916	5,284,523	4,424,232	3,786,817	2,983,048	2,145,492
<u>\$16,981,243</u>	<u>\$16,178,844</u>	<u>\$16,639,813</u>	<u>\$15,172,268</u>	<u>\$15,051,387</u>	<u>\$6,384,748</u>
20,226	20,226	20,226	20,226	20,226	20,226
\$840	\$800	\$823	\$750	\$744	\$316
565,377	584,289	615,922	620,756	639,688	639,688
3.00%	2.77%	2.70%	2.44%	2.35%	1.00%

## *City of Portsmouth*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2006	2007	2008	2009
<b>Population</b> (1)	20,909	20,909	20,909	20,909
<b>Assessed Value</b> (2)	\$220,033,280	\$228,185,580	\$221,748,980	\$214,886,500
<b>General Bonded Debt</b> (3)				
General Obligation Bonds-Governmental	\$1,865,000	\$1,815,000	\$1,760,000	\$1,705,000
<b>Resources Available to Pay Principal</b> (4)	\$25,419	\$31,275	\$32,394	\$11,191
<b>Net General Bonded Debt</b>	\$1,839,581	\$1,783,725	\$1,727,606	\$1,693,809
<b>Ratio of Net Bonded Debt to Assessed Value</b>	0.84%	0.78%	0.78%	0.79%
<b>Net Bonded Debt per Capita</b>	\$87.98	\$85.31	\$82.62	\$81.01

**Source:**

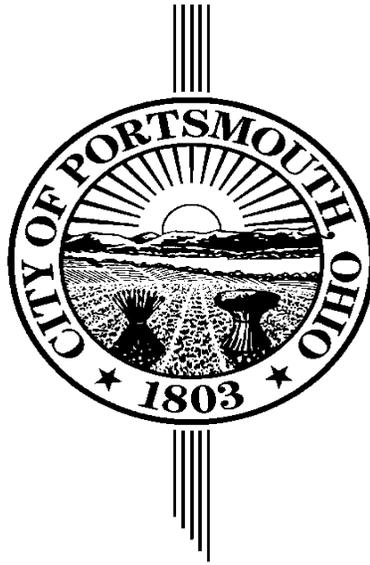
- (1) U.S. Bureau of Census of Population
- (2) Scioto County Auditor
- (3) Includes all general obligation bonded debt.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
20,226	20,226	20,226	20,226	20,226	20,226
\$217,525,430	\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000	\$215,872,520
\$1,645,000	\$1,585,000	\$1,520,000	\$1,450,000	\$1,380,000	\$1,305,000
\$40,553	\$65,065	\$80,553	\$97,815	\$124,831	\$123,719
\$1,604,447	\$1,519,935	\$1,439,447	\$1,352,185	\$1,255,169	\$1,181,281
0.74%	0.70%	0.67%	0.63%	0.58%	0.55%
\$79.33	\$75.15	\$71.17	\$66.85	\$62.06	\$58.40



## *City of Portsmouth*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2015*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Portsmouth</u>	<u>Amount Applicable to the City of Portsmouth</u>
<b>Direct:</b>			
City of Portsmouth	\$1,618,974	100.00%	\$1,618,974
<b>Overlapping:</b>			
Scioto County	8,025,882	21.74%	1,744,827
Portsmouth City School District	1,851,079	92.54%	<u>1,712,989</u>
		Subtotal	<u>3,457,816</u>
		Total	<u><u>\$5,076,790</u></u>

**Source:** Scioto County Auditor  
Portsmouth City School District

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

## *City of Portsmouth*

### *Debt Limitations Last Ten Years*

<b>Collection Year</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$220,033,280	\$228,185,580	\$221,748,980	\$214,886,500
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	23,103,494	23,959,486	23,283,643	22,563,083
City Debt Outstanding (2)	1,887,475	1,815,000	2,440,000	2,385,000
Less: Applicable Debt Service Fund Amounts	<u>(25,419)</u>	<u>(31,275)</u>	<u>(32,394)</u>	<u>(11,191)</u>
Net Indebtedness Subject to Limitation	<u>1,862,056</u>	<u>1,783,725</u>	<u>2,407,606</u>	<u>2,373,809</u>
Overall Legal Debt Margin	<u><u>\$21,241,438</u></u>	<u><u>\$22,175,761</u></u>	<u><u>\$20,876,037</u></u>	<u><u>\$20,189,274</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$220,033,280	\$228,185,580	\$221,748,980	\$214,886,500
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	12,101,830	12,550,207	12,196,194	11,818,758
City Debt Outstanding (2)	1,887,475	1,815,000	2,440,000	2,385,000
Less: Applicable Debt Service Fund Amounts	<u>(25,419)</u>	<u>(31,275)</u>	<u>(32,394)</u>	<u>(11,191)</u>
Net Indebtedness Subject to Limitation	<u>1,862,056</u>	<u>1,783,725</u>	<u>2,407,606</u>	<u>2,373,809</u>
Overall Legal Debt Margin	<u><u>\$10,239,774</u></u>	<u><u>\$10,766,482</u></u>	<u><u>\$9,788,588</u></u>	<u><u>\$9,444,949</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.  
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
\$217,525,430	\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000	\$215,872,520
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
22,840,170	22,840,170	22,606,380	22,391,521	22,770,300	22,666,615
1,645,000	1,585,000	1,520,000	1,450,000	1,380,000	1,305,000
(40,553)	(65,065)	(80,553)	(97,815)	(124,831)	(123,719)
1,604,447	1,519,935	1,439,447	1,352,185	1,255,169	1,181,281
<u>\$21,235,723</u>	<u>\$21,320,235</u>	<u>\$21,166,933</u>	<u>\$21,039,336</u>	<u>\$21,515,131</u>	<u>\$21,485,334</u>
\$217,525,430	\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000	\$215,872,520
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
11,963,899	11,963,899	11,841,437	11,728,892	11,927,300	11,872,989
1,645,000	1,585,000	1,520,000	1,450,000	1,380,000	1,305,000
(40,553)	(65,065)	(80,553)	(97,815)	(124,831)	(123,719)
1,604,447	1,519,935	1,439,447	1,352,185	1,255,169	1,181,281
<u>\$10,359,452</u>	<u>\$10,443,964</u>	<u>\$10,401,990</u>	<u>\$10,376,707</u>	<u>\$10,672,131</u>	<u>\$10,691,708</u>

## *City of Portsmouth*

### *Pledged Revenue Coverage Last Ten Years*

	2006	2007	2008	2009
<b>Water Mortgage Bonds (1)</b>				(4)
Gross Revenues (2)	\$5,559,506	\$5,641,577	\$5,689,761	\$5,497,291
Direct Operating Expenses (3)	4,092,557	4,882,428	4,385,597	4,982,718
Net Revenue Available for Debt Service	1,466,949	759,149	1,304,164	514,573
Annual Debt Service Requirement	574,443	573,155	570,024	570,418
Coverage	2.55	1.32	2.29	0.90

(1) Water Mortgage Revenue Bonds were issued in 2001 in the amount of \$600,000. These were refunded in 2003 with the issuance of \$5,500,000 of Water Mortgage Revenue Bonds.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Amounts adjusted as a result of a prior period adjustment.

Source: City Auditor's Office

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
\$6,264,595	\$6,008,911	\$6,332,121	\$6,348,951	\$6,260,916	\$5,693,192
5,145,890	4,330,730	4,484,572	4,361,713	4,509,207	4,276,206
1,118,705	1,678,181	1,847,549	1,987,238	1,751,709	1,416,986
569,186	571,155	571,631	570,921	569,134	566,516
1.97	2.94	3.23	3.48	3.08	2.50

# *City of Portsmouth*

## *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2006	2007	2008	2009	2010
<b>Population</b> <sup>(1)</sup>					
City of Portsmouth	20,909	20,909	20,909	20,909	20,226
Scioto County	79,195	79,195	79,195	79,195	79,499
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	499,328	534,476	576,273	570,628	565,377
Per Capita	23,881	25,562	27,561	27,291	27,953
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	4.6%	4.6%	5.8%	9.3%	9.6%
State	5.5%	5.6%	6.5%	10.2%	10.1%
Scioto County	7.6%	7.4%	8.3%	12.3%	12.8%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,934,000	5,976,500	5,971,900	5,970,200	5,897,600
Scioto County	31,300	32,200	32,800	33,100	33,000

**Sources:**

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2014.

For the presentation of 2014 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

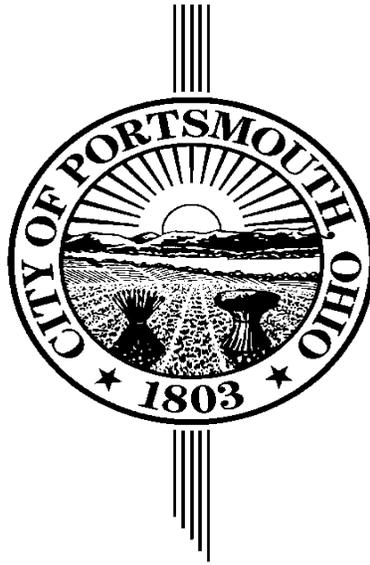
(3) State Department of Labor Statistics

*City of Portsmouth*

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2011	2012	2013	2014	2015
20,226	20,226	20,226	20,226	20,226
79,277	78,477	78,153	77,258	77,258
584,289	615,922	620,756	639,688	639,688
28,888	30,452	30,691	31,627	31,627
8.3%	8.1%	7.4%	6.2%	5.3%
7.6%	7.2%	7.4%	5.7%	4.9%
11.6%	10.7%	11.5%	8.7%	7.7%
5,762,000	5,747,900	5,765,700	5,719,500	5,700,300
31,900	31,900	31,200	29,900	29,600



## *City of Portsmouth*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	2015	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	2,728	1
SOMC Medical Care Foundation	Medical	1,386	2
Scioto County Offices	Government	747	3
Portsmouth City Schools	Education	400	4
City of Portsmouth	Government	281	5
Portsmouth Emergency	Health Care Services	232	6
OSCO Industries	Manufacturing	229	7
Norfolk and Southern Railway	Railroad	223	8
State of Ohio	Government	189	9
Shawnee State University	Education	110	10
Total		<u>6,525</u>	

Employer	Nature of Business	2006	
		Number of Employees	Rank
Southern Ohio Medical Center	Medical	2,160	1
Shawnee State University	Education	1,480	2
Scioto County Offices	Government	686	3
State of Ohio	Government	480	4
Portsmouth City Schools	Education	425	5
Community Action Organization	Government	393	6
City of Portsmouth	Government	309	7
Oscos Industries	Manufacturing	222	8
United States Enrichment Corp	Manufacturing	106	9
Norfolk & Southern Railroad	Industrial	93	10
Total		<u>6,354</u>	

**Sources:** City Auditor's Office

Total employment within the City is not available.

## *City of Portsmouth*

### *Full Time Equivalent Employees by Function Last Ten Years*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental Activities</b>				
Security of Persons and Property				
Police	47.0	46.0	48.0	52.0
Fire	38.0	43.0	39.0	36.0
Public Health and Welfare Services				
Health	34.0	35.0	33.0	33.0
General Government				
Legislative	7.0	7.0	7.0	7.0
Mayor	3.0	3.0	3.0	3.0
Finance	5.0	5.0	5.0	5.0
Legal	5.0	5.0	5.0	5.0
Court	28.0	24.0	23.0	24.0
Income Tax	3.0	3.0	3.0	3.0
Engineering	3.0	4.0	4.0	4.0
Administration	3.0	8.0	8.0	7.0
Garage	5.0	5.0	4.0	5.0
Transportation				
Streets	10.0	14.0	14.0	14.0
Cemetery Grounds	4.0	4.0	3.0	3.0
Recreational Grounds	3.0	6.0	6.0	2.0
Community Environment				
Building Inspection	3.0	3.0	3.0	3.0
Community Development	2.0	2.0	2.0	2.0
<b>Business-Type Activities</b>				
Utilities				
Water	33.0	37.0	39.0	38.0
Sewer	30.0	30.0	30.0	23.0
Sanitation	17.0	18.0	13.0	13.0
<i>Total Employees</i>	<u>283.0</u>	<u>302.0</u>	<u>292.0</u>	<u>282.0</u>

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
52.0	50.0	44.0	47.0	47.0	50.0
39.0	36.0	37.0	36.0	38.0	39.0
30.0	25.5	28.0	28.5	25.5	26.0
6.0	7.0	7.0	7.0	7.0	7.0
2.5	3.0	3.0	2.0	2.0	2.0
4.0	5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0
24.5	24.5	25.0	25.0	26.0	26.5
3.0	2.0	2.0	2.0	2.0	2.0
3.0	3.0	2.0	4.0	3.0	1.0
5.5	3.0	3.0	3.0	3.0	3.0
6.0	3.0	3.0	3.0	3.0	3.0
15.0	12.0	14.0	13.0	11.0	9.0
3.0	3.0	3.0	2.0	2.0	2.0
2.0	2.0	2.0	0.0	0.0	0.0
2.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
36.0	38.0	38.0	38.0	38.0	35.0
22.0	24.0	24.0	22.0	24.0	24.0
10.5	12.0	13.0	15.0	12.0	13.0
<u>272.0</u>	<u>260.0</u>	<u>260.0</u>	<u>259.5</u>	<u>255.5</u>	<u>254.5</u>

# City of Portsmouth

## Operating Indicators by Function Last Ten Years

	2006	2007	2008	2009
<b>Governmental Activities</b>				
General Government				
Licenses and Permits				
Number of Building Permits	336	166	305	612
Security of Persons and Property				
Police				
Number of Patrol Units	27	27	27	27
Criminal/Juvenile Citations and Charges	2,202	1,912	1,668	1,327
Traffice Citations Issued	1,392	2,052	1,441	1,267
Parking Tickets Written	946	616	385	487
Fire				
Number of Calls Answered	717	747	782	785
Number of Fire Inspections	154	121	126	99
Number of Investigations	30	20	22	32
<b>Business-Type Activities</b>				
Water				
Number of Service Connections	13,963	13,963	13,900	13,900
Average Daily Consumption (thousands of gallons)	7M	6M	6M	6M
Maximum Daily Capacity (thousands of gallons)	12M	12M	12M	12M
Sewer				
Number of Service Connections	8,318	8,362	8,353	8,360
Average Daily Sewage Treatment (thousands of gallons)	5	5	5	5
Maximum Daily Plant Capacity (thousands of gallons)	10	10	10	10
Solid Waste				
Number of Customers Served	7,327	7,597	7,600	7,600

Source: City Auditor's Office

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
508	325	352	516	463	404
27	27	27	29	29	29
1,991	1,686	1,332	1,482	1,795	2,024
1,966	1,604	738	3,537	619	637
347	549	495	233	325	410
810	789	861	792	962	1,235
115	79	79	84	99	98
21	46	83	86	61	104
13,900	13,600	13,600	13,493	13,398	13,400
6M	6M	6M	6M	6M	6M
12M	12M	12M	12M	12M	12M
8,360	8,200	8,200	8,119	7,843	7,850
5	5	5	5	5	5
10	10	10	10	10	10
7,600	7,600	7,600	7,440	6,371	6,375

## *City of Portsmouth*

### *Capital Asset Statistics by Function Last Ten Years*

	2006	2007	2008	2009
<b>Governmental Activities</b>				
General Government				
Public Land and Buildings				
Land (acres)	7,680	7,680	7,680	7,680
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	27	27	27	27
Fire				
Stations	3	3	3	3
Vehicles	10	10	14	17
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,475	1,475	1,476	1,476
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	7	7	7	7
Number of Ball Fields (Unlighted)	4	4	4	4
Number of Tennis Courts (Lighted)	4	4	4	0
Number of Tennis Courts (Unlighted)	8	8	8	11
Public Health and Welfare				
Cemeteries				
Cemeteries	1	1	1	1
Land (acres)	40	40	40	40
<b>Business-Type Activities</b>				
Utilities				
Water				
Number of Filtration/Purification Plants	1	1	1	1
Waterlines (Miles)	400	400	400	400
Number of Hydrants	865	865	865	865
Sewer				
Number of Sewage Treatment Plants	2	2	2	2
Sewerlines (Miles)	30	30	30	30
Storm Water Drainage				
Storm Drains (Miles)	30	30	30	30

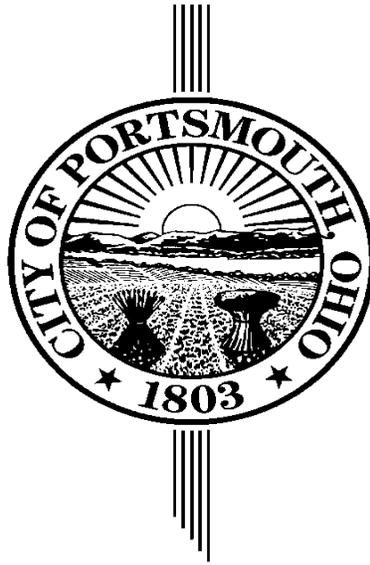
Source: City Auditor's Office

*City of Portsmouth*

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2010	2011	2012	2013	2014	2015
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
27	27	27	29	29	29
3	3	3	3	3	3
17	17	17	17	17	17
220	220	220	220	220	220
1,476	1,476	1,476	1,476	1,476	1,476
223	223	223	223	223	223
17	17	17	17	17	17
7	7	7	7	7	7
4	4	4	4	4	4
0	0	0	0	0	0
11	11	11	11	11	11
1	1	1	1	1	1
40	40	40	40	40	40
1	1	1	1	1	1
400	400	400	400	400	400
865	865	865	865	865	865
2	2	2	2	2	2
30	30	30	30	30	30
30	30	30	30	30	30





# Dave Yost • Auditor of State

CITY OF PORTSMOUTH

SCIOTO COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 20, 2016