

City of Portsmouth

Scioto County

Single Audit

January 1, 2008 through December 31, 2008

Fiscal Year Audited Under GAGAS: 2008

Caudill & Associates, CPA's

725 5th Street

Portsmouth, OH 45662



Mary Taylor, CPA
Auditor of State

City Council
City of Portsmouth
728 Second Street
P.O. Box 1323
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 8, 2009

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2008**

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grants/State's Program	AF-06	14.228	\$ 5,000
	AF-07	14.228	\$ 35,200
Total U.S. Department of Housing and Urban Development			<u>40,200</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through Office of Criminal Justice</i>			
Justice Assistance Grant	2005-DJ-BX-1111	16.738	14,654
Justice Assistance Grant	2006-DJ-BX-0676	16.738	<u>2,254</u>
Total U.S. Department of Justice			<u>16,908</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through Ohio Department of Public Safety</i>			
State and Community Highway Safety Grant	N/A	20.600	<u>55,000</u>
Total U.S. Department of Transportation			<u>55,000</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Passed through Ohio Environmental Protection Agency</i>			
Air Pollution Control Program Support	N/A	66.001	<u>167,416</u>
Total U.S. Environmental Protection Agency			<u>167,416</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through Ohio Department of Health</i>			
Center for Disease Control and Prevention_ Investigations and Technical Assistance	73-2-0001-2-BI-06	93.283	136,366
HIV Prevention Activities_Health Department Based	73-2-001-CF	93.940	689,055
Preventive Health Services_Sexually Transmitted Diseases Control Grant	73-2-001-2-BX	93.977	22,500
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	H76HA04400AO	93.918	223,336
HIV Care Grant Formula Grant	73-2-001-1-HC-01-08	93.917	108,750
Maternal and Child Health Services Block Grant to the States	73-2-001-1-A1	93.994	97,207
Preventive Health and Health Services Block Grant	73-2-001-2-EE-06	93.991	35,000
Family Planning Services	73-2-001-1-XX-05	93.217	<u>97,976</u>
Total U.S. Department of Health and Human Services			<u>1,410,190</u>
Total			<u>\$ 1,689,714</u>

The Notes to the Schedule of Federal Awards is an integral part of the Schedule.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE A - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and 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 Department of Development. No new loans were issued during our audit period. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2008, the gross amount of loans outstanding under this program was \$158,023.

NOTE C -- MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the City Council
City of Portsmouth
Scioto County
728 Second Street
Portsmouth, OH 45662

We have audited the financial statements of the government 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, 2008, which collectively comprise the City's financial statements and have issued our report thereon dated June 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the following deficiency described in the accompanying schedule of findings and responses as item # 2008-005 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material. We consider the significant deficiency identified above as item # 2008-005 to be material weakness.

City of Portsmouth
Scioto County

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed five instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items 2008-001, 2008-002, 2008-003, 2008-004 and 2008-006.

We noted certain noncompliance and other matters that we reported to the management of the City in a separate letter dated June 30, 2009.

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

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

Caudill & Associates, CPAs

Caudill & Associates, CPA's
June 30, 2009

Caudill & Associates, CPA's
725 5th Street
Portsmouth, OH 45662

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Report on Compliance with Requirements Applicable to each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the City Council
City of Portsmouth
Scioto County
728 Second Street
Portsmouth, OH 45662

Compliance

We have audited the compliance of the City of Portsmouth, Scioto County, Ohio ("the City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

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

City of Portsmouth
Scioto County

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2008, and have issued our report thereon dated June 30, 2009. Our audit was performed for the purpose of forming opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Caudill & Associates, CPAs

Caudill & Associates, CPA's
June 30, 2009

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. SUMMARY OF AUDITOR'S RESULTS
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified for HIV Prevention Activities _Health Department Based (CFDA # 93.940), Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (CFDA # 93.918)
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	HIV Prevention Activities _Health Department Based (CFDA # 93.940), Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease (CFDA # 93.918)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

FINDING NUMBER 2008-001

Noncompliance Citation

Ohio Rev. Code Section 9.38 requires, in part, that a person who is a public official other than a state officer, employee, or agent shall deposit all public moneys received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars.

A government employee other than the fiscal officer collecting funds and issuing a receipt must deposit the funds with the government's fiscal officer on the business day following the day of receipt. As an alternative to depositing funds with the government's fiscal officer, the employee instead may deposit funds with the government's designated depository on the business day following the day of receipt.

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it. If the public office is governed by a legislative authority (counties, municipalities, townships, and school districts), only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day.

The Utility Department and Probation Department did not deposit utility receipts and restitution receipts on the next business day following the day of receipt with the City Auditor and the City does not have a policy to permit their officials to hold money as indicated above.

We recommend the Utility Department and Probation Department deposit receipts with the City Auditor by the next business day. Alternatively, if the amount of the daily collection does not exceed \$1,000, City Council could adopt a policy allowing departments to deposit receipts with the City Auditor within three business days as long as the receipts can be safeguarded.

City's Response:

All monies received from each department of the City of Portsmouth shall be deposited with the City Auditor/Treasurer by the end of the business day following the day of receipt. All money received should be paid in to the office of the City Auditor/Treasurer along with the corresponding pay-in form on a daily basis.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

(Continued)

FINDING NUMBER 2008-002

Noncompliance Citation

The Ohio Administrative Code 117-2-02(C)(1) states in part: “The legal level of control is the level (e.g. fund, program, or function, department, object) at which spending in excess of the budgeted amount would be a violation of law. This established by the level at which the legislative body appropriates. For all local public offices subject to the provisions of Chapter 5705 of the Revised Code, except school district and public libraries, the minimum legal level of control is described in Section 5705.38 of the Revised Code.”

The Ohio Revised Code Section 5705.38(C) requires the following minimum level of budgetary control for “subdivisions” other than school: “Appropriation measures shall be classified so as to set forth separately the amounts appropriated for personal services.”

Although the City appropriated at the minimum legal level of budgetary controls for the General Fund, all other funds were appropriated at the fund level, which does not represent the minimum legal level of controls as enumerated in Section 5705.38 of the Revised Code.

The City should ensure that all funds subject to budgetary controls be appropriated at the minimum legal level of control as defined by the Ohio Revised Code Section 5705.38.

City Response:

The legal level of control for each fund within the annual appropriation ordinance has been set a minimum of one level beyond the fund level so as to set forth separately the amount appropriated for personal services from other expenses and further by department within the General Fund. This has been corrected effective January 1, 2009.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

FINDING NUMBER 2008-003 (Continued)

Noncompliance Citation – Blanket Purchase Orders

The Ohio Revised Code Section 5705.41(D) allows fiscal officers to prepare so-called “blanket” certificates for a sum not exceeding an amount established by resolution or ordinance adopted by the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificate may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time of any particular line item appropriation.

At December 31, 2008, the City had one blanket purchase orders that was outstanding and was not closed. In addition, the City did not establish a maximum amount for blanket purchase orders.

The City should establish procedures to ensure that blanket purchases orders do not exceed the current fiscal year end as required by the Revised Code. In addition, the City should pass an ordinance establishing the maximum amount for blanket purchase orders.

City Response:

The Auditor will request City Council to authorize an ordinance to require that no blanket purchase order shall be made in excess of \$100,000.

FINDING NUMBER 2008-004

Noncompliance Citation – Certification of Funds prior to expenditures

Ohio Rev. Code Section 5705.41 (D)(1) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by Ohio Rev. Code Section 5705.41 (D)(1):

Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of the “then and now” certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

FINDING NUMBER 2008-004 (Continued)

Noncompliance Citation – Certification of Funds prior to expenditures (Continued)

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the “then and now” certificate, provided that expenditures are otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The City did not properly certify the availability of funds prior to obligation for 12% of the disbursements tested.

We recommend the City implement policies to ensure that all purchases first have monies certified by the City Auditor before purchasing or ordering an item. We also recommend the use of a “then and now” certificate in instances of emergency or absence of proper authority.

City Response:

All purchase orders must be presented to and approved by the City Auditor prior to the purchasing or ordering of any item. Confirming purchase orders are only to be used in case of an emergency or absence of proper authority. This policy will be reviewed again with all department directors and appropriate personnel to improve compliance.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505**

FOR THE YEAR ENDED DECEMBER 31, 2008

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

FINDING NUMBER 2008-005

Significant Deficiency/Material Weakness

The City maintains a standard policy for the treatment of capital assets, but does not monitor departments for abandoned, idle, missing or disposed of capital assets. This has resulted in fully depreciated capital assets that have unknown whereabouts or questionable locations.

For reporting purposes, departments with capital assets should take an inventory on an annual basis to identify any abandoned, idle, missing, or disposed of assets. Without a capital asset inventory policy, it may be impractical for employees to safeguard the company's assets, resulting in a misappropriation or material misstatement of capital assets.

We recommend the City adopt a written capital asset inventory policy comprising of procedures to follow in accounting of fixed assets. A comprehensive written policy would safeguard the company's assets by making them more identifiable and more easily traced.

City Response:

In addition to the current record of capital assets, an inventory of capital assets shall be maintained and conducted annually recommencing in 2009.

FINDING NUMBER 2008-006

Non-compliance Citation – Appropriations Limited by Estimated Resources

The Ohio Revised Code Section 5705.39 requires 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.

In fiscal year 2008, the General and twelve (12) other funds had appropriations exceeding estimated resources with the Original and/or Final Budgets contrary to the Ohio Revised Code Section 5705.39.

The City should implement procedures to monitor its budget for each fund and appropriate funds only to the extent of their estimated resources.

City Response:

The City Auditor will recommend that appropriations not exceed estimated resources.

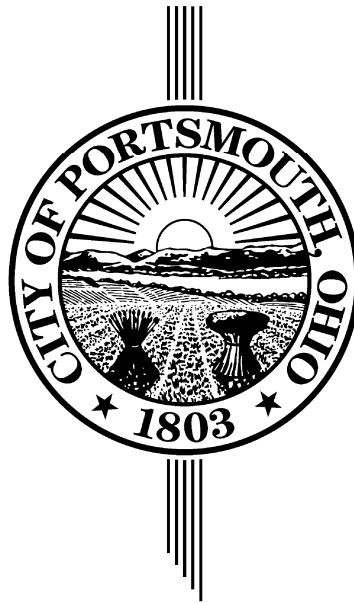
**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
FOR THE YEAR ENDED DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-001	Non-compliance with Ohio Revised Code Section 9.38 – Timely Deposit of public funds	No	Reissued as Finding # 2008-001
2007-002	Non-compliance with Ohio Revised Code 5705.38(C) – Annual appropriation measure	No	Reissued as Finding # 2008-002
2007-003	Non-compliance with Ohio Revised Code 5705.41(D) – Restrictions on appropriating and expending money	No	Reissued as Finding # 2008-003
2007-004	Non-compliance with Ohio Revised Code Section 5705.41(D) (1) – Proper certification of expenditures	No	Reissued as Finding # 2008-004
2007-005	Lack of inventory on abandoned, idle, missing or disposal of capital assets	No	Reissued as Finding # 2008-005

CITY OF PORTSMOUTH, OHIO

Scioto County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

Prepared by:

M. TRENT WILLIAMS, CPFA

City Auditor

Finance Department:

Constance J. Snipes
Deputy Auditor

Jennifer E. Spriggs
Finance Clerk II

Brenda D. Buffington
Finance Clerk I

Wendellee Potts
Finance Clerk I

Income Tax Department:

John F. Queen
Tax Commissioner

Barbara A. Doyle
Deputy Tax Commissioner

Emily E. Conley
Finance Clerk I

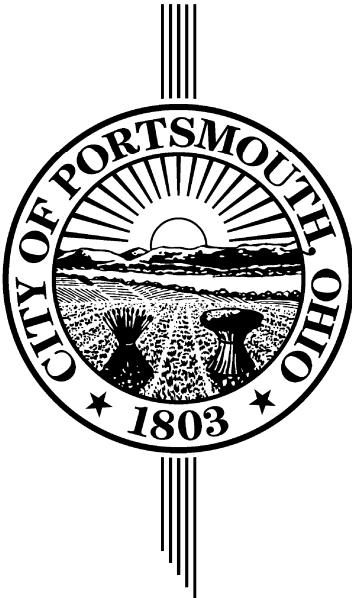


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SCIOTO COUNTY, OHIO

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INTRODUCTORY SECTION



The City of Portsmouth

"Where the Ohio and Scioto Meet"

Department of Finance

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State of Ohio

M. Trent Williams, City Auditor

June 30, 2009

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

As City Auditor, it is my pleasure to present the thirteenth Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the fiscal year ended December 31, 2008. 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 accountants' 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. The independent accounting firm of Caudill & Associates, CPAs, has issued an unqualified ("clean") opinion on the City of Portsmouth's financial statements for the fiscal year ended December 31, 2008. 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, 2008***

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 20,909 (2000 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, 2008***

Form of Government

Portsmouth, a charter city which has a Mayor-Council 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 Mayor, Solicitor, and Auditor/Treasurer. Currently the Auditor/Treasurer is serving his third term and the Mayor and Solicitor are serving their first terms.

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 Mayor 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 Mayor upon recommendation of the Public Service Director.

***Letter of Transmittal
For the Year Ended December 31, 2008***

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 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). The Medical Center recently completed and opened a new wing at Scioto Memorial Hospital. The new addition houses an expanded, well equipped, emergency room and trauma center as well as a new intensive care unit and maternity facility. Several new physician office buildings and service facilities have been erected on the Scioto Memorial Campus and East Campus. SOMC has expanded its Mercy Hospital Campus with the addition of a new Dialysis Center and a new Cancer Center and offers alternatives to its Mercy LIFE Center fitness and rehabilitation location with similar facilities recently constructed outside the city. SOMC recently unveiled its 10 year plan that promises to be a tremendous benefit in meeting the health care needs of the Southern Ohio region. Construction began in late 2007 on this \$100+ million project that will give a new face to the hospital along with further expansion of its emergency department, more private rooms for inpatients and implementation of cardiac services center that will enable the hospital to provide open heart procedures locally for the first time in Portsmouth.

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 8.3% for the 2008 calendar year, which is substantially above the state average of 6.5% and the national average of 5.8%. While the local unemployment number is high in comparison to the state and national average, it is 0.5% lower than the 8.8% rate recorded in 2005. The state of the local economy has been improving and 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 Verizon
- 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 13,900 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 six to seven 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.

***Letter of Transmittal
For the Year Ended December 31, 2008***

Serving 8,353 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.

Solid waste collection and disposal is operated by the City of Portsmouth providing service to approximately 7,600 customers. The solid waste transfer station officially commenced operations in the fall of 1993. Improved efficiency at the transfer station has allowed the City to maintain operating costs at current levels for the solid waste collection and disposal function.

Recreation and Cultural Facilities and Events

Portsmouth boasts seventeen City owned parks and numerous sports facilities, including Spartan Stadium 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 ten year project there are now 50 completed panels on the flood wall.

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 spring to honor native son Roy Rogers, and a display of memorabilia from his collection is on permanent display in Portsmouth. Firststar 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. The annual River Days Festival is held over the Labor Day weekend and draws many visitors to our area.

CITY OF PORTSMOUTH, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

The cultural and recreational needs of the City have been enhanced by the 1993 formation of the Portsmouth Symphony Orchestra. Citizens from the Portsmouth 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. New facilities include one new high school, one new 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. Construction is now complete and students have now completed the first two years of occupancy in the new 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.

Shawnee State University is a four year university, the newest in the state. Portsmouth now has 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 widened in furtherance of this plan. Ten new apartment style dormitories have been constructed at the SSU campus enabling the university to offer much needed additional student housing. Two more are currently under construction. Shawnee State enrollment is steadily growing 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, Local 1039 AFSCME, Ohio Council 8, 1039-A AFSCME Dispatchers and 1039-C Finance Department Employees. Contract periods are varied for these groups.

***Letter of Transmittal
For the Year Ended December 31, 2008***

MAJOR INITIATIVES

Present

The City's largest project of 2008 saw the continuation of a \$7.5 million dollar city-wide energy savings and infrastructure improvements plan. The plan, that began in the summer of 2007 and continues throughout the summer of 2009, includes replacement of all 14,000 residential and commercial water meters throughout the City, replacement of all windows at the City building annex, various HVAC system replacements, traffic light system replacements and a new U/V system at the Charles Street Sewage Treatment plant. These five components are all part of a plan that when completed will provide substantial operational benefits and energy savings to the City and its residents.

The next largest project, completed in July 2008 was the new City Water Works Filtration Plant MIEX system at a total construction cost of \$3.8 million dollars. The 7.5 Million-Gallon/Day MIEX (Magnetic Ion Exchange) Treatment System for Total Organic Carbon (TOC) Removal provides for long-term, more efficient removal of disinfection by-products within the City's water system. TOC reacts with chlorine to form Disinfection-by-Products (DBP's) which can be carcinogenic. The MIEX Process is a resin based ion-exchange process that exchanges organic matter for chloride ions attached to the resin. Since the project start-up DBP's have been significantly reduced and water quality has improved.

Other City projects include the City Health Department's continued implementation of a Primary Care Clinic to serve the citizens of Portsmouth and the utilization of technology by the Police Department in the installation of computers in each of its units to enhance communications and provide for better sharing of information in real time. The Water Works division of the Public Utilities system continued with water line replacement and maintenance throughout the city and service areas within the county.

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. Scioto County has recently constructed a new sewer system in the Rigrish Addition, near the east of the City that will be accepted by the Sciotoville sewage treatment plant.

The City's Public Service Department had several projects for the year. Among those were enhancements at Greenlawn Cemetery with installation of a new roof on the Mausoleum and Cemetery Maintenance building and an upgraded Cemetery Records System. The City Garage installed a new fuel tank to provide fuel to all City vehicles at a substantial savings that includes the installation of a companion card reader system for accurate tracking of gasoline and diesel usage by the City's vehicle fleet. The Sanitation division of the Public Service department will benefit tremendously by the acquisition of all new semi-automated larger garbage collections vehicles. The Streets Maintenance division acquired a new dump truck to assist with street maintenance and snow removal and the Traffic Lights divisions installed newer, energy efficient LED traffic light signal heads along its main intersections throughout the City. And finally the Recreation division made several improvements to parks throughout the city with a new, low maintenance restroom facility in Tracy Park, new and improved basketball courts at Mound and Bannon parks, and major renovations at McKinley Pool, including a new concrete floor/sides and patio areas and pump replacements.

***Letter of Transmittal
For the Year Ended December 31, 2008***

The City sold the Chillicothe Street viaduct property several years ago and has since seen the construction of a telemarketing office, employing several hundred part-time workers. Recently, this site has also seen the completion of two new restaurants, an insurance office and rental car center as well as the completion of a new movie theatre, the first in Portsmouth in nearly 30 years.

Renovations to the new Municipal Building annex were completed in 2001 allowing for demolition of the former Griffin Hall. The demolition was necessary for the construction of a new U.S. Grant Bridge by the State of Ohio. Completed in October 2006, the modern bridge, with wider lane capacity, spanning the Ohio River from Chillicothe Street in downtown Portsmouth to South Shore, Kentucky reconnected the two states after more than five years of construction.

Renovations have been completed to a large downtown building that have become home to a number of senior apartments. The new dormitory facilities at Shawnee State University continue to multiply and several new businesses have begun to spring up in the downtown and Boneyfiddle districts of Portsmouth. Kings Daughters Medical Center, a Kentucky based health care services provider recently expanded into Portsmouth with a full-service primary care physician's medical specialties office.

Future

The City continues its water line upgrade project by continuing replacement of various 6" lines throughout the City, system wide meter replacements and various filtration plant enhancements. Planned improvements also include the construction of a new 900,000-gallon water tank in the Wheelersburg area. Several physical upgrades are planned for the plant to include repairs of concrete throughout the facility.

The Charles Street wastewater treatment plant will see continued pump, plant and storm gate upgrades, sewer linings and the creation and implementation of a Storm Water Utility Program, working with the City's Graphical Information System to utilize three-dimensional modeling capabilities. Plans are being made for a total upgrade of the wastewater treatment plant itself, which along with the Sciotoville plant services 160 miles of primary sewers within the City limits and surrounding areas. In the spring of 2003, the City embarked upon a feasibility study to replace and/or upgrade the plant. That effort is now deferred pending the completion of a Combined Sewer Overflow/Long Term Control Plan, itself very near completion by the City's consulting engineers. Meanwhile, plans are also being laid to replace the current non-functioning anaerobic sludge digesters at the plant with a new technology aerobic sludge digestion process. The Sewage System will also benefit by the upcoming installation of an ultra-violet light disinfection system that will replace the use of chemicals in the treatment of sewage effluent.

The Public Service department will continue upgrades within its Recreation division in 2009 with planned improvements to Mound Park with a new roof at the shelter house, new tennis court surfacing and other improvements at Cyndee Secrest Park and Mound Park tennis courts and various surface and structure improvements at the city's many baseball and softball fields.

***Letter of Transmittal
For the Year Ended December 31, 2008***

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.

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.

Cash Management

Cash management is a vital component of the City of Portsmouth's overall financial strategy. The primary objective of the City's investment activity is the preservation and protection of invested capital. The City pools its cash for maximum investment efficiency.

Funds are invested with member banks of the Federal Reserve System in Certificates of Deposit at the highest possible rate of interest. To avoid risk, investments are diversified and invested to ensure that funds are available at all times to provide for efficient and timely operation of City functions.

CITY OF PORTSMOUTH, OHIO

Letter of Transmittal For the Year Ended December 31, 2008

The City's cash was invested at December 31, 2008 as follows:

<u>Cash Resources</u>	<u>2008</u>	<u>%</u>
Cash and Cash Equivalents	\$7,097,622	63.78%
Government Mutual Funds	4,030,079	36.22%
Total	<u>\$11,127,701</u>	<u>100.00%</u>

A 3D pie chart illustrating the distribution of cash resources. The chart is divided into two segments: a larger blue segment representing 'Cash and Cash Equivalents' at 63.78%, and a smaller maroon segment representing 'Government Mutual Funds' at 36.22%.

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.

Risk Management

The City has provided bodily injury, personal injury, general liability, boiler and machinery coverage and fleet (automotive) insurance through the purchase of commercial insurance. Police and fire professional liability and elected officials liability are also covered by commercial insurance.

All City employees are bonded in varying amounts dependent on the scope of their activity. Elected officials are bonded as required by Charter.

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Portsmouth were audited by Caudill & Associates, CPAs. The auditor's unqualified ("clean") 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 thirteenth 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.

***Letter of Transmittal
For the Year Ended December 31, 2008***

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 at:

<http://www.ci.portsmouth.oh.us/government/auditor.html>

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

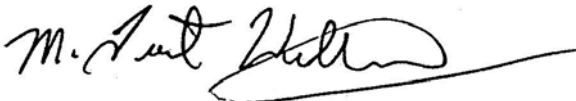
This report is the result of hard work and dedication on the part of many employees and individuals. Special thanks to David Green, Scioto County Auditor, and staff; City of Portsmouth Deputy Auditor Connie Snipes and the employees of the Portsmouth City Auditor's office and all other City of Portsmouth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

Sincere appreciation 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, Mayor and other city administrators, without whose support we would have been unable to prepare this report. By providing the funds and assistance to conform to the reporting requirements which have been established for municipal governments, the City has been able to maintain a sound financial position for many years.

Sincerely,



M. Trent Williams, CPFA
City Auditor

CITY OF PORTSMOUTH, OHIO

**List of Principal Officials
For the Year Ended December 31, 2008**

<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>	
<u>Executive</u> (Elected)				
Mayor	James D. Kalb	01/02/06 - 01/03/10	13	
City Auditor	M. Trent Williams	01/07/08 - 01/01/12	10	
City Solicitor	Michael L. Jones	01/07/08 - 01/01/12	1	
<u>Legislative</u> (Elected)				
President of Council	David A. Malone	<u>Ward</u> 2nd	01/07/08 - 01/01/12	5
Member of Council	Michael H. Mearan	1st	01/02/06 - 01/03/10	3
Member of Council	Robert W. Mollette	3rd	01/02/06 - 01/03/10	4
Member of Council	Jerrold L. Albrecht	4th	01/07/08 - 01/01/12	4
Member of Council	John R. Haas	5th	12/08/08 - 01/03/10	0
Member of Council	Richard E. Noel	6th	01/07/08 - 01/01/12	1
<u>Judicial</u> (Elected)				
Municipal Court Judge	Russell D. Kegley	01/01/06 - 12/31/11	6	
Municipal Court Judge	Richard T. Schisler	01/01/04 - 12/31/09	29	
<u>Administrative</u> (Appointed)				
Police Chief	Charles H. Horner, Jr.	Indefinite	28	
Fire Chief	William V. Raison	Indefinite	18	
Public Service Director	Christopher L. Murphy	Indefinite	8	
Director of Water	Samuel J. Sutherland	Indefinite	20	
Director of Waste Water	Richard K. Duncan	Indefinite	15	
Community Development Director	Jennifer D. Hanlon	Indefinite	5	
City Clerk	Jo Ann Aeh	Indefinite	23	
Municipal Court Clerk	R. Leroy Kegley	Indefinite	30	
Health Commissioner	Donald J. Walden	Indefinite	29	
Income Tax Commissioner	John F. Queen	Indefinite	35	

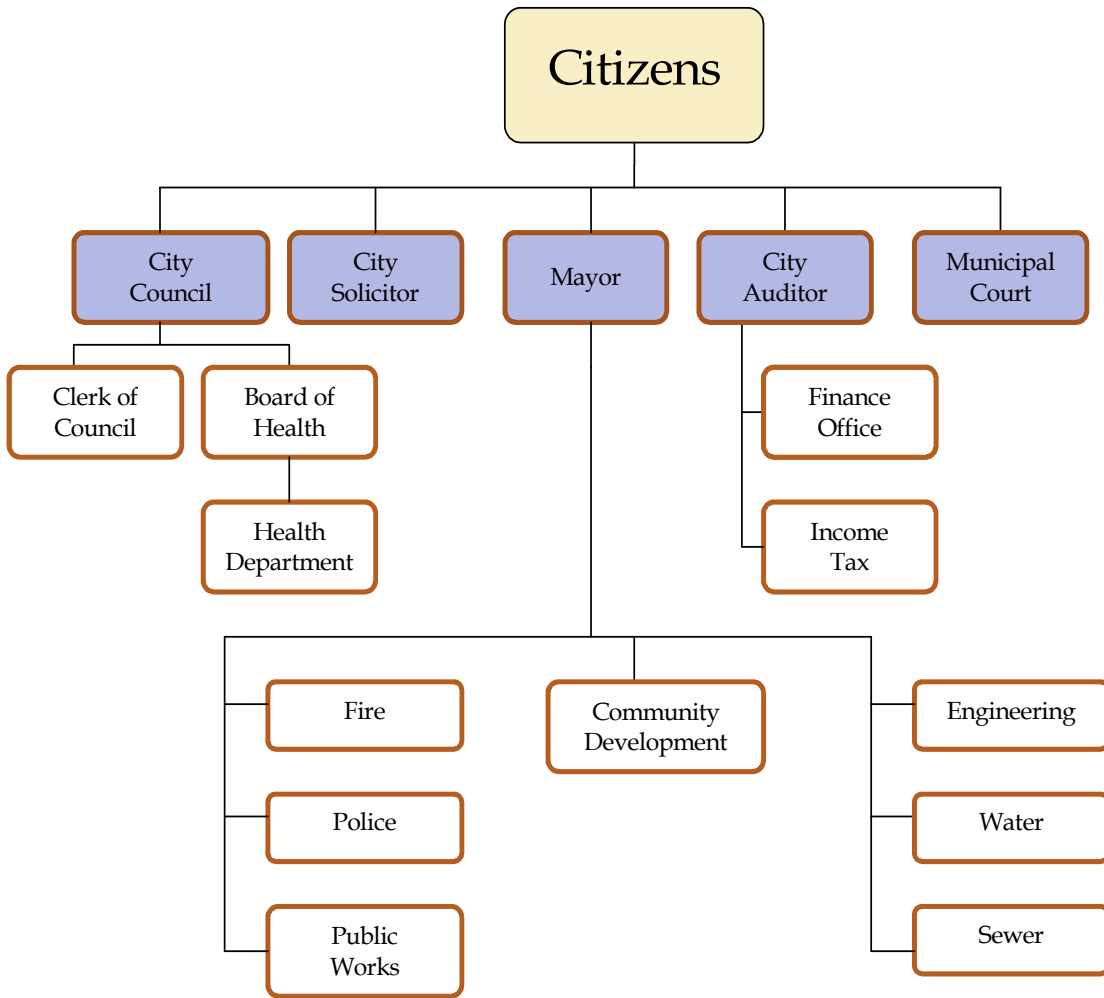
Executive Offices:

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City of Portsmouth
728 Second Street, Room 1
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**City Organizational Chart
For the Year Ended December 31, 2008**



 Elected

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

**Certificate of
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for Excellence
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Reporting**

Presented to

**City of Portsmouth
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery".

Executive Director

FINANCIAL SECTION



Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Portsmouth
Scioto County
728 Second Street
Portsmouth, Ohio 45662

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, Ohio, (the "City"), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit

City of Portsmouth
Scioto County
Independent Auditor's Report

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Caudill & Associates, CPAs

Caudill & Associates, CPA's

June 30, 2009

The discussion and analysis of the City of Portsmouth's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. 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 2008 are as follows:

- ❑ In total, net assets decreased \$1,359,577. Net assets of governmental activities decreased \$1,456,048, which represents a 5.9 % decrease from 2007. Net assets of business-type activities increased \$96,471, or .7% from 2007.
- ❑ General revenues accounted for \$11,690,104 in revenue or 43.1% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$15,432,340 or 56.9% of total revenues of \$27,122,444.
- ❑ The City had \$18,416,108 in expenses related to governmental activities; only \$5,406,056 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$11,690,104 were not adequate to provide for these programs and accumulated net assets were used to fund the remaining expenses.
- ❑ Among major funds, the general fund had \$10,754,165 in revenues and other financing sources and \$11,280,151 in expenditures and other financing uses. The general fund's fund balance decreased from \$799,294 to \$263,653.

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 assets includes all of the government's assets and liabilities. 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 assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets 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 Assets 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, 2008**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, the Statement of Net Assets 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 Assets and Changes in Net Assets.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2008 compared to 2007:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$11,698,953	\$11,485,918	\$8,558,579	\$13,428,500	\$20,257,532	\$24,914,418
Capital assets, Net	19,225,474	19,955,505	21,949,934	14,946,149	41,175,408	34,901,654
Total assets	<u>30,924,427</u>	<u>31,441,423</u>	<u>30,508,513</u>	<u>28,374,649</u>	<u>61,432,940</u>	<u>59,816,072</u>
Long-term debt outstanding	3,446,788	3,640,175	16,137,912	13,830,619	19,584,700	17,470,794
Other liabilities	4,279,779	3,147,340	1,043,193	1,313,093	5,322,972	4,460,433
Total liabilities	<u>7,726,567</u>	<u>6,787,515</u>	<u>17,181,105</u>	<u>15,143,712</u>	<u>24,907,672</u>	<u>21,931,227</u>
Net assets						
Invested in capital assets, net of related debt	18,230,304	19,314,512	9,820,832	9,373,296	28,051,136	28,687,808
Restricted	5,412,572	5,064,839	755,780	783,278	6,168,352	5,848,117
Unrestricted	(445,016)	274,557	2,750,796	3,074,363	2,305,780	3,348,920
Total net assets	<u>\$23,197,860</u>	<u>\$24,653,908</u>	<u>\$13,327,408</u>	<u>\$13,230,937</u>	<u>\$36,525,268</u>	<u>\$37,884,845</u>

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2008 compared to 2007:

	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2008	2007
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,055,855	\$2,216,037	\$9,794,682	\$9,686,093	\$11,850,537	\$11,902,130
Operating Grants and Contributions	3,350,201	3,388,057	0	0	3,350,201	3,388,057
Capital Grants and Contributions	0	0	231,602	0	231,602	0
Total Program Revenues	5,406,056	5,604,094	10,026,284	9,686,093	15,432,340	15,290,187
General revenues:						
Property Taxes	2,235,060	2,238,460	0	0	2,235,060	2,238,460
Income Taxes	6,686,131	6,349,696	0	0	6,686,131	6,349,696
Other Local Taxes	288,923	266,330	0	0	288,923	266,330
Intergovernmental Revenue, Unrestricted	2,183,479	2,037,424	0	0	2,183,479	2,037,424
Investment Earnings	119,544	341,030	0	0	119,544	341,030
Miscellaneous	176,967	204,325	0	0	176,967	204,325
Total General Revenues	11,690,104	11,437,265	0	0	11,690,104	11,437,265
Total Revenues	17,096,160	17,041,359	10,026,284	9,686,093	27,122,444	26,727,452
Program Expenses						
Security of Persons and Property	7,842,183	7,625,070	0	0	7,842,183	7,625,070
Public Health and Welfare Services	2,986,843	2,861,477	0	0	2,986,843	2,861,477
Leisure Time Activities	38,446	26,055	0	0	38,446	26,055
Community Environment	585,826	454,715	0	0	585,826	454,715
Transportation	2,532,238	2,534,541	0	0	2,532,238	2,534,541
General Government	4,271,908	4,122,079	0	0	4,271,908	4,122,079
Interest and Fiscal Charges	158,664	138,677	0	0	158,664	138,677
Water	0	0	5,491,584	5,659,269	5,491,584	5,659,269
Sewer	0	0	2,920,998	2,690,618	2,920,998	2,690,618
Sanitation	0	0	1,463,080	1,295,143	1,463,080	1,295,143
Primary Care	0	0	190,251	160,583	190,251	160,583
Total Expenses	18,416,108	17,762,614	10,065,913	9,805,613	28,482,021	27,568,227
Change in Net Assets before transfers	(1,319,948)	(721,255)	(39,629)	(119,520)	(1,359,577)	(840,775)
Transfers	(136,100)	(150,000)	136,100	150,000	0	0
Total Change in Net Assets	(1,456,048)	(871,255)	96,471	30,480	(1,359,577)	(840,775)
Beginning Net Assets	24,653,908	25,525,163	13,230,937	13,200,457	37,884,845	38,725,620
Ending Net Assets	\$23,197,860	\$24,653,908	\$13,327,408	\$13,230,937	\$36,525,268	\$37,884,845

Governmental Activities

Net assets of the City's governmental activities decreased by \$1,456,048. The decrease in Net Assets is a result of increasing expense due to depreciation.

The City receives an income tax, which is based on 1.4% of all salaries, wages, commissions and other compensation and on net profits earned from those working or doing business in the City.

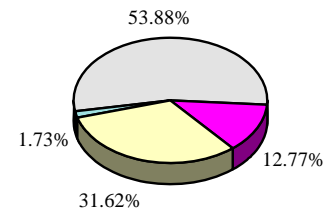
CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

Income taxes and property taxes made up 39.1% and 13.1% respectively of revenues for governmental activities for the City in fiscal year 2008. The City's reliance upon tax revenues is demonstrated by the following graph indicating 53.88% of total revenues from general tax revenues:

Revenue Sources	2008	Percent of Total
General Tax Revenues	\$9,210,114	53.88%
Intergovernmental Revenue, Unrestricted	2,183,479	12.77%
Program Revenues	5,406,056	31.62%
General Other	296,511	1.73%
Total Revenue	\$17,096,160	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$96,471. There is no significant change in the net assets of the business-type activities

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$4,613,679, which is a decrease from last year's balance of \$5,347,895. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2008 and 2007:

	Fund Balance December 31, 2008	Fund Balance December 31, 2007	Increase (Decrease)
General	\$263,653	\$799,294	(\$535,641)
General Obligation Bond Retirement	32,394	31,275	1,119
Capital Improvement	1,233,940	1,669,329	(435,389)
Other Governmental	3,083,692	2,847,997	235,695
Total	\$4,613,679	\$5,347,895	(\$734,216)

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

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

	2008	2007	Increase
	Revenues	Revenues	(Decrease)
Property and Other Taxes	\$7,154,795	\$6,858,043	\$296,752
Intergovernmental Revenue	2,102,392	1,927,687	174,705
Charges for Services	356,676	411,895	(55,219)
Licenses and Permits	232,738	255,533	(22,795)
Investment Earnings	113,028	329,427	(216,399)
Fines and Forfeitures	656,689	685,902	(29,213)
All Other Revenue	137,847	108,589	29,258
Total	<u>\$10,754,165</u>	<u>\$10,577,076</u>	<u>\$177,089</u>

General Fund revenues in 2008 increased approximately 1.7% compared to revenues in fiscal year 2007. The increase in revenue was slight this year because the increase in taxes was offset by a decrease in investment earnings due to declining interest rates.

	2008	2007	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$6,976,700	\$6,567,221	\$409,479
Public Health and Welfare Services	631,171	621,496	9,675
Community Environment	253,708	252,220	1,488
Transportation	439,165	346,346	92,819
General Government	2,959,407	2,705,160	254,247
Total	<u>\$11,260,151</u>	<u>\$10,492,443</u>	<u>\$767,708</u>

General Fund expenditures increased by \$767,708 or 7.32% compared to the prior year. The increase is partly the result of an increase in salaries and benefits due to contractual labor agreements. In addition administrative reimbursements from the enterprise funds were reduced.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund balance increased from \$31,275 to \$32,394. The fund remained stable compared to 2007.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$1,669,329 to \$1,233,940. The decrease is the result of purchasing fire vehicles and spending proceeds of capital leases received in 2007.

CITY OF PORTSMOUTH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2008***

Unaudited

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 fiscal year 2008 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$11,050,000 was not significantly different than original budget estimates of \$10,246,500. The actual revenues of \$11,053,597 were not significantly different than the final budget basis revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2008 the City had \$41,175,408 net of accumulated depreciation invested in buildings, improvements, equipment, vehicles and infrastructure. Of this total, \$19,225,474 was related to governmental activities and \$21,949,934 to the business-type activities. The following table shows fiscal year 2008 and 2007 balances:

	Governmental Activities		Increase (Decrease)
	2008	2007	
Land	\$1,826,884	\$1,826,884	\$0
Construction In Progress	477,645	467,370	10,275
Buildings	6,257,625	5,815,123	442,502
Improvements	2,097,541	2,097,541	0
Machinery and Equipment	7,884,654	7,560,011	324,643
Infrastructure	28,117,673	27,994,260	123,413
Less: Accumulated Depreciation	(27,436,548)	(25,805,684)	(1,630,864)
Totals	\$19,225,474	\$19,955,505	(\$730,031)

The primary reason for the decrease was depreciation expense. The decrease was partially offset by the upgrade of windows, the start of construction projects within the fire department, and new basketball courts at Mound Park.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Unaudited

	Business-Type Activities		Increase (Decrease)
	2008	2007	
Land	\$75,737	\$50,737	\$25,000
Construction in Progress	7,013,872	4,092,907	2,920,965
Buildings	1,028,213	1,005,757	22,456
Improvements other than Buildings	23,921,037	23,921,037	0
Machinery and Equipment	8,378,724	3,580,462	4,798,262
Less: Accumulated Depreciation	(18,467,649)	(17,704,751)	(762,898)
Totals	\$21,949,934	\$14,946,149	\$7,003,785

Business type capital assets increased by \$7,003,785. The major addition was to machinery and equipment, which includes the MIEX installation for water. The MIEX technology (Magnetic Ion Exchange) is a system that will provide a long term, more efficient removal of disinfection by-products within the City's water filtration system by removing total organic carbon such as decayed leaves, algae, and other natural occurring materials. Construction in progress increased as the City continued with the project to replace all water meters in the city and began constructing a sludge digester for sewer. Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2008, the City had \$1,760,000 in General Obligation Bonds outstanding, \$55,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2008 and 2007:

	2008	2007
Governmental Activities:		
General Obligation Bond	\$1,760,000	\$1,815,000
Bond Anticipation Note	0	0
Compensated Absences	665,046	663,299
Capital Leases	1,021,742	1,161,876
Total Governmental Activities	\$3,446,788	\$3,640,175
Business-Type Activities:		
Ohio Public Works Commission Loan	\$913,377	\$405,000
Water Refunding Revenue Bond	3,400,093	3,790,141
Ohio Water Development Authority Loan	4,094,027	1,732,784
Compensated Absences	68,778	47,351
Capital Leases	7,661,637	7,855,343
Total Business-Type Activities	16,137,912	13,830,619
Totals	\$19,584,700	\$17,470,794

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, 2008, 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

Health care facilities continue to dominate the new construction scene as the central economic theme in the City of Portsmouth. Very good things continue to happen at the Southern Ohio Medical Center as it continues its \$100+ million dollar long-term expansion plan that includes various new buildings and parking facilities to house a new hospital entrance, expanded emergency operations, patient care addition with 100+ additional private beds and a comprehensive cardiac unit at the main Scioto Memorial campus providing for open heart surgery services upon completion.

The City of Portsmouth also welcomed construction of a new Medical Specialties facility by Kings Daughters Medical Center, based in Ashland, Kentucky, providing more health care choices for an ever growing, aging population in the local area. KDMC recently purchased the former City of Portsmouth Water Works Pipe Yard property, on Spring Street, just west of their current Scioto Trail property, and will continue its expansion in the near future with the construction of additional health care facility buildings.

Both the SOMC and KDMC facilities bring with them additional employment opportunities into the City and both have been recognized as two of the best 100 companies to work for in the country by Fortune magazine. SOMC was also named the "Number One Best Employer in Ohio" according to a program created by the Ohio Chamber of Commerce and became the first hospital in the tri-state region to achieve the "Magnet" designation, the American Nurse's Credentialing Center's highest honor, of which only four percent of American hospitals can claim this distinction recognizing excellence in nursing and organizational teamwork to support quality of care.

Continuing with the health care services theme, the United States Veterans Affairs leased and renovated space on Gallia Street for a community based outpatient clinic. The VA renovated the first and second floors of a four-story former furniture store building, investing over one million dollars to provide outpatient medical services to area veterans.

Finally, a regional emergency transportation company, LIFE Ambulance Services, has acquired property and relocated its corporate headquarters to its new downtown Portsmouth location consolidating various other facilities into one large, completely renovated, multi story building. The LIFE building now houses not only its administrative offices, but also serves as a multi-purpose facility offering internal and external Emergency Medical Technician education and training, central dispatch center for its ambulance and helicopter services, its own retail uniform shop on the ground level as well as office space for other community agencies including the Main Street Portsmouth office.

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 Assets
December 31, 2008

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 4,470,092	\$ 4,359,834	\$ 8,829,926
Receivables:			
Taxes	3,814,789	0	3,814,789
Accounts	339,214	2,042,811	2,382,025
Intergovernmental	2,667,445	0	2,667,445
Interest	1,707	0	1,707
Loans	158,023	0	158,023
Internal Balances	(15,532)	15,532	0
Inventory of Supplies at Cost	49,635	58,306	107,941
Prepaid Items	28,950	45,035	73,985
Deferred Charge	0	102,948	102,948
Restricted Assets:			
Cash and Cash Equivalents	184,630	1,934,113	2,118,743
Capital Assets:			
Capital Assets Not Being Depreciated	2,304,529	7,089,609	9,394,138
Capital Assets Being Depreciated, Net of Accumulated Depreciation	16,920,945	14,860,325	31,781,270
Total Assets	<u>30,924,427</u>	<u>30,508,513</u>	<u>61,432,940</u>
Liabilities:			
Accounts Payable	111,450	215,310	326,760
Accrued Wages and Benefits	1,514	9,118	10,632
Intergovernmental Payable	999,369	435,809	1,435,178
Refundable Deposits	0	276,845	276,845
Unearned Revenue	2,447,000	0	2,447,000
Accrued Interest Payable	40,446	106,111	146,557
General Obligation Notes Payable	680,000	0	680,000
Long-term Liabilities:			
Due within one year	303,675	1,384,952	1,688,627
Due in more than one year	3,143,113	14,752,960	17,896,073
Total Liabilities	<u>7,726,567</u>	<u>17,181,105</u>	<u>24,907,672</u>

CITY OF PORTSMOUTH, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	18,230,304	9,820,832	28,051,136
Restricted For:			
Streets and Highways	584,956	0	584,956
Community Development	1,059,576	0	1,059,576
Security of Persons and Property	724,844	0	724,844
Public Health and Welfare	742,237	0	742,237
Capital Projects	1,938,313	0	1,938,313
Debt Service	176,411	755,780	932,191
Perpetual Care:			
Expendable	26,843	0	26,843
Nonexpendable	159,392	0	159,392
Unrestricted (Deficit)	(445,016)	2,750,796	2,305,780
Total Net Assets	<u>\$ 23,197,860</u>	<u>\$ 13,327,408</u>	<u>\$ 36,525,268</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Activities
For the Year Ended December 31, 2008**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 7,842,183	\$ 917,498	\$ 62,973	\$ 0
Public Health and Welfare Services	2,986,843	405,343	2,108,210	0
Leisure Time Activities	38,446	73,823	0	0
Community Environment	585,826	194,868	118,000	0
Transportation	2,532,238	40,901	1,007,026	0
General Government	4,271,908	423,422	53,992	0
Interest and Fiscal Charges	158,664	0	0	0
Total Governmental Activities	18,416,108	2,055,855	3,350,201	0
Business-Type Activities:				
Water	5,491,584	5,689,761	0	0
Sewer	2,920,998	2,645,697	0	231,602
Sanitation	1,463,080	1,332,278	0	0
Primary Care	190,251	126,946	0	0
Total Business-Type Activities	10,065,913	9,794,682	0	231,602
Totals	\$ 28,482,021	\$ 11,850,537	\$ 3,350,201	\$ 231,602

General Revenues

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (6,861,712)	\$ 0	\$ (6,861,712)
(473,290)	0	(473,290)
35,377	0	35,377
(272,958)	0	(272,958)
(1,484,311)	0	(1,484,311)
(3,794,494)	0	(3,794,494)
(158,664)	0	(158,664)
<u>(13,010,052)</u>	<u>0</u>	<u>(13,010,052)</u>
0	198,177	198,177
0	(43,699)	(43,699)
0	(130,802)	(130,802)
0	(63,305)	(63,305)
<u>0</u>	<u>(39,629)</u>	<u>(39,629)</u>
<u>(13,010,052)</u>	<u>(39,629)</u>	<u>(13,049,681)</u>
1,681,199	0	1,681,199
320,395	0	320,395
233,466	0	233,466
6,686,131	0	6,686,131
288,923	0	288,923
2,183,479	0	2,183,479
119,544	0	119,544
176,967	0	176,967
(136,100)	136,100	0
<u>11,554,004</u>	<u>136,100</u>	<u>11,690,104</u>
(1,456,048)	96,471	(1,359,577)
<u>24,653,908</u>	<u>13,230,937</u>	<u>37,884,845</u>
<u>\$ 23,197,860</u>	<u>\$ 13,327,408</u>	<u>\$ 36,525,268</u>

CITY OF PORTSMOUTH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2008**

	General	General Obligation Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 81,054	\$ 32,394	\$ 1,765,378	\$ 2,533,906	\$ 4,412,732
Receivables:					
Taxes	2,409,717	864,814	198,799	341,459	3,814,789
Accounts	204,375	0	0	134,412	338,787
Intergovernmental	920,259	53,543	0	1,693,643	2,667,445
Interest	0	0	0	1,707	1,707
Loans	0	0	0	158,023	158,023
Due from Other Funds	29,562	0	0	24,453	54,015
Inventory of Supplies, at Cost	25,333	0	0	24,302	49,635
Prepaid Items	8,910	0	0	20,040	28,950
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	184,630	184,630
Total Assets	\$ 3,679,210	\$ 950,751	\$ 1,964,177	\$ 5,116,575	\$ 11,710,713
Liabilities:					
Accounts Payable	\$ 65,631	\$ 0	\$ 16,758	\$ 29,061	\$ 111,450
Accrued Wages and Benefits Payable	1,128	0	0	386	1,514
Intergovernmental Payable	790,151	0	0	209,218	999,369
Due to Other Funds	24,453	0	0	29,562	54,015
Deferred Revenue	2,534,194	918,357	24,373	1,764,656	5,241,580
Accrued Interest Payable	0	0	9,106	0	9,106
General Obligation Notes Payable	0	0	680,000	0	680,000
Total Liabilities	3,415,557	918,357	730,237	2,032,883	7,097,034
Fund Balances:					
Reserved for Encumbrances	34,565	0	1,367,142	277,390	1,679,097
Reserved for Prepaid Items	8,910	0	0	20,040	28,950
Reserved for Supplies Inventory	25,333	0	0	24,302	49,635
Reserved for Debt Service	0	32,394	0	0	32,394
Reserved for Endowments	0	0	0	26,843	26,843
Unreserved, Undesignated in:					
General Fund	194,845	0	0	0	194,845
Capital Projects Fund	0	0	(133,202)	0	(133,202)
Special Revenue Funds	0	0	0	2,575,725	2,575,725
Permanent Fund	0	0	0	159,392	159,392
Total Fund Balances	263,653	32,394	1,233,940	3,083,692	4,613,679
Total Liabilities and Fund Balances	\$ 3,679,210	\$ 950,751	\$ 1,964,177	\$ 5,116,575	\$ 11,710,713

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2008***

Total Governmental Fund Balances		\$ 4,613,679
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		19,225,474
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		2,794,580
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 assets.		42,255
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	(1,760,000)	
Capital Leases Payable	(1,021,742)	
Compensated Absences Payable	(665,046)	
Accrued Interest Payable	(31,340)	
		<u>(3,478,128)</u>
<i>Net Assets of Governmental Activities</i>		<u>\$ 23,197,860</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, 2008**

	General	General Obligation Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 7,154,795	\$ 133,265	\$ 1,433,092	\$ 379,201	\$ 9,100,353
Intergovernmental Revenues	2,102,392	19,321	0	3,300,185	5,421,898
Charges for Services	356,676	0	0	208,399	565,075
Licenses and Permits	232,738	0	0	0	232,738
Investment Earnings	113,028	0	0	6,516	119,544
Fines and Forfeitures	656,689	0	0	524,127	1,180,816
All Other Revenue	137,847	0	11,839	341,570	491,256
Total Revenue	10,754,165	152,586	1,444,931	4,759,998	17,111,680
Expenditures:					
Current:					
Security of Persons and Property	6,976,700	0	0	467,624	7,444,324
Public Health and Welfare Services	631,171	0	0	2,278,882	2,910,053
Leisure Time Activities	0	0	0	25,986	25,986
Community Environment	253,708	0	0	273,589	527,297
Transportation	439,165	0	0	1,024,434	1,463,599
General Government	2,959,407	0	0	471,128	3,430,535
Capital Outlay	0	0	1,677,173	0	1,677,173
Debt Service:					
Principal Retirement	0	55,000	140,134	0	195,134
Interest and Fiscal Charges	0	96,467	63,013	0	159,480
Total Expenditures	11,260,151	151,467	1,880,320	4,541,643	17,833,581
Excess (Deficiency) of Revenues Over Expenditures	(505,986)	1,119	(435,389)	218,355	(721,901)
Other Financing Sources (Uses):					
Transfers In	0	0	0	20,000	20,000
Transfers Out	(20,000)	0	0	0	(20,000)
Total Other Financing Sources (Uses)	(20,000)	0	0	20,000	0
Net Change in Fund Balances	(525,986)	1,119	(435,389)	238,355	(721,901)
Fund Balances at Beginning of Year	799,294	31,275	1,669,329	2,847,997	5,347,895
Increase (Decrease) in Inventory Reserve	(9,655)	0	0	(2,660)	(12,315)
Fund Balances End of Year	\$ 263,653	\$ 32,394	\$ 1,233,940	\$ 3,083,692	\$ 4,613,679

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***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, 2008***

Net Change in Fund Balances - Total Governmental Funds \$ (721,901)

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

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

Capital Outlay	1,113,574	
Depreciation Expense	<u>(1,694,849)</u>	(581,275)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to decrease net assets.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets. (12,656)

The statement of activities reports a transfer when capital assets are reassigned to business-type activities. Conversely, the governmental funds do not report any transfers for the reassignment of capital assets. (136,100)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (15,520)

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

General Obligation Bonds Payable	55,000	
Capital Leases Payable	<u>140,134</u>	195,134

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 816

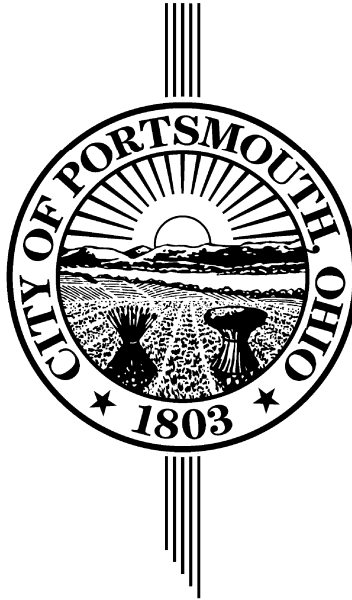
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(1,747)	
Change in Inventory	<u>(12,315)</u>	(14,062)

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. (170,484)

Change in Net Assets of Governmental Activities \$ (1,456,048)

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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,936,000	\$ 7,444,500	\$ 7,444,833	\$ 333
Intergovernmental Revenue	1,711,400	2,102,000	2,102,585	585
Charges for Services	415,400	355,900	356,676	776
Licenses and Permits	248,200	232,100	233,203	1,103
Investment Earnings	100,000	113,000	113,028	28
Fines and Forfeitures	655,000	667,000	667,277	277
All Other Revenues	180,500	135,500	135,995	495
Total Revenues	<u>10,246,500</u>	<u>11,050,000</u>	<u>11,053,597</u>	<u>3,597</u>
Expenditures:				
Current:				
Security of Persons and Property	7,078,513	6,939,047	6,915,058	23,989
Public Health and Welfare Services	617,212	630,027	625,136	4,891
Community Environment	237,069	270,158	251,408	18,750
Transportation	384,071	434,812	428,771	6,041
General Government	2,933,612	2,963,711	2,928,446	35,265
Total Expenditures	<u>11,250,477</u>	<u>11,237,755</u>	<u>11,148,819</u>	<u>88,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,003,977)	(187,755)	(95,222)	92,533
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	(27,000)	(20,000)	7,000
Total Other Financing Sources (Uses):	<u>0</u>	<u>(27,000)</u>	<u>(20,000)</u>	<u>7,000</u>
Net Change in Fund Balance	(1,003,977)	(214,755)	(115,222)	99,533
Fund Balance at Beginning of Year	77,053	77,053	77,053	0
Prior Year Encumbrances	68,619	68,619	68,619	0
Fund Balance at End of Year	<u>\$ (858,305)</u>	<u>\$ (69,083)</u>	<u>\$ 30,450</u>	<u>\$ 99,533</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 2,858,054	\$ 1,464,063	\$ 5,726
Accounts receivable (net of allowance for uncollectibles)	1,197,181	567,347	278,283
Inventory of Supplies at Cost	23,199	32,174	2,399
Prepaid Items	27,718	5,741	10,222
Total current assets	4,106,152	2,069,325	296,630
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	1,934,113	0	0
Deferred Charges	102,948	0	0
Capital assets:			
Capital Assets Not Being Depreciated	5,140,875	1,948,734	0
Capital Assets Being Depreciated, net of accumulated depreciation	12,770,458	981,712	1,108,155
Total capital assets	17,911,333	2,930,446	1,108,155
Total noncurrent assets	19,948,394	2,930,446	1,108,155
Total assets	24,054,546	4,999,771	1,404,785
LIABILITIES			
Current liabilities:			
Accounts Payable	179,416	35,359	343
Accrued Wages and Benefits	7,862	1,256	0
Intergovernmental Payable	228,526	129,490	65,582
Refundable Deposits	276,845	0	0
Accrued Interest Payable	95,814	10,297	0
Capital Leases Payable - Current	498,956	177,200	83,650
Revenue Bond Payable - Current	405,048	0	0
OWDA Loans Payable - Current	135,738	7,312	0
OPWC Loans Payable - Current	0	65,000	0
Compensated Absences Payable - Current	6,570	4,210	1,268
Total Current Liabilities	1,834,775	430,124	150,843

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental
<u>Primary Care</u>	<u>Total</u>	Activities - Internal Service Funds
\$ 31,991	\$ 4,359,834	\$ 57,360
0	2,042,811	427
534	58,306	0
1,354	45,035	0
<u>33,879</u>	<u>6,505,986</u>	<u>57,787</u>
0	1,934,113	0
0	102,948	0
0	7,089,609	0
0	14,860,325	0
<u>0</u>	<u>21,949,934</u>	<u>0</u>
<u>0</u>	<u>23,986,995</u>	<u>0</u>
<u>33,879</u>	<u>30,492,981</u>	<u>57,787</u>
192	215,310	0
0	9,118	0
12,211	435,809	0
0	276,845	0
0	106,111	0
0	759,806	0
0	405,048	0
0	143,050	0
0	65,000	0
0	12,048	0
<u>12,403</u>	<u>2,428,145</u>	<u>0</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
Capital Leases Payable	5,109,392	1,519,760	272,679
Revenue Bonds Payable	2,995,045	0	0
OWDA Loans Payable	3,457,211	493,766	0
OPWC Loans Payable	0	848,377	0
Compensated Absences Payable	43,514	10,184	3,032
Total noncurrent liabilities	11,605,162	2,872,087	275,711
Total Liabilities	13,439,937	3,302,211	426,554
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,736,367	1,332,639	751,826
Restricted for Debt Service	755,780	0	0
Unrestricted	2,122,462	364,921	226,405
Total Net Assets	<u>\$ 10,614,609</u>	<u>\$ 1,697,560</u>	<u>\$ 978,231</u>

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

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

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental Activities - Internal Service Funds
Primary Care	Total	
0	6,901,831	0
0	2,995,045	0
0	3,950,977	0
0	848,377	0
0	56,730	0
0	14,752,960	0
12,403	17,181,105	0
0	9,820,832	0
0	755,780	0
21,476	2,735,264	57,787
<u>\$ 21,476</u>	<u>\$ 13,311,876</u>	<u>\$ 57,787</u>
	15,532	
	<u>\$ 13,327,408</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Operating Revenues:			
Charges for Services	\$ 5,547,766	\$ 2,618,090	\$ 1,329,376
Other Operating Revenues	30,097	12,994	1,749
Total Operating Revenues	5,577,863	2,631,084	1,331,125
Operating Expenses:			
Personal Services	2,793,151	1,603,422	878,301
Contractual Services	743,712	688,775	391,708
Materials and Supplies	848,734	383,952	81,671
Depreciation	516,835	148,312	97,751
Total Operating Expenses	4,902,432	2,824,461	1,449,431
Operating Income (Loss)	675,431	(193,377)	(118,306)
Non-Operating Revenue (Expenses):			
Interest Income	111,898	14,613	1,153
Interest and Fiscal Charges	(551,537)	(74,459)	0
Intergovernmental Grants/Loans	0	231,602	0
Total Non-Operating Revenues (Expenses)	(439,639)	171,756	1,153
Income (Loss) Before Contributions and Transfers	235,792	(21,621)	(117,153)
Capital Contributions	0	136,100	0
Change in Net Assets	235,792	114,479	(117,153)
Net Assets Beginning of Year	10,378,817	1,583,081	1,095,384
Net Assets End of Year	\$ 10,614,609	\$ 1,697,560	\$ 978,231

Change in Net Assets - Total Enterprise Funds

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

Change in Net Assets - Total Business-Type Activities

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental
<u>Primary Care</u>	<u>Total</u>	Activities - Internal Service Funds
\$ 125,529	\$ 9,620,761	\$ 0
1,417	46,257	0
<u>126,946</u>	<u>9,667,018</u>	<u>0</u>
170,684	5,445,558	223,199
1,890	1,826,085	23,655
14,349	1,328,706	300
0	762,898	0
<u>186,923</u>	<u>9,363,247</u>	<u>247,154</u>
(59,977)	303,771	(247,154)
0	127,664	0
0	(625,996)	0
<u>0</u>	<u>231,602</u>	<u>0</u>
<u>0</u>	<u>(266,730)</u>	<u>0</u>
(59,977)	37,041	(247,154)
<u>0</u>	<u>136,100</u>	<u>0</u>
(59,977)	173,141	(247,154)
<u>81,453</u>	<u>13,138,735</u>	<u>304,941</u>
<u>\$ 21,476</u>	<u>\$ 13,311,876</u>	<u>\$ 57,787</u>
	173,141	
	(76,670)	
	<u>\$ 96,471</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008**

	Business-Type Activities-Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,423,578	\$2,607,859	\$1,318,711
Cash Payments for Goods and Services	(1,447,803)	(946,163)	(474,564)
Cash Payments to Employees	(2,760,480)	(1,686,266)	(871,595)
Customer Deposits Received	118,786	0	0
Customer Deposits Refunded	(98,747)	0	0
Net Cash Provided (Used) by Operating Activities	<u>1,235,334</u>	<u>(24,570)</u>	<u>(27,448)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Principal Paid on Ohio Public Works Commission Loan	0	(30,000)	0
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(30,000)</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Water Development Authority Loan	1,929,077	501,078	0
Proceeds from Ohio Public Works Commission Loan	0	538,377	0
Proceeds of Ohio Public Works Commission Grant	0	231,602	0
Acquisition and Construction of Assets	(6,193,248)	(1,240,000)	(536,600)
Principal Paid on Mortgage Revenue Bond	(425,000)	0	0
Principal Paid on Ohio Water Development Authority Loan	(68,912)	0	0
Capital Lease Payment	(193,205)	(114,372)	(113,414)
Interest Paid on All Debt	(444,047)	(64,162)	0
Net Cash Used by Capital and Related Financing Activities	<u>(5,395,335)</u>	<u>(147,477)</u>	<u>(650,014)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	<u>111,898</u>	<u>14,613</u>	<u>1,153</u>
Net Cash Provided by Investing Activities	<u>111,898</u>	<u>14,613</u>	<u>1,153</u>
Net Decrease in Cash and Cash Equivalents	(4,048,103)	(187,434)	(676,309)
Cash and Cash Equivalents at Beginning of Year	<u>8,840,270</u>	<u>1,651,497</u>	<u>682,035</u>
Cash and Cash Equivalents at End of Year	<u>\$4,792,167</u>	<u>\$1,464,063</u>	<u>\$5,726</u>
<u>Reconciliation of Cash and Cash Equivalent per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$2,858,054	\$1,464,063	\$5,726
Restricted Cash and Cash Equivalents	1,934,113	0	0
Cash and Cash Equivalents at End of Year	<u>\$4,792,167</u>	<u>\$1,464,063</u>	<u>\$5,726</u>

CITY OF PORTSMOUTH, OHIO

Nonmajor		Governmental -Activities Internal Service Funds
Primary Care	Total	
\$127,016	\$9,477,164	\$2,783,282
(15,965)	(2,884,495)	(3,032,199)
(167,395)	(5,485,736)	0
0	118,786	0
0	(98,747)	0
(56,344)	1,126,972	(248,917)
0	(30,000)	0
0	(30,000)	0
0	2,430,155	0
0	538,377	0
0	231,602	0
0	(7,969,848)	0
0	(425,000)	0
0	(68,912)	0
0	(420,991)	0
0	(508,209)	0
0	(6,192,826)	0
0	127,664	0
0	127,664	0
(56,344)	(4,968,190)	(248,917)
88,335	11,262,137	306,277
\$31,991	\$6,293,947	\$57,360
\$31,991	\$4,359,834	\$57,360
0	1,934,113	0
\$31,991	\$6,293,947	\$57,360

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008**

	Business-Type Activities-Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$675,431	(\$193,377)	(\$118,306)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	516,835	148,312	97,751
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(154,285)	(23,225)	(12,414)
Increase in Inventory	(1,114)	(394)	(657)
Increase (Decrease) in Prepaid Items	(1,377)	2,719	0
Increase (Decrease) in Accounts Payable	144,595	16,982	(2,296)
Increase in Intergovernmental Payable	228,526	129,490	65,582
Decrease in Accrued Wages and Benefits	(204,098)	(115,222)	(57,608)
Increase in Customer Deposits	20,039	0	0
Increase in Compensated Absences	10,782	10,145	500
Total Adjustments	559,903	168,807	90,858
Net Cash Provided (Used) by Operating Activities	\$1,235,334	(\$24,570)	(\$27,448)

Schedule of Noncash Investing, Capital and Financing Activities:

During 2008, the Sewer Fund received capital assets of \$136,100 from Governmental Funds.
During 2008, the Sewer Fund entered into capital lease obligations of \$227,285.

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental
<u>Primary Care</u>	<u>Total</u>	<u>-Activities</u>
		<u>Internal Service</u>
		<u>Funds</u>
(\$59,977)	\$303,771	(\$247,154)
0	762,898	0
70	(189,854)	(427)
(534)	(2,699)	0
1,565	2,907	0
(757)	158,524	(1,336)
12,211	435,809	0
(8,922)	(385,850)	0
0	20,039	0
0	21,427	0
<u>3,633</u>	<u>823,201</u>	<u>(1,763)</u>
<u>(\$56,344)</u>	<u>\$1,126,972</u>	<u>(\$248,917)</u>

CITY OF PORTSMOUTH, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2008**

	<u>Private Purpose Trust</u>	
	<u>Private Purpose</u>	<u>Agency</u>
Assets:		
Cash and Cash Equivalents	\$ 75,134	\$ 0
Receivables:		
Accounts	0	344,629
Restricted Assets:		
Cash and Cash Equivalents	<u>0</u>	<u>103,898</u>
Total Assets	<u>75,134</u>	<u>448,527</u>
Liabilities:		
Intergovernmental Payable	0	35,234
Claims Payable	63,055	0
Due to Others	<u>0</u>	<u>413,293</u>
Total Liabilities	<u>63,055</u>	<u>448,527</u>
Unrestricted	<u>12,079</u>	<u>0</u>
Total Net Assets	<u>\$ 12,079</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Statement of Changes in Net Assets
Fiduciary Funds
For the Year Ended December 31, 2008***

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

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

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-Mayor form of government, was adopted in 1928 and has been amended several times.

The financial statements are presented as of December 31, 2008 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 the GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* 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, liabilities, 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, 2008***

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 and all liabilities 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 total assets.

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 Funds - The internal service funds are 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, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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, funds from the three percent (3%) fees as required by Ohio Revised Code, funds that flow through the municipal court office, and insurance premiums paid for employees' health insurance. 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 assets 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, 2008***

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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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, 2008***

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.

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenues. Property taxes measurable as of December 31, 2008 but which are not intended to finance 2008 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

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.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City's Enterprise Proprietary Funds, Business Type Activities, and Governmental Type Activities follow GASB guidance which is applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 Mayor 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.

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 2008.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2008. 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 and are reported as reservations of fund balances for governmental funds in the accompanying basic financial statements.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 as opposed to a reservation of fund balance on the GAAP 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
	<u>General Fund</u>
GAAP Basis (as reported)	(\$525,986)
Increase (Decrease):	
Accrued Revenues at December 31, 2008 received during 2009	(1,042,223)
Accrued Revenues at December 31, 2007 received during 2008	1,341,655
Accrued Expenditures at December 31, 2008 paid during 2009	881,363
Accrued Expenditures at December 31, 2007 paid during 2008	(750,840)
2007 Prepays for 2008	27,819
2008 Prepays for 2009	(8,910)
Outstanding Encumbrances	(38,100)
Budget Basis	<u><u>(\$115,222)</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

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 4, "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. 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 Assets, 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, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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. 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 Assets 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
Infrastructure	10-50
Machinery, Equipment, Furniture and Fixtures	3 - 15

I. 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
Bond Anticipation Note	Capital Improvement 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, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal and state grants for security of persons and property, public health and welfare and mandatory fines for various court programs.

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

L. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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.

N. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, debt service, endowments, and encumbered amounts that have not been accrued at year-end.

O. Restricted Assets

Certain assets are classified as restricted cash on the statement of net assets and the balance sheet because these funds are being held by a trustee as designated by a bond indenture, or for endowments.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

The City implemented GASB Statement No. 45 “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*” and GASB Statement No. 50 “*Pension Disclosures*”. Statement No. 45 establishes standards of accounting and financial reporting for Other Postemployment Benefits (OPEB), note disclosures and required supplementary information. Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for (OPEB) and enhances information disclosed in the notes to the financial statements. The application of these new standards did not have an effect on the financial statements, nor did implementation require a restatement of prior year balances.

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$13,304 in the Rural AIDS State Grant Fund and \$27,021 in the Family Planning Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

B. Certificate of Fiscal Officer

Contrary to Ohio Revised Code Section 5705.41 (D)(1) the City Auditor did not properly certify that the amount required to meet a commitment was lawfully appropriated and in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance for sixty-two percent of the transactions tested.

The City Auditor will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

C. Appropriations at Minimum Legal Level of Control

Contrary to Ohio Revised Code Section 5705.38(C) the City appropriates all funds, except the General Fund, at the fund level.

The City Auditor will appropriate at the minimum legal level of control.

D. Blanket Purchase Orders

Contrary to Ohio Revised Code Section 5705.41(D) the City did not establish a maximum amount for Blanket Purchase Orders. In addition several Blanket Purchase Orders were still open and outstanding at year-end.

The City Auditor will more closely monitor blanket purchase order procedures pertaining to violations of this nature in the future.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Timely Deposits

Contrary to Ohio Revised Code Section 9.38, the Utility Department and the Probation Department did not deposit utility and restitution receipts on the next business day following the day of receipt with the City Auditor. The City also does not have a policy to permit their officials to hold monies for a time limit in excess of the one permitted by ORC Section 9.38.

F. Excess Appropriations over Estimated Resources

The General Fund and twelve other funds had appropriations exceeding estimated resources contrary to Ohio Revised Code Section 5705.39.

NOTE 4 – 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, 2008**

NOTE 4 – 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).

A. 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. 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 \$7,097,622 and the bank balance was \$7,859,397. Federal depository insurance covered \$644,161 of the bank balance and \$7,215,236 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>\$7,215,236</u>
Total Balance	<u><u>\$7,215,236</u></u>

Investment earnings of \$109,002 earned by other funds was credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2008 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities In Years less than 1</u>
FDRT Government Obligations Fund	\$2,272,790	AAAm	\$2,272,790
First American Treasury Obligation	<u>1,757,289</u>	AAAm	<u>1,757,289</u>
Total Investments	<u>\$4,030,079</u>		<u>\$4,030,079</u>

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City’s Investment Policy does not permit the Auditor to invest in any security maturing in more than 2 years.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. The City’s investments in First American Treasury Obligation and FDRT Government Obligations Fund represent 56%, and 44% of the City’s total investments.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the City’s investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment’s counterparty, not in the name of the City. The City has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$11,127,701	\$0
FDRT Government Obligations Fund	(2,272,790)	2,272,790
First American Treasury Obligation	<u>(1,757,289)</u>	<u>1,757,289</u>
Per GASB Statement No. 3	<u>\$7,097,622</u>	<u>\$4,030,079</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 5 - 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 (other than public utility) collected during 2008 were levied after October 1, 2007 on assessed values as of January 1, 2007, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market 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 2004. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of January 1, 2007. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out. The assessment percentage for property, including inventory is 6.25% for 2008. This percentage will be reduced to zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill NO.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business an railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Public utility real collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2008 was \$10.25 per \$1,000 of assessed value. The assessed value upon which the 2008 tax collections were based was \$228,185,580. This amount constituted \$203,388,860 in real property assessed value, \$11,864,530 in public utility assessed value and \$12,932,190 in tangible personal property assessed value.

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 1.4% 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 6 - RECEIVABLES

Receivables at December 31, 2008 consisted of taxes, intergovernmental, interest, accounts receivable, and loans.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2008 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$29,562	\$24,453
Other Governmental Funds	24,453	29,562
	<u>\$54,015</u>	<u>\$54,015</u>

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at December 31, 2008 of \$15,532, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the General Fund is for overdrafts in three Special Revenue Funds. The Due to Other Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund.

CITY OF PORTSMOUTH, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 8 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2008:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$20,000
Other Governmental Funds	<u>20,000</u>	<u>0</u>
Totals	<u><u>\$20,000</u></u>	<u><u>\$20,000</u></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; to return money to the fund from which it was originally provided once a project is completed.

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CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 9 - CAPITAL ASSETS

A. Governmental Capital Assets

Summary by category of changes in Governmental Capital Assets:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$1,826,884	\$0	\$0	\$1,826,884
Construction in Progress	467,370	477,645	(467,370)	477,645
Subtotal	2,294,254	477,645	(467,370)	2,304,529
<i>Capital assets being depreciated:</i>				
Buildings	5,815,123	442,502	0	6,257,625
Improvements	2,097,541	0	0	2,097,541
Machinery and Equipment	7,560,011	343,772	(19,129)	7,884,654
Infrastructure	27,994,260	180,925	(57,512)	28,117,673
Subtotal	43,466,935	967,199	(76,641)	44,357,493
Total Cost	\$45,761,189	\$1,444,844	(\$544,011)	\$46,662,022
<i>Accumulated Depreciation:</i>				
Class	December 31, 2007	Additions	Deletions	December 31, 2008
Buildings	(\$1,632,474)	(\$124,594)	\$0	(\$1,757,068)
Improvements	(744,840)	(76,646)	0	(821,486)
Machinery and Equipment	(5,490,512)	(497,122)	18,779	(5,968,855)
Infrastructure	(17,937,858)	(996,487)	45,206	(18,889,139)
Total Depreciation	(\$25,805,684)	(\$1,694,849) *	\$63,985	(\$27,436,548)
<i>Net Value:</i>	\$19,955,505			\$19,225,474

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$290,164
Public Health & Welfare Services	46,782
Leisure Time Activities	12,460
Community Environment	63,181
Transportation	1,048,699
General Government	233,563
Total Depreciation Expense	\$1,694,849

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business Type Capital Assets

Summary by Category at December 31, 2008:

Historical Cost:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
<i>Capital assets not being depreciated:</i>				
Land	\$50,737	\$25,000	\$0	\$75,737
Construction in Progress	4,092,907	4,759,189	(1,838,224)	7,013,872
Subtotal	4,143,644	4,784,189	(1,838,224)	7,089,609
<i>Capital assets being depreciated:</i>				
Buildings	1,005,757	22,456	0	1,028,213
Improvements other than Buildings	23,921,037	0	0	23,921,037
Machinery and Equipment	3,580,462	4,798,262	0	8,378,724
Subtotal	28,507,256	4,820,718	0	33,327,974
Total Cost	\$32,650,900	\$9,604,907	(\$1,838,224)	\$40,417,583

Accumulated Depreciation:

Class	December 31, 2007	Additions	Deletions	December 31, 2008
Buildings	(\$380,830)	(\$21,121)	\$0	(\$401,951)
Improvements other than Buildings	(15,037,905)	(298,492)	0	(15,336,397)
Machinery and Equipment	(2,286,016)	(443,285)	0	(2,729,301)
Total Depreciation	(\$17,704,751)	(\$762,898)	\$0	(\$18,467,649)

Net Value:

	\$14,946,149			\$21,949,934
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (the “Ohio PERS”)

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2008, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2008 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 7.0% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City’s required contributions for pension obligations to OPERS for the years ending December 31, 2008, 2007, and 2006 were \$479,663, \$572,732 and \$594,014, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2008 were \$4,711 made by the City and \$3,365 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers and full-time firefighters participate in OP&F, a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the ORC. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements 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 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2008, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2008, 2007, and 2006 were \$224,010, \$221,413 and \$200,593 for police and \$313,558, \$305,872 and \$283,527 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 11 - 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 program 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 10 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 11 - 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 making a written request to OPERS, Attention: Finance Director, 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 2008, 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.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree 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 OPERS for the years ending December 31, 2008, 2007, and 2006 were \$479,663, \$377,269 and \$290,550, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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, 2008***

NOTE 11 - 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.

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.

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 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. 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, 2008, 2007, and 2006 were \$118,593, \$117,219 and \$132,306 for police and \$125,253, \$122,183 and \$135,221 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, 2008**

NOTE 12 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Revenue bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	<u>Maturity Date</u>	<u>Balance January 1, 2008</u>	<u>Issued</u>	<u>(Retired)</u>	<u>Balance December 31, 2008</u>
Capital Improvement Fund Note Payable:					
2.60% Capital Improvement	6/25/2009	\$0	\$680,000	\$0	\$680,000

The Notes Payable were issued for fire equipment.

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CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

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

Long-term debt and other long-term obligations of the City at December 31, 2008 were as follows:

				Balance			Balance	Amount due
				December 31,	Additions	(Deletions)	December 31,	Within
				2007			2008	One Year
Business-Type Activities Long-Term Debt:								
Ohio Public Works Commission Loans:								
2000	0.0%	Wastewater Improvement	2021	\$405,000	\$0	(\$30,000)	\$375,000	\$30,000
2008	0.0%	Wastewater-Sludge Digester	2028	0	538,377	0	538,377	35,000
Total Ohio Public Works Commission Loans				405,000	538,377	(30,000)	913,377	65,000
Water Refunding Revenue Bond:								
2003	1.6-4.15%	Waterworks Improvement	2015	3,895,000	0	(425,000)	3,470,000	440,000
Deferred Loss on Refunding				(104,859)	0	34,952	(69,907)	(34,952)
Total Revenue Bonds Payable				3,790,141	0	(390,048)	3,400,093	405,048
Ohio Water Development Authority Loans:								
2007	3.25%	Water MIEX Installation	2028	1,732,784	1,929,077	(68,912)	3,592,949	135,738
2008	4.1%	Wastewater-Sludge Digester	2038	0	501,078	0	501,078	7,312
Total Ohio Water Development Authority Loans				1,732,784	2,430,155	(68,912)	4,094,027	143,050
Compensated Absences				47,351	214,376	(192,949)	68,778	12,048
Capital Lease - Enterprise Funds				7,855,343	227,285	(420,991)	7,661,637	759,806
Total Business-Type Long-Term Debt				<u>\$13,830,619</u>	<u>\$3,410,193</u>	<u>(\$1,102,900)</u>	<u>\$16,137,912</u>	<u>\$1,384,952</u>
Governmental Activities Long-Term Debt:								
General Obligation Bond								
2001	3.6-5.5%	Police and Fireman's Disability and Pension	2027	\$1,815,000	\$0	(\$55,000)	\$1,760,000	\$55,000
Compensated Absences				663,299	844,195	(842,448)	665,046	55,156
Capital Lease Payable				1,161,876	0	(140,134)	1,021,742	193,519
Total Governmental Activities				<u>\$3,640,175</u>	<u>\$844,195</u>	<u>(\$1,037,582)</u>	<u>\$3,446,788</u>	<u>\$303,675</u>

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

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CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

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, 2008 follows:

Business-Type Activities:

Years	Mortgage Revenue Bond		OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$440,000	\$130,418	\$65,000	\$0	\$143,050	\$139,033
2010	455,000	114,187	65,000	0	144,490	127,242
2011	475,000	96,155	65,000	0	149,225	122,508
2012	495,000	76,632	65,000	0	154,114	117,619
2013	515,000	55,922	65,000	0	159,163	112,570
2014-2018	1,090,000	45,650	325,000	0	877,541	481,123
2019-2023	0	0	250,000	0	1,031,035	327,629
2024-2028	0	0	13,377	0	1,211,376	147,288
2029-2033	0	0	0	0	103,007	29,095
2034-2035	0	0	0	0	121,026	11,078
Totals	<u>\$3,470,000</u>	<u>\$518,964</u>	<u>\$913,377</u>	<u>\$0</u>	<u>\$4,094,027</u>	<u>\$1,615,185</u>

Governmental Activities:

Years	General Obligation Bonds	
	Principal	Interest
2009	\$55,000	\$94,020
2010	60,000	91,490
2011	60,000	88,640
2012	65,000	85,700
2013	70,000	82,450
2014-2018	400,000	354,930
2019-2023	520,000	234,850
2024-2027	530,000	75,075
Totals	<u>\$1,760,000</u>	<u>\$1,107,155</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

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

B. Defeased Debt

In April 2003, the City defeased \$2,485,000 of General Obligation Bonds and \$594,400 of Mortgage Revenue Bonds for Water System Improvements dated April 1, 1996 (the "1996 Bonds") and July 1, 2001 (the "2001 Bonds"), respectively through the issuance of \$5,500,000 of Mortgage Revenue Bonds for Water System Improvement (the "2003 Bonds"). A portion of the net proceeds of the 2003 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$815,000 at December 31, 2008, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - CAPITALIZED LEASES

The City leases four sanitation trucks, a Jet Vac truck and a sludge digester, all classified as machinery and equipment under capital leases. The cost of the equipment obtained under capital leases is \$891,185 in the Sewer Fund, and \$436,600 in the Sanitation Fund. The related liability is included in the Water Fund and the Sanitation Fund. In addition the City leases 15 police vehicles, a street sweeper and window replacements with an original cost of \$829,132. The original cost of the equipment and the related liability are reported on the Government – wide Statement of Net Assets.

In 2007, the City received \$5,694,081 of cash proceeds for water meter replacement. As of December 31, 2008, the cost of the water meters reported as Construction in Progress is \$5,027,873 in the Water Fund.

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, 2008.

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
2009	\$1,062,894	\$238,061
2010	1,062,894	187,060
2011	1,062,894	105,646
2012	1,062,894	105,646
2013	913,793	105,646
2014-2018	<u>4,022,065</u>	<u>466,602</u>
Minimum Lease Payments	9,187,434	1,208,661
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(1,525,797)</u>	<u>(186,919)</u>
Present value of minimum lease payments	<u><u>\$7,661,637</u></u>	<u><u>\$1,021,742</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 15 - CONTINGENCIES

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.

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.

NOTE 17 – CONDUIT DEBT

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment on the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

As of December 31, 2008, there was one series of Industrial Revenue Bonds outstanding, with a principal amount payable of \$200,000.

NOTE 18 – CONSTRUCTION COMMITMENTS

The City has entered into two multi-year construction contracts. A contract for water meter replacement and street improvements was entered in 2007 with Ameresco, Inc. The contract's original amount is for \$7,425,485. As of December 31, 2008, the City has paid \$6,041,986 and \$1,383,499 is still outstanding. Payments will be made as work is completed and invoices submitted by the contractor.

The engineering phase was begun for the construction of a new 900,000 gallon water tank in Wheelersburg to provide for expanded water service and increased fire protection. The contract's original amount is \$971,000 of which \$898,568 is still outstanding as of December 31, 2008.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2008***

NOTE 19 - SUBSEQUENT EVENTS

On February 10, 2009, the City authorized and issued \$680,000 of general obligation notes for fire equipment.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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 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.

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.

D.A.R.E. State Grant Fund

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

(Continued)

Special Revenue Funds

Local Law Block Grant Fund

To account for grant monies to be used specifically for the improvement of public safety and the reduction of crime.

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.

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.

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.

(Continued)

Special Revenue Funds

Tourism and Cultural Development Fund

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

Abstinence Education Fund

To account for a Federal grant to be used to cover the costs of education related to teenage abstinence program. (The Balance Sheet is not presented because there are no assets or liabilities at year end. This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.

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.

Ryan White HIV Care Part B Grant Fund

To account for grant funds to provide services to assist Ryan White patients with medical case management needs that include, but are not limited to, prescription assistance, utility assistance and many other identified social needs.

Family Planning Fund

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

Child and Family Health Services Grant Fund

To account for grant funds to provide administrative oversight for basic prenatal care services and community needs relative to families and children within the community.

Federal Emergency Management Agency (F.E.M.A.) Grant Fund

To account for Federal Emergency Management Agency funds received as reimbursement for flood damage.

Regional HIV Prevention Fund

To account for federal grant funds to be used to educate the public about HIV.

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.

Special Revenue Funds

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.

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

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, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 2,533,906	\$ 0	\$ 2,533,906
Receivables (net of allowance for doubtful accounts):			
Taxes	341,459	0	341,459
Accounts	134,412	0	134,412
Intergovernmental	1,693,643	0	1,693,643
Interest	102	1,605	1,707
Loans	158,023	0	158,023
Due from Other Funds	24,453	0	24,453
Inventory of Supplies, at Cost	24,302	0	24,302
Prepaid Items	20,040	0	20,040
Restricted Assets:			
Cash and Cash Equivalents	0	184,630	184,630
Total Assets	<u>\$ 4,930,340</u>	<u>\$ 186,235</u>	<u>\$ 5,116,575</u>
Liabilities:			
Accounts Payable	\$ 29,061	\$ 0	\$ 29,061
Accrued Wages and Benefits Payable	386	0	386
Intergovernmental Payable	209,218	0	209,218
Due to Other Funds	29,562	0	29,562
Deferred Revenue	1,764,656	0	1,764,656
Total Liabilities	<u>2,032,883</u>	<u>0</u>	<u>2,032,883</u>
Fund Balances:			
Reserved for Encumbrances	277,390	0	277,390
Reserved for Prepaid Items	20,040	0	20,040
Reserved for Supplies Inventory	24,302	0	24,302
Reserved for Endowments	0	26,843	26,843
Unreserved, Undesignated in:			
Special Revenue Funds	2,575,725	0	2,575,725
Permanent Funds	0	159,392	159,392
Total Fund Balances	<u>2,897,457</u>	<u>186,235</u>	<u>3,083,692</u>
Total Liabilities and Funds Balances	<u>\$ 4,930,340</u>	<u>\$ 186,235</u>	<u>\$ 5,116,575</u>

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2008***

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 379,201	\$ 0	\$ 379,201
Intergovernmental Revenues	3,300,185	0	3,300,185
Charges for Services	193,449	14,950	208,399
Investment Earnings	3,858	2,658	6,516
Fines and Forfeitures	524,127	0	524,127
All Other Revenue	341,570	0	341,570
Total Revenue	4,742,390	17,608	4,759,998
Expenditures:			
Current:			
Security of Persons and Property	467,624	0	467,624
Public Health and Welfare Services	2,257,404	21,478	2,278,882
Leisure Time Activities	25,986	0	25,986
Community Environment	273,589	0	273,589
Transportation	1,024,434	0	1,024,434
General Government	471,128	0	471,128
Total Expenditures	4,520,165	21,478	4,541,643
Excess (Deficiency) of Revenues Over Expenditures	222,225	(3,870)	218,355
Other Financing Sources (Uses):			
Transfers In	20,000	0	20,000
Total Other Financing Sources (Uses)	20,000	0	20,000
Net Change in Fund Balances	242,225	(3,870)	238,355
Fund Balances at Beginning of Year	2,657,892	190,105	2,847,997
Decrease in Inventory Reserve	(2,660)	0	(2,660)
Fund Balances End of Year	\$ 2,897,457	\$ 186,235	\$ 3,083,692

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
Assets:					
Cash and Cash Equivalents	\$ 0	\$ 197,685	\$ 6,933	\$ 19,947	\$ 11,960
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	60,728	47,423	6,722	11,086
Intergovernmental	39,905	0	0	0	0
Interest	0	0	0	0	0
Loans	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Prepaid Items	0	2,228	0	0	0
Total Assets	\$ 39,905	\$ 260,641	\$ 54,356	\$ 26,669	\$ 23,046
Liabilities:					
Accounts Payable	\$ 0	\$ 2,394	\$ 0	\$ 0	\$ 8,735
Accrued Wages and Benefits Payable	0	0	0	0	12
Intergovernmental Payable	4,548	4,763	5,963	4,378	1,035
Due to Other Funds	7,955	0	0	0	0
Deferred Revenue	26,603	42,018	32,812	4,651	7,670
Total Liabilities	39,106	49,175	38,775	9,029	17,452
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Prepaid Items	0	2,228	0	0	0
Reserved for Supplies Inventory	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	799	209,238	15,581	17,640	5,594
Total Fund Balances	799	211,466	15,581	17,640	5,594
Total Liabilities and Fund Balances	\$ 39,905	\$ 260,641	\$ 54,356	\$ 26,669	\$ 23,046

CITY OF PORTSMOUTH, OHIO

<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>	<u>Local Law Block Grant</u>	<u>COPS Fast Grant</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Enforcement and Education</u>
\$ 142	\$ 142	\$ 15,538	\$ 41,502	\$ 124,467	\$ 17,451	\$ 3,640
61,617	61,617	0	0	0	0	0
0	0	0	0	0	5,027	1,353
4,227	4,227	0	0	15,400	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 65,986</u>	<u>\$ 65,986</u>	<u>\$ 15,538</u>	<u>\$ 41,502</u>	<u>\$ 139,867</u>	<u>\$ 22,478</u>	<u>\$ 4,993</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250	\$ 0
0	0	78	0	0	0	0
0	0	0	157	3,327	0	84
0	0	0	0	0	0	0
65,844	65,844	0	0	2,583	3,478	936
<u>65,844</u>	<u>65,844</u>	<u>78</u>	<u>157</u>	<u>5,910</u>	<u>3,728</u>	<u>1,020</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
142	142	15,460	41,345	133,957	18,750	3,973
<u>142</u>	<u>142</u>	<u>15,460</u>	<u>41,345</u>	<u>133,957</u>	<u>18,750</u>	<u>3,973</u>
<u>\$ 65,986</u>	<u>\$ 65,986</u>	<u>\$ 15,538</u>	<u>\$ 41,502</u>	<u>\$ 139,867</u>	<u>\$ 22,478</u>	<u>\$ 4,993</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	Mandatory Fines	Law Enforcement	Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants
Assets:					
Cash and Cash Equivalents	\$ 32,635	\$ 176,065	\$ 20,726	\$ 151,172	\$ 90,941
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	2,073	0	0	0	0
Intergovernmental	347	0	469,364	39,120	431,131
Interest	0	0	0	0	0
Loans	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	16,936	0	0
Prepaid Items	0	0	2,565	0	909
Total Assets	\$ 35,055	\$ 176,065	\$ 509,591	\$ 190,292	\$ 522,981
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 398	\$ 0	\$ 39
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	0	0	58,472	0	40,740
Due to Other Funds	0	0	0	0	0
Deferred Revenue	1,434	0	319,000	28,000	209,259
Total Liabilities	1,434	0	377,870	28,000	250,038
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Prepaid Items	0	0	2,565	0	909
Reserved for Supplies Inventory	0	0	16,936	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	33,621	176,065	112,220	162,292	272,034
Total Fund Balances	33,621	176,065	131,721	162,292	272,943
Total Liabilities and Fund Balances	\$ 35,055	\$ 176,065	\$ 509,591	\$ 190,292	\$ 522,981

CITY OF PORTSMOUTH, OHIO

<u>Community Development</u>	<u>Tourism and Cultural Development</u>	<u>State Grant Health</u>	<u>Rural AIDS State Grant</u>	<u>Ryan White HIV Care Part B Grant</u>	<u>Family Planning</u>	<u>Child and Family Health Services Grant</u>
\$ 413,040	\$ 11,529	\$ 73,743	\$ 5,835	\$ 2,043	\$ 0	\$ 0
0	14,519	0	0	0	0	0
0	0	0	0	0	0	0
503,800	0	70,551	7,500	36,250	0	58,974
0	0	0	0	0	0	0
158,023	0	0	0	0	0	0
24,453	0	0	0	0	0	0
0	0	0	2,200	0	3,988	534
0	0	3,989	1,632	2,404	2,422	1,068
<u>\$ 1,099,316</u>	<u>\$ 26,048</u>	<u>\$ 148,283</u>	<u>\$ 17,167</u>	<u>\$ 40,697</u>	<u>\$ 6,410</u>	<u>\$ 60,576</u>
\$ 0	\$ 0	\$ 200	\$ 2,736	\$ 77	\$ 351	\$ 91
0	0	0	0	0	0	0
957	0	12,124	20,235	8,325	13,208	1,754
0	0	0	0	0	19,872	1,735
656,823	0	43,720	7,500	0	0	29,928
<u>657,780</u>	<u>0</u>	<u>56,044</u>	<u>30,471</u>	<u>8,402</u>	<u>33,431</u>	<u>33,508</u>
23,000	0	0	0	0	0	0
0	0	3,989	1,632	2,404	2,422	1,068
0	0	0	2,200	0	3,988	534
<u>418,536</u>	<u>26,048</u>	<u>88,250</u>	<u>(17,136)</u>	<u>29,891</u>	<u>(33,431)</u>	<u>25,466</u>
<u>441,536</u>	<u>26,048</u>	<u>92,239</u>	<u>(13,304)</u>	<u>32,295</u>	<u>(27,021)</u>	<u>27,068</u>
<u>\$ 1,099,316</u>	<u>\$ 26,048</u>	<u>\$ 148,283</u>	<u>\$ 17,167</u>	<u>\$ 40,697</u>	<u>\$ 6,410</u>	<u>\$ 60,576</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008**

	<u>F.E.M.A. Grant</u>	<u>Regional HIV Prevention</u>	<u>Ryan White Title III</u>	<u>Flood Defense</u>	<u>Land Reutilization</u>
Assets:					
Cash and Cash Equivalents	\$ 41,235	\$ 91,639	\$ 27,358	\$ 873,958	\$ 2,000
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	203,706	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	12,847	0
Interest	0	0	0	0	0
Loans	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	644	0	0
Prepaid Items	0	0	2,695	0	0
Total Assets	<u>\$ 41,235</u>	<u>\$ 91,639</u>	<u>\$ 30,697</u>	<u>\$ 1,090,511</u>	<u>\$ 2,000</u>
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 8,472	\$ 3,503	\$ 1,768
Accrued Wages and Benefits Payable	0	0	0	296	0
Intergovernmental Payable	0	7,242	13,724	7,511	0
Due to Other Funds	0	0	0	0	0
Deferred Revenue	0	0	0	216,553	0
Total Liabilities	<u>0</u>	<u>7,242</u>	<u>22,196</u>	<u>227,863</u>	<u>1,768</u>
Fund Balances:					
Reserved for Encumbrances	0	0	0	254,390	0
Reserved for Prepaid Items	0	0	2,695	0	0
Reserved for Supplies Inventory	0	0	644	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	41,235	84,397	5,162	608,258	232
Total Fund Balances	<u>41,235</u>	<u>84,397</u>	<u>8,501</u>	<u>862,648</u>	<u>232</u>
Total Liabilities and Fund Balances	<u>\$ 41,235</u>	<u>\$ 91,639</u>	<u>\$ 30,697</u>	<u>\$ 1,090,511</u>	<u>\$ 2,000</u>

CITY OF PORTSMOUTH, OHIO

<u>Council Trust for Recreation</u>	<u>Playground Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 68,076	\$ 12,504	\$ 2,533,906
0	0	341,459
0	0	134,412
0	0	1,693,643
0	102	102
0	0	158,023
0	0	24,453
0	0	24,302
128	0	20,040
<u>\$ 68,204</u>	<u>\$ 12,606</u>	<u>\$ 4,930,340</u>
\$ 47	\$ 0	\$ 29,061
0	0	386
671	0	209,218
0	0	29,562
<u>0</u>	<u>0</u>	<u>1,764,656</u>
<u>718</u>	<u>0</u>	<u>2,032,883</u>
0	0	277,390
128	0	20,040
0	0	24,302
<u>67,358</u>	<u>12,606</u>	<u>2,575,725</u>
<u>67,486</u>	<u>12,606</u>	<u>2,897,457</u>
<u>\$ 68,204</u>	<u>\$ 12,606</u>	<u>\$ 4,930,340</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, 2008**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	53,600	0	0	0	0
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	163,583	81,787	122,485	39,757
All Other Revenue	0	1,152	1,234	0	0
Total Revenue	53,600	164,735	83,021	122,485	39,757
Expenditures:					
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	59,624	149,080	76,487	105,852	57,266
Total Expenditures	59,624	149,080	76,487	105,852	57,266
Excess (Deficiency) of Revenues Over Expenditures	(6,024)	15,655	6,534	16,633	(17,509)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	(6,024)	15,655	6,534	16,633	(17,509)
Fund Balances at Beginning of Year	6,823	195,811	9,047	1,007	23,103
Increase (Decrease) in Inventory Reserve	0	0	0	0	0
Fund Balances End of Year	\$ 799	\$ 211,466	\$ 15,581	\$ 17,640	\$ 5,594

CITY OF PORTSMOUTH, OHIO

<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>	<u>Local Law Block Grant</u>	<u>COPS Fast Grant</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Enforcement and Education</u>
\$ 62,080	\$ 62,080	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8,280	8,280	0	30,000	33,821	0	0
0	0	12,528	0	0	0	0
0	0	0	149	0	0	0
0	0	0	0	0	21,884	4,219
0	0	250	0	0	0	0
<u>70,360</u>	<u>70,360</u>	<u>12,778</u>	<u>30,149</u>	<u>33,821</u>	<u>21,884</u>	<u>4,219</u>
57,218	57,218	3,134	17,315	53,820	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	21,200	1,619
<u>57,218</u>	<u>57,218</u>	<u>3,134</u>	<u>17,315</u>	<u>53,820</u>	<u>21,200</u>	<u>1,619</u>
13,142	13,142	9,644	12,834	(19,999)	684	2,600
0	0	0	0	0	0	0
0	0	0	0	0	0	0
13,142	13,142	9,644	12,834	(19,999)	684	2,600
(13,000)	(13,000)	5,816	28,511	153,956	18,066	1,373
0	0	0	0	0	0	0
<u>\$ 142</u>	<u>\$ 142</u>	<u>\$ 15,460</u>	<u>\$ 41,345</u>	<u>\$ 133,957</u>	<u>\$ 18,750</u>	<u>\$ 3,973</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, 2008**

	Mandatory Fines	Law Enforcement	Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	924,036	65,990	630,543
Charges for Services	0	0	0	0	0
Investment Earnings	0	0	2,329	1,165	0
Fines and Forfeitures	12,093	78,319	0	0	0
All Other Revenue	0	0	7,484	0	7,583
Total Revenue	12,093	78,319	933,849	67,155	638,126
Expenditures:					
Current:					
Security of Persons and Property	21,488	102,728	0	0	0
Public Health and Welfare Services	0	0	0	0	640,944
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	1,024,434	0	0
General Government	0	0	0	0	0
Total Expenditures	21,488	102,728	1,024,434	0	640,944
Excess (Deficiency) of Revenues Over Expenditures	(9,395)	(24,409)	(90,585)	67,155	(2,818)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	18,000
Total Other Financing Sources (Uses)	0	0	0	0	18,000
Net Change in Fund Balances	(9,395)	(24,409)	(90,585)	67,155	15,182
Fund Balances at Beginning of Year	43,016	200,474	221,265	95,137	259,906
Increase (Decrease) in Inventory Reserve	0	0	1,041	0	(2,145)
Fund Balances End of Year	\$ 33,621	\$ 176,065	\$ 131,721	\$ 162,292	\$ 272,943

CITY OF PORTSMOUTH, OHIO

<u>Community Development</u>	<u>Tourism and Cultural Development</u>	<u>Abstinence Education Prevention</u>	<u>State Grant Health</u>	<u>Rural AIDS State Grant</u>	<u>Ryan White HIV Care Part B Grant</u>	<u>Family Planning</u>
\$ 0	\$ 60,634	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
33,100	0	0	163,702	305,394	147,595	122,403
0	0	0	63,750	0	0	64,089
38	0	0	0	0	0	0
0	0	0	0	0	0	0
302,592	0	2,227	985	526	0	13,181
<u>335,730</u>	<u>60,634</u>	<u>2,227</u>	<u>228,437</u>	<u>305,920</u>	<u>147,595</u>	<u>199,673</u>
0	0	0	0	0	0	0
0	0	0	229,856	376,443	115,300	214,835
0	0	0	0	0	0	0
217,126	56,463	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>217,126</u>	<u>56,463</u>	<u>0</u>	<u>229,856</u>	<u>376,443</u>	<u>115,300</u>	<u>214,835</u>
118,604	4,171	2,227	(1,419)	(70,523)	32,295	(15,162)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
118,604	4,171	2,227	(1,419)	(70,523)	32,295	(15,162)
322,932	21,877	(2,227)	93,658	56,776	0	(9,343)
0	0	0	0	443	0	(2,516)
<u>\$ 441,536</u>	<u>\$ 26,048</u>	<u>\$ 0</u>	<u>\$ 92,239</u>	<u>\$ (13,304)</u>	<u>\$ 32,295</u>	<u>\$ (27,021)</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, 2008**

	Children and Family Health Services	F.E.M.A. Grant	Regional HIV Prevention	Ryan White Title III	Flood Defense
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 194,407
Intergovernmental Revenues	118,830	0	406,161	223,336	25,114
Charges for Services	0	0	0	6,250	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	0	0	0	1,771	0
Total Revenue	118,830	0	406,161	231,357	219,521
Expenditures:					
Current:					
Security of Persons and Property	0	1,626	0	0	153,077
Public Health and Welfare Services	92,296	0	375,208	210,754	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	0	0	0	0
Total Expenditures	92,296	1,626	375,208	210,754	153,077
Excess (Deficiency) of Revenues Over Expenditures	26,534	(1,626)	30,953	20,603	66,444
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	26,534	(1,626)	30,953	20,603	66,444
Fund Balances at Beginning of Year	0	42,861	53,444	(12,085)	796,204
Increase (Decrease) in Inventory Reserve	534	0	0	(17)	0
Fund Balances End of Year	\$ 27,068	\$ 41,235	\$ 84,397	\$ 8,501	\$ 862,648

CITY OF PORTSMOUTH, OHIO

<u>Land Reutilization</u>	<u>Council Trust for Recreation</u>	<u>Playground Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 379,201
0	0	0	3,300,185
0	46,832	0	193,449
0	0	177	3,858
0	0	0	524,127
0	224	2,361	341,570
<u>0</u>	<u>47,056</u>	<u>2,538</u>	<u>4,742,390</u>
0	0	0	467,624
1,768	0	0	2,257,404
0	25,986	0	25,986
0	0	0	273,589
0	0	0	1,024,434
0	0	0	471,128
<u>1,768</u>	<u>25,986</u>	<u>0</u>	<u>4,520,165</u>
(1,768)	21,070	2,538	222,225
<u>2,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
<u>2,000</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
232	21,070	2,538	242,225
0	46,416	10,068	2,657,892
0	0	0	(2,660)
<u>\$ 232</u>	<u>\$ 67,486</u>	<u>\$ 12,606</u>	<u>\$ 2,897,457</u>

CITY OF PORTSMOUTH, OHIO

***Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2008***

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Assets:			
Receivables			
Interest	\$ 1,554	\$ 51	\$ 1,605
Restricted Assets:			
Cash and Cash Equivalents	<u>179,844</u>	<u>4,786</u>	<u>184,630</u>
Total Assets	<u><u>\$ 181,398</u></u>	<u><u>\$ 4,837</u></u>	<u><u>\$ 186,235</u></u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:			
Reserved for Endowments	22,339	4,504	26,843
Unreserved, Undesignated in:			
Permanent Funds	<u>159,059</u>	<u>333</u>	<u>159,392</u>
Total Fund Balances	<u><u>181,398</u></u>	<u><u>4,837</u></u>	<u><u>186,235</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 181,398</u></u>	<u><u>\$ 4,837</u></u>	<u><u>\$ 186,235</u></u>

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended December 31, 2008***

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Revenues:			
Charges for Services	\$ 14,950	\$ 0	\$ 14,950
Investment Earnings	<u>2,569</u>	<u>89</u>	<u>2,658</u>
Total Revenue	<u>17,519</u>	<u>89</u>	<u>17,608</u>
Expenditures:			
Current:			
Public Health and Welfare Services	<u>21,478</u>	<u>0</u>	<u>21,478</u>
Total Expenditures	<u>21,478</u>	<u>0</u>	<u>21,478</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,959)	89	(3,870)
Fund Balances at Beginning of Year	<u>185,357</u>	<u>4,748</u>	<u>190,105</u>
Fund Balances End of Year	<u>\$ 181,398</u>	<u>\$ 4,837</u>	<u>\$ 186,235</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,936,000	\$ 7,444,500	\$ 7,444,833	\$ 333
Intergovernmental Revenues	1,711,400	2,102,000	2,102,585	585
Charges for Services	415,400	355,900	356,676	776
Licenses and Permits	248,200	232,100	233,203	1,103
Investment Earnings	100,000	113,000	113,028	28
Fines and Forfeitures	655,000	667,000	667,277	277
All Other Revenues	180,500	135,500	135,995	495
Total Revenues	10,246,500	11,050,000	11,053,597	3,597
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	3,179,517	2,993,831	2,992,020	1,811
Materials and Supplies	13,600	120,285	118,969	1,316
Contractual Services	133,110	148,510	130,678	17,832
Total Police	3,326,227	3,262,626	3,241,667	20,959
Fire:				
Personal Services	3,496,096	3,396,273	3,394,230	2,043
Materials and Supplies	7,650	25,796	25,444	352
Contractual Services	62,540	68,180	67,545	635
Total Fire	3,566,286	3,490,249	3,487,219	3,030
Street Lighting:				
Materials and Supplies	1,000	2,454	2,454	0
Contractual Services	185,000	183,718	183,718	0
Total Street Lighting	186,000	186,172	186,172	0
Total Security of Persons and Property	7,078,513	6,939,047	6,915,058	23,989
Public Health and Welfare Services:				
Health:				
Personal Services	506,112	517,722	517,221	501
Materials and Supplies	4,400	4,242	3,243	999
Contractual Services	105,700	106,905	103,514	3,391
Capital Outlay	1,000	1,158	1,158	0
Total Health	617,212	630,027	625,136	4,891
Total Public Health and Welfare Services	617,212	630,027	625,136	4,891

(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, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	156,715	153,074	152,066	1,008
Materials and Supplies	1,200	2,200	1,178	1,022
Contractual Services	34,650	58,634	44,099	14,535
Total Building Inspection	192,565	213,908	197,343	16,565
Administration:				
Personal Services	39,796	48,467	47,229	1,238
Materials and Supplies	1,508	1,176	559	617
Contractual Services	3,200	6,607	6,277	330
Total Administration	44,504	56,250	54,065	2,185
Total Community Environment	237,069	270,158	251,408	18,750
Transportation:				
Traffic Lights:				
Personal Services	88,441	124,609	123,967	642
Materials and Supplies	13,525	13,925	12,737	1,188
Contractual Services	36,055	26,932	26,267	665
Capital Outlay	500	500	140	360
Total Traffic Lights	138,521	165,966	163,111	2,855
Cemetery Grounds:				
Personal Services	58,805	88,887	88,604	283
Materials and Supplies	1,100	1,761	1,311	450
Contractual Services	37,120	32,749	31,707	1,042
Capital Outlay	300	300	0	300
Total Cemetery Grounds	97,325	123,697	121,622	2,075
Recreational Grounds:				
Personal Services	143,235	140,159	139,469	690
Materials and Supplies	2,600	2,661	2,539	122
Contractual Services	1,890	1,829	1,618	211
Capital Outlay	500	500	412	88
Total Recreational Grounds	148,225	145,149	144,038	1,111
Total Transportation	384,071	434,812	428,771	6,041

(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, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
General Government:				
City Council:				
Personal Services	58,178	65,273	65,247	26
Materials and Supplies	600	353	330	23
Contractual Services	775	485	478	7
Total City Council	59,553	66,111	66,055	56
Executive:				
Personal Services	92,823	94,569	94,273	296
Materials and Supplies	1,750	1,250	1,198	52
Contractual Services	9,350	9,550	7,740	1,810
Total Executive	103,923	105,369	103,211	2,158
Legal:				
Personal Services	223,748	244,442	244,429	13
Materials and Supplies	2,000	4,869	4,867	2
Contractual Services	18,000	14,540	14,194	346
Total Legal	243,748	263,851	263,490	361
Finance:				
Personal Services	167,654	196,652	196,506	146
Materials and Supplies	2,500	2,974	2,927	47
Contractual Services	51,100	51,666	51,026	640
Capital Outlay	500	60	60	0
Total Finance	221,754	251,352	250,519	833
Civil Service:				
Personal Services	13,828	9,348	8,423	925
Contractual Services	3,530	3,330	2,445	885
Total Civil Service	17,358	12,678	10,868	1,810
Municipal Court:				
Personal Services	823,008	803,530	803,385	145
Materials and Supplies	3,350	3,350	2,359	991
Contractual Services	53,200	149,564	146,228	3,336
Capital Outlay	0	100	20	80
Total Municipal Court	879,558	956,544	951,992	4,552

(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, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Income Tax:				
Personal Services	162,730	177,674	177,309	365
Materials and Supplies	1,600	2,090	1,606	484
Contractual Services	134,300	143,335	142,680	655
Total Income Tax	<u>298,630</u>	<u>323,099</u>	<u>321,595</u>	<u>1,504</u>
Engineering:				
Personal Services	57,388	70,838	70,288	550
Materials and Supplies	700	700	336	364
Contractual Services	8,800	7,900	6,506	1,394
Total Engineering	<u>66,888</u>	<u>79,438</u>	<u>77,130</u>	<u>2,308</u>
Public Service:				
Personal Services	58,973	68,906	67,726	1,180
Materials and Supplies	2,100	2,400	1,929	471
Contractual Services	10,923	13,023	12,055	968
Total Public Service	<u>71,996</u>	<u>84,329</u>	<u>81,710</u>	<u>2,619</u>
City Building:				
Personal Services	83,563	60,898	60,434	464
Materials and Supplies	4,500	4,500	4,359	141
Contractual Services	66,250	64,750	64,040	710
Total City Building	<u>154,313</u>	<u>130,148</u>	<u>128,833</u>	<u>1,315</u>
Garage:				
Personal Services	119,954	143,822	143,461	361
Materials and Supplies	213,125	139,876	139,218	658
Contractual Services	38,950	23,150	22,468	682
Total Garage	<u>372,029</u>	<u>306,848</u>	<u>305,147</u>	<u>1,701</u>
Non-Departmental:				
Personal Services	0	17,724	17,724	0
Contractual Services	443,862	366,220	350,172	16,048
Total Non-Departmental	<u>443,862</u>	<u>383,944</u>	<u>367,896</u>	<u>16,048</u>
Total General Government	<u>2,933,612</u>	<u>2,963,711</u>	<u>2,928,446</u>	<u>35,265</u>
Total Expenditures	<u>11,250,477</u>	<u>11,237,755</u>	<u>11,148,819</u>	<u>88,936</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, 2008***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,003,977)	(187,755)	(95,222)	92,533
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	<u>0</u>	<u>(27,000)</u>	<u>(20,000)</u>	<u>7,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(27,000)</u>	<u>(20,000)</u>	<u>7,000</u>
Net Change in Fund Balance	(1,003,977)	(214,755)	(115,222)	99,533
Fund Balance at Beginning of Year	77,053	77,053	77,053	0
Prior Year Encumbrances	<u>68,619</u>	<u>68,619</u>	<u>68,619</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (858,305)</u>	<u>\$ (69,083)</u>	<u>\$ 30,450</u>	<u>\$ 99,533</u>

CITY OF PORTSMOUTH, OHIO

***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, 2008***

GENERAL OBLIGATION BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 150,000	\$ 133,000	\$ 133,265	\$ 265
Intergovernmental Revenues	0	19,000	19,321	321
Total Revenues	150,000	152,000	152,586	586
Expenditures:				
Debt Service:				
Principal Retirement	55,000	55,000	55,000	0
Interest and Fiscal Charges	100,000	100,000	96,467	3,533
Total Expenditures	155,000	155,000	151,467	3,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(3,000)	1,119	4,119
Fund Balance at Beginning of Year	31,275	31,275	31,275	0
Fund Balance at End of Year	\$ 26,275	\$ 28,275	\$ 32,394	\$ 4,119

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, 2008**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,200,000	\$ 1,512,000	\$ 1,512,200	\$ 200
All Other Revenues	0	12,000	11,839	(161)
Total Revenues	<u>1,200,000</u>	<u>1,524,000</u>	<u>1,524,039</u>	<u>39</u>
Expenditures:				
Capital Outlay	365,062	3,620,422	3,335,629	284,793
Debt Service:				
Principal Retirement	0	142,714	140,134	2,580
Interest and Fiscal Charges	0	54,701	53,907	794
Total Expenditures	<u>365,062</u>	<u>3,817,837</u>	<u>3,529,670</u>	<u>288,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	834,938	(2,293,837)	(2,005,631)	288,206
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	680,000	680,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>680,000</u>	<u>680,000</u>	<u>0</u>
Net Change in Fund Balance	834,938	(1,613,837)	(1,325,631)	288,206
Fund Balance at Beginning of Year	1,357,384	1,357,384	1,357,384	0
Prior Year Encumbrances	359,567	359,567	359,567	0
Fund Balance at End of Year	<u>\$ 2,551,889</u>	<u>\$ 103,114</u>	<u>\$ 391,320</u>	<u>\$ 288,206</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 70,000	\$ 40,000	\$ 40,298	\$ 298
Total Revenues	<u>70,000</u>	<u>40,000</u>	<u>40,298</u>	<u>298</u>
Expenditures:				
General Government:				
Personal Services	60,655	57,649	57,649	0
Materials and Supplies	<u>19,345</u>	<u>1,253</u>	<u>1,253</u>	<u>0</u>
Total Expenditures	<u>80,000</u>	<u>58,902</u>	<u>58,902</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(18,902)	(18,604)	298
Fund Balance at Beginning of Year	<u>10,649</u>	<u>10,649</u>	<u>10,649</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 649</u>	<u>\$ (8,253)</u>	<u>\$ (7,955)</u>	<u>\$ 298</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 150,000	\$ 165,000	\$ 164,739	\$ (261)
All Other Revenues	0	0	1,152	1,152
Total Revenues	<u>150,000</u>	<u>165,000</u>	<u>165,891</u>	<u>891</u>
Expenditures:				
General Government:				
Personal Services	96,785	91,785	49,793	41,992
Materials and Supplies	32,000	32,000	28,796	3,204
Contractual Services	34,100	39,100	38,139	961
Capital Outlay	<u>37,115</u>	<u>37,115</u>	<u>32,848</u>	<u>4,267</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>149,576</u>	<u>50,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(35,000)	16,315	51,315
Fund Balance at Beginning of Year	<u>170,916</u>	<u>170,916</u>	<u>170,916</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 120,916</u>	<u>\$ 135,916</u>	<u>\$ 187,231</u>	<u>\$ 51,315</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, 2008***

MUNICIPAL COURT PROBATION SERVICES FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 75,000	\$ 76,000	\$ 75,181	\$ (819)
All Other Revenues	0	0	1,234	1,234
Total Revenues	<u>75,000</u>	<u>76,000</u>	<u>76,415</u>	<u>415</u>
Expenditures:				
General Government:				
Personal Services	100,000	70,724	70,724	0
Materials and Supplies	0	246	246	0
Contractual Services	0	5,445	5,445	0
Total Expenditures	<u>100,000</u>	<u>76,415</u>	<u>76,415</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(415)	0	415
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ (25,000)</u>	<u>\$ (415)</u>	<u>\$ 0</u>	<u>\$ 415</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 100,000	\$ 120,000	\$ 120,876	\$ 876
Total Revenues	<u>100,000</u>	<u>120,000</u>	<u>120,876</u>	<u>876</u>
Expenditures:				
General Government:				
Personal Services	33,600	44,350	43,527	823
Contractual Services	<u>41,400</u>	<u>61,053</u>	<u>61,053</u>	<u>0</u>
Total Expenditures	<u>75,000</u>	<u>105,403</u>	<u>104,580</u>	<u>823</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,000	14,597	16,296	1,699
Fund Balance at Beginning of Year	<u>2,727</u>	<u>2,727</u>	<u>2,727</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,727</u>	<u>\$ 17,324</u>	<u>\$ 19,023</u>	<u>\$ 1,699</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 40,000	\$ 41,000	\$ 41,099	\$ 99
Total Revenues	<u>40,000</u>	<u>41,000</u>	<u>41,099</u>	<u>99</u>
Expenditures:				
General Government:				
Personal Services	12,160	12,160	9,797	2,363
Materials and Supplies	22,940	22,940	22,328	612
Contractual Services	<u>14,900</u>	<u>17,900</u>	<u>17,004</u>	<u>896</u>
Total Expenditures	<u>50,000</u>	<u>53,000</u>	<u>49,129</u>	<u>3,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(12,000)	(8,030)	3,970
Fund Balance at Beginning of Year	<u>17,326</u>	<u>17,326</u>	<u>17,326</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,326</u>	<u>\$ 5,326</u>	<u>\$ 9,296</u>	<u>\$ 3,970</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, 2008**

	FIRE PENSION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 60,000	\$ 62,000	\$ 62,080	\$ 80
Intergovernmental Revenues	0	8,000	8,280	280
Total Revenues	<u>60,000</u>	<u>70,000</u>	<u>70,360</u>	<u>360</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	<u>70,000</u>	<u>73,186</u>	<u>73,186</u>	<u>0</u>
Total Expenditures	<u>70,000</u>	<u>73,186</u>	<u>73,186</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(3,186)	(2,826)	360
Fund Balance at Beginning of Year	<u>2,968</u>	<u>2,968</u>	<u>2,968</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (7,032)</u></u>	<u><u>\$ (218)</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 360</u></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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 60,000	\$ 62,000	\$ 62,080	\$ 80
Intergovernmental Revenues	0	8,000	8,280	280
Total Revenues	60,000	70,000	70,360	360
Expenditures:				
Security of Persons and Property:				
Personal Services	70,000	73,186	73,186	0
Total Expenditures	70,000	73,186	73,186	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(3,186)	(2,826)	360
Fund Balance at Beginning of Year	2,968	2,968	2,968	0
Fund Balance at End of Year	\$ (7,032)	\$ (218)	\$ 142	\$ 360

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, 2008**

D.A.R.E. STATE GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 5,000	\$ 12,000	\$ 12,528	\$ 528
All Other Revenues	0	0	250	250
Total Revenues	<u>5,000</u>	<u>12,000</u>	<u>12,778</u>	<u>778</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	8,000	8,700	2,589	6,111
Materials and Supplies	0	800	773	27
Contractual Services	<u>2,000</u>	<u>4,744</u>	<u>0</u>	<u>4,744</u>
Total Expenditures	<u>10,000</u>	<u>14,244</u>	<u>3,362</u>	<u>10,882</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(2,244)	9,416	11,660
Fund Balance at Beginning of Year	<u>6,122</u>	<u>6,122</u>	<u>6,122</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,122</u>	<u>\$ 3,878</u>	<u>\$ 15,538</u>	<u>\$ 11,660</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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LOCAL LAW BLOCK GRANT FUND				
Revenues:				
Intergovernmental Revenues	\$ 20,000	\$ 30,000	\$ 30,000	\$ 0
Investment Earnings	0	0	149	149
Total Revenues	<u>20,000</u>	<u>30,000</u>	<u>30,149</u>	<u>149</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	10,160	0	0	0
Contractual Services	19,840	16,458	16,458	0
Capital Outlay	0	700	700	0
Total Expenditures	<u>30,000</u>	<u>17,158</u>	<u>17,158</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	12,842	12,991	149
Fund Balance at Beginning of Year	<u>28,511</u>	<u>28,511</u>	<u>28,511</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,511</u>	<u>\$ 41,353</u>	<u>\$ 41,502</u>	<u>\$ 149</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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 50,000	\$ 27,000	\$ 27,121	\$ 121
Total Revenues	<u>50,000</u>	<u>27,000</u>	<u>27,121</u>	<u>121</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	73,500	73,700	51,821	21,879
Materials and Supplies	1,200	1,200	452	748
Contractual Services	3,000	2,800	415	2,385
Capital Outlay	<u>72,300</u>	<u>72,300</u>	<u>560</u>	<u>71,740</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>53,248</u>	<u>96,752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(123,000)	(26,127)	96,873
Fund Balance at Beginning of Year	<u>150,594</u>	<u>150,594</u>	<u>150,594</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,594</u>	<u>\$ 27,594</u>	<u>\$ 124,467</u>	<u>\$ 96,873</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 21,000	\$ 21,140	\$ 140
Total Revenues	<u>20,000</u>	<u>21,000</u>	<u>21,140</u>	<u>140</u>
Expenditures:				
General Government:				
Contractual Services	<u>25,000</u>	<u>25,000</u>	<u>20,950</u>	<u>4,050</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>20,950</u>	<u>4,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(4,000)	190	4,190
Fund Balance at Beginning of Year	<u>16,570</u>	<u>16,570</u>	<u>16,570</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,570</u>	<u>\$ 12,570</u>	<u>\$ 16,760</u>	<u>\$ 4,190</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 3,000	\$ 3,832	\$ 832
Total Revenues	<u>1,000</u>	<u>3,000</u>	<u>3,832</u>	<u>832</u>
Expenditures:				
General Government:				
Personal Services	4,000	3,500	1,420	2,080
Contractual Services	<u>1,000</u>	<u>500</u>	<u>395</u>	<u>105</u>
Total Expenditures	<u>5,000</u>	<u>4,000</u>	<u>1,815</u>	<u>2,185</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(1,000)	2,017	3,017
Fund Balance at Beginning of Year	<u>1,437</u>	<u>1,437</u>	<u>1,437</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (2,563)</u></u>	<u><u>\$ 437</u></u>	<u><u>\$ 3,454</u></u>	<u><u>\$ 3,017</u></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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 50,000	\$ 11,000	\$ 11,940	\$ 940
Total Revenues	<u>50,000</u>	<u>11,000</u>	<u>11,940</u>	<u>940</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>75,000</u>	<u>21,488</u>	<u>21,488</u>	<u>0</u>
Total Expenditures	<u>75,000</u>	<u>21,488</u>	<u>21,488</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(10,488)	(9,548)	940
Fund Balance at Beginning of Year	<u>41,898</u>	<u>41,898</u>	<u>41,898</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,898</u>	<u>\$ 31,410</u>	<u>\$ 32,350</u>	<u>\$ 940</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 50,000	\$ 78,000	\$ 78,319	\$ 319
Total Revenues	<u>50,000</u>	<u>78,000</u>	<u>78,319</u>	<u>319</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>200,000</u>	<u>200,000</u>	<u>102,728</u>	<u>97,272</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>102,728</u>	<u>97,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,000)	(122,000)	(24,409)	97,591
Fund Balance at Beginning of Year	<u>200,474</u>	<u>200,474</u>	<u>200,474</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,474</u>	<u>\$ 78,474</u>	<u>\$ 176,065</u>	<u>\$ 97,591</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, 2008**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 900,000	\$ 899,000	\$ 929,403	\$ 30,403
Investment Earnings	0	0	2,329	2,329
All Other Revenues	0	0	7,484	7,484
Total Revenues	<u>900,000</u>	<u>899,000</u>	<u>939,216</u>	<u>40,216</u>
Expenditures:				
Transportation:				
Personal Services	801,423	755,665	755,665	0
Materials and Supplies	120,900	157,722	157,722	0
Contractual Services	35,948	32,271	32,271	0
Capital Outlay	1,000	79,151	79,151	0
Total Expenditures	<u>959,271</u>	<u>1,024,809</u>	<u>1,024,809</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,271)	(125,809)	(85,593)	40,216
Fund Balance at Beginning of Year	<u>106,319</u>	<u>106,319</u>	<u>106,319</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 47,048</u>	<u>\$ (19,490)</u>	<u>\$ 20,726</u>	<u>\$ 40,216</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 70,000	\$ 64,000	\$ 66,328	\$ 2,328
Investment Earnings	0	0	1,165	1,165
Total Revenues	<u>70,000</u>	<u>64,000</u>	<u>67,493</u>	<u>3,493</u>
Expenditures:				
Transportation:				
Materials and Supplies	0	57,500	0	57,500
Total Expenditures	<u>0</u>	<u>57,500</u>	<u>0</u>	<u>57,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	6,500	67,493	60,993
Fund Balance at Beginning of Year	<u>83,679</u>	<u>83,679</u>	<u>83,679</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 153,679</u>	<u>\$ 90,179</u>	<u>\$ 151,172</u>	<u>\$ 60,993</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, 2008**

	ENVIRONMENTAL STATE GRANTS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 575,000	\$ 556,000	\$ 556,367	\$ 367
All Other Revenues	0	7,000	7,583	583
Total Revenues	575,000	563,000	563,950	950
Expenditures:				
Public Health and Welfare Services:				
Personal Services	464,711	481,478	481,194	284
Materials and Supplies	19,300	22,400	21,652	748
Contractual Services	62,354	66,970	65,802	1,168
Capital Outlay	65,435	68,419	68,102	317
Total Expenditures	611,800	639,267	636,750	2,517
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,800)	(76,267)	(72,800)	3,467
Other Financing Sources (Uses):				
Transfers In	0	18,000	18,000	0
Total Other Financing Sources (Uses)	0	18,000	18,000	0
Net Change in Fund Balance	(36,800)	(58,267)	(54,800)	3,467
Fund Balance at Beginning of Year	141,941	141,941	141,941	0
Prior Year Encumbrances	3,800	3,800	3,800	0
Fund Balance at End of Year	\$ 108,941	\$ 87,474	\$ 90,941	\$ 3,467

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, 2008**

COMMUNITY DEVELOPMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 40,000	\$ 40,200	\$ 200
Investment Earnings	0	0	38	38
All Other Revenues	200,000	302,000	302,592	592
Total Revenues	<u>200,000</u>	<u>342,000</u>	<u>342,830</u>	<u>830</u>
Expenditures:				
Community Environment:				
Personal Services	21,063	30,046	17,362	12,684
Materials and Supplies	3,300	8,273	4,384	3,889
Contractual Services	603,275	577,375	218,624	358,751
Total Expenditures	<u>627,638</u>	<u>615,694</u>	<u>240,370</u>	<u>375,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(427,638)	(273,694)	102,460	376,154
Fund Balance at Beginning of Year	287,580	287,580	287,580	0
Fund Balance at End of Year	<u>\$ (140,058)</u>	<u>\$ 13,886</u>	<u>\$ 390,040</u>	<u>\$ 376,154</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, 2008**

TOURISM AND CULTURAL DEVELOPMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 45,000	\$ 58,000	\$ 58,092	\$ 92
Total Revenues	<u>45,000</u>	<u>58,000</u>	<u>58,092</u>	<u>92</u>
Expenditures:				
Community Environment:				
Contractual Services	<u>50,000</u>	<u>56,463</u>	<u>56,463</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>56,463</u>	<u>56,463</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	1,537	1,629	92
Fund Balance at Beginning of Year	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,900</u>	<u>\$ 11,437</u>	<u>\$ 11,529</u>	<u>\$ 92</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, 2008***

STATE GRANT HEALTH FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 350,000	\$ 218,000	\$ 218,187	\$ 187
Charges for Services	0	64,000	63,750	(250)
All Other Revenues	0	0	985	985
Total Revenues	<u>350,000</u>	<u>282,000</u>	<u>282,922</u>	<u>922</u>
Expenditures:				
Public Health and Welfare Services:				
State Grant - Health:				
Personal Services	<u>0</u>	<u>2,597</u>	<u>2,597</u>	<u>0</u>
Total State Grant - Health	0	2,597	2,597	0
Prevention:				
Personal Services	16,789	19,716	19,716	0
Materials and Supplies	2,295	2,380	2,380	0
Contractual Services	<u>15,916</u>	<u>13,035</u>	<u>13,035</u>	<u>0</u>
Total Prevention	35,000	35,131	35,131	0
State Grant - Family Living:				
Materials and Supplies	<u>3,951</u>	<u>3,950</u>	<u>3,950</u>	<u>0</u>
Total State Grant - Family Living	3,951	3,950	3,950	0
State Grant - Safety Grant:				
Personal Services	50,483	52,343	52,343	0
Materials and Supplies	3,995	0	0	0
Contractual Services	3,600	2,500	2,500	0
Capital Outlay	<u>340,846</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Grant - Safety Grant	398,924	54,843	54,843	0

(Continued)

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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
STATE GRANT HEALTH FUND				
Bioterrorism Grant:				
Personal Services	89,825	61,577	61,577	0
Materials and Supplies	8,000	11,210	11,210	0
Contractual Services	57,500	49,965	49,965	0
Capital Outlay	6,800	11,847	11,847	0
Total Bioterrorism Grant	<u>162,125</u>	<u>134,599</u>	<u>134,599</u>	<u>0</u>
Total Expenditures	<u>600,000</u>	<u>231,120</u>	<u>231,120</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(250,000)	50,880	51,802	922
Fund Balance at Beginning of Year	<u>21,941</u>	<u>21,941</u>	<u>21,941</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (228,059)</u>	<u>\$ 72,821</u>	<u>\$ 73,743</u>	<u>\$ 922</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, 2008***

	RURAL AIDS STATE GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 350,000	\$ 311,000	\$ 310,394	\$ (606)
All Other Revenues	0	0	526	526
Total Revenues	<u>350,000</u>	<u>311,000</u>	<u>310,920</u>	<u>(80)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	301,210	252,577	252,577	0
Materials and Supplies	96,800	59,340	59,340	0
Contractual Services	98,490	59,131	59,131	0
Capital Outlay	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>500,000</u>	<u>371,048</u>	<u>371,048</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,000)	(60,048)	(60,128)	(80)
Other Financing Sources (Uses):				
Advances Out	<u>0</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
Net Change in Fund Balance	(150,000)	(65,048)	(65,128)	(80)
Fund Balance at Beginning of Year	<u>70,963</u>	<u>70,963</u>	<u>70,963</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (79,037)</u>	<u>\$ 5,915</u>	<u>\$ 5,835</u>	<u>\$ (80)</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, 2008**

RYAN WHITE HIV CARE PART B GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 105,000	\$ 106,345	\$ 1,345
Total Revenues	<u>0</u>	<u>105,000</u>	<u>106,345</u>	<u>1,345</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	0	78,498	78,498	0
Materials and Supplies	0	11,925	11,925	0
Contractual Services	<u>0</u>	<u>18,879</u>	<u>18,879</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>109,302</u>	<u>109,302</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(4,302)	(2,957)	1,345
Other Financing Sources (Uses):				
Advances In	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	0	698	2,043	1,345
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>\$ 698</u>	<u>\$ 2,043</u>	<u>\$ 1,345</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, 2008**

FAMILY PLANNING FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 250,000	\$ 123,000	\$ 122,403	\$ (597)
Charges for Services	0	64,000	64,499	499
All Other Revenues	0	13,000	13,181	181
Total Revenues	<u>250,000</u>	<u>200,000</u>	<u>200,083</u>	<u>83</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	237,500	183,567	183,567	0
Materials and Supplies	33,000	24,427	24,427	0
Contractual Services	<u>29,500</u>	<u>11,961</u>	<u>11,961</u>	<u>0</u>
Total Expenditures	<u>300,000</u>	<u>219,955</u>	<u>219,955</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(19,955)	(19,872)	83
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>\$ (50,000)</u>	<u>\$ (19,955)</u>	<u>\$ (19,872)</u>	<u>\$ 83</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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 89,000	\$ 89,784	\$ 784
Total Revenues	<u>0</u>	<u>89,000</u>	<u>89,784</u>	<u>784</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	0	16,286	16,286	0
Materials and Supplies	0	3,463	3,463	0
Contractual Services	0	71,770	71,770	0
Total Expenditures	<u>0</u>	<u>91,519</u>	<u>91,519</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,519)	(1,735)	784
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (2,519)</u>	<u>\$ (1,735)</u>	<u>\$ 784</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, 2008**

	F.E.M.A. GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	<u> 46,626</u>	<u> 36,626</u>	<u> 1,626</u>	<u> 35,000</u>
Total Expenditures	<u> 46,626</u>	<u> 36,626</u>	<u> 1,626</u>	<u> 35,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(46,626)</u>	<u>(36,626)</u>	<u>(1,626)</u>	<u>35,000</u>
Fund Balance at Beginning of Year	41,235	41,235	41,235	0
Prior Year Encumbrances	<u>1,626</u>	<u>1,626</u>	<u>1,626</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (3,765)</u></u>	<u><u>\$ 6,235</u></u>	<u><u>\$ 41,235</u></u>	<u><u>\$ 35,000</u></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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 350,000	\$ 459,000	\$ 459,605	\$ 605
Total Revenues	<u>350,000</u>	<u>459,000</u>	<u>459,605</u>	<u>605</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	<u>300,000</u>	<u>367,966</u>	<u>367,966</u>	<u>0</u>
Total Expenditures	<u>300,000</u>	<u>367,966</u>	<u>367,966</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,000	91,034	91,639	605
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>\$ 50,000</u>	<u>\$ 91,034</u>	<u>\$ 91,639</u>	<u>\$ 605</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, 2008**

RYAN WHITE TITLE III FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 350,000	\$ 223,000	\$ 223,336	\$ 336
Charges for Services	0	6,000	6,250	250
All Other Revenues	0	2,000	1,771	(229)
Total Revenues	<u>350,000</u>	<u>231,000</u>	<u>231,357</u>	<u>357</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	139,543	159,883	156,768	3,115
Materials and Supplies	49,202	28,363	21,331	7,032
Contractual Services	<u>61,255</u>	<u>39,255</u>	<u>26,081</u>	<u>13,174</u>
Total Expenditures	<u>250,000</u>	<u>227,501</u>	<u>204,180</u>	<u>23,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	3,499	27,177	23,678
Fund Balance at Beginning of Year	<u>181</u>	<u>181</u>	<u>181</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 100,181</u>	<u>\$ 3,680</u>	<u>\$ 27,358</u>	<u>\$ 23,678</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, 2008***

FLOOD DEFENSE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 205,000	\$ 194,000	\$ 194,407	\$ 407
Intergovernmental Revenues	0	25,000	25,114	114
Total Revenues	<u>205,000</u>	<u>219,000</u>	<u>219,521</u>	<u>521</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	0	105,367	105,367	0
Materials and Supplies	0	929	929	0
Contractual Services	0	3,503	3,503	0
Capital Outlay	<u>119,400</u>	<u>319,400</u>	<u>300,537</u>	<u>18,863</u>
Total Expenditures	<u>119,400</u>	<u>429,199</u>	<u>410,336</u>	<u>18,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,600	(210,199)	(190,815)	19,384
Fund Balance at Beginning of Year	767,480	767,480	767,480	0
Prior Year Encumbrances	<u>39,400</u>	<u>39,400</u>	<u>39,400</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 892,480</u></u>	<u><u>\$ 596,681</u></u>	<u><u>\$ 616,065</u></u>	<u><u>\$ 19,384</u></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, 2008**

LAND REUTILIZATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Expenditures	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,000)	0	2,000
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	2,000	2,000
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>\$ 2,000</u>	<u>\$ 2,000</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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 45,000	\$ 47,000	\$ 46,832	\$ (168)
All Other Revenues	0	0	360	360
Total Revenues	<u>45,000</u>	<u>47,000</u>	<u>47,192</u>	<u>192</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	38,646	38,646	9,171	29,475
Materials and Supplies	5,704	5,654	3,605	2,049
Contractual Services	<u>15,650</u>	<u>15,700</u>	<u>12,935</u>	<u>2,765</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>25,711</u>	<u>34,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(13,000)	21,481	34,481
Fund Balance at Beginning of Year	<u>46,595</u>	<u>46,595</u>	<u>46,595</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,595</u>	<u>\$ 33,595</u>	<u>\$ 68,076</u>	<u>\$ 34,481</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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 75	\$ 75
All Other Revenues	2,000	2,000	2,361	361
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,436</u>	<u>436</u>
Expenditures:				
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	2,436	436
Fund Balance at Beginning of Year	<u>10,068</u>	<u>10,068</u>	<u>10,068</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,068</u>	<u>\$ 12,068</u>	<u>\$ 12,504</u>	<u>\$ 436</u>

CITY OF PORTSMOUTH, OHIO

***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, 2008***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CEMETERY TRUST FUND				
Revenues:				
Charges for Services	\$ 25,000	\$ 15,000	\$ 14,950	\$ (50)
Investment Earnings	0	0	1,015	1,015
Total Revenues	<u>25,000</u>	<u>15,000</u>	<u>15,965</u>	<u>965</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	1,000	11,150	11,150	0
Capital Outlay	<u>1,415</u>	<u>16,768</u>	<u>16,552</u>	<u>216</u>
Total Expenditures	<u>2,415</u>	<u>27,918</u>	<u>27,702</u>	<u>216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,585	(12,918)	(11,737)	1,181
Fund Balance at Beginning of Year	190,166	190,166	190,166	0
Prior Year Encumbrances	<u>1,415</u>	<u>1,415</u>	<u>1,415</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 214,166</u>	<u>\$ 178,663</u>	<u>\$ 179,844</u>	<u>\$ 1,181</u>

CITY OF PORTSMOUTH, OHIO

**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, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 38	\$ 38
Total Revenues	<u>0</u>	<u>0</u>	<u>38</u>	<u>38</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	38	38
Fund Balance at Beginning of Year	<u>4,748</u>	<u>4,748</u>	<u>4,748</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,748</u>	<u>\$ 4,748</u>	<u>\$ 4,786</u>	<u>\$ 38</u>

Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Storeroom Revolving Fund

To account for the resources and expenditures to provide stationery and copies and supplies to various departments within the City. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Employee Insurance Account "B" Fund

To account for the accumulation and allocation of costs associated with insurance costs incurred by the City.

CITY OF PORTSMOUTH, OHIO

***Statement of Net Assets
Internal Service Funds
December 31, 2008***

	<u>Insurance Account "B"</u>
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 57,360
Receivables:	
Accounts	<u>427</u>
Total Assets	<u>57,787</u>
Total Liabilities	<u>0</u>
Net Assets:	
Unrestricted	<u>57,787</u>
Total Net Assets	<u>\$ 57,787</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2008**

	Storeroom Revolving	Insurance Account "B"	Total
Total Operating Revenues	\$ 0	\$ 0	\$ 0
Operating Expenses:			
Personal Services	0	223,199	223,199
Contractual Services	0	23,655	23,655
Materials and Supplies	300	0	300
Total Operating Expenses	<u>300</u>	<u>246,854</u>	<u>247,154</u>
Operating Loss	(300)	(246,854)	(247,154)
Net Assets Beginning of Year	300	304,641	304,941
Net Assets End of Year	<u>\$ 0</u>	<u>\$ 57,787</u>	<u>\$ 57,787</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008***

	Storeroom Revolving	Employee Insurance Account "B"	Total
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$0	\$2,783,282	\$2,783,282
Cash Payments for Goods and Services	(1,636)	(3,030,563)	(3,032,199)
Net Cash Used for Operating Activities	(1,636)	(247,281)	(248,917)
Net Decrease in Cash and Cash Equivalents	(1,636)	(247,281)	(248,917)
Cash and Cash Equivalents at Beginning of Year	1,636	304,641	306,277
Cash and Cash Equivalents at End of Year	<u>\$0</u>	<u>\$57,360</u>	<u>\$57,360</u>
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>			
Operating Loss	(\$300)	(\$246,854)	(\$247,154)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	0	(427)	(427)
Decrease in Accounts Payable	(1,336)	0	(1,336)
Total Adjustments	(1,336)	(427)	(1,763)
Net Cash Used for Operating Activities	<u>(\$1,636)</u>	<u>(\$247,281)</u>	<u>(\$248,917)</u>

Fiduciary Funds

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

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.

Insurance Fund

To account for insurance premiums paid for employee's health insurance coverage. The Balance Sheet is not presented because there are no assets or liabilities at year end.).

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2008***

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<u>Performance Bonds Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$15,297	\$331,236	(\$334,941)	\$11,592
Total Assets	<u>\$15,297</u>	<u>\$331,236</u>	<u>(\$334,941)</u>	<u>\$11,592</u>
Liabilities:				
Due to Others	\$15,297	\$331,236	(\$334,941)	\$11,592
Total Liabilities	<u>\$15,297</u>	<u>\$331,236</u>	<u>(\$334,941)</u>	<u>\$11,592</u>
<u>Law Library Fund</u>				
Assets:				
Accounts Receivable	\$23,218	\$17,539	(\$23,218)	\$17,539
Restricted Assets:				
Cash and Cash Equivalents	2,811	44,948	(45,348)	2,411
Total Assets	<u>\$26,029</u>	<u>\$62,487</u>	<u>(\$68,566)</u>	<u>\$19,950</u>
Liabilities:				
Due to Others	\$26,029	\$62,487	(\$68,566)	\$19,950
Total Liabilities	<u>\$26,029</u>	<u>\$62,487</u>	<u>(\$68,566)</u>	<u>\$19,950</u>
<u>Ohio Board of Building Standards Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$400	\$3,000	(\$2,703)	\$697
Total Assets	<u>\$400</u>	<u>\$3,000</u>	<u>(\$2,703)</u>	<u>\$697</u>
Liabilities:				
Due to Others	\$400	\$3,000	(\$2,703)	\$697
Total Liabilities	<u>\$400</u>	<u>\$3,000</u>	<u>(\$2,703)</u>	<u>\$697</u>
<u>Municipal Court Fund</u>				
Assets:				
Accounts Receivable	\$273,069	\$327,090	(\$273,069)	\$327,090
Restricted Assets:				
Cash and Cash Equivalents	70,624	1,498,776	(1,480,202)	89,198
Total Assets	<u>\$343,693</u>	<u>\$1,825,866</u>	<u>(\$1,753,271)</u>	<u>\$416,288</u>
Liabilities:				
Intergovernmental Payables	\$35,125	\$422,808	(\$422,699)	\$35,234
Due to Others	308,568	1,403,058	(1,330,572)	381,054
Total Liabilities	<u>\$343,693</u>	<u>\$1,825,866</u>	<u>(\$1,753,271)</u>	<u>\$416,288</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2008***

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
<u>Insurance Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$2,783,709	(\$2,783,709)	\$0
Total Assets	<u>\$0</u>	<u>\$2,783,709</u>	<u>(\$2,783,709)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$2,783,709	(\$2,783,709)	\$0
Total Liabilities	<u>\$0</u>	<u>\$2,783,709</u>	<u>(\$2,783,709)</u>	<u>\$0</u>
 <u>Totals - All Agency Funds</u>				
Assets:				
Accounts Receivable	\$296,287	\$344,629	(\$296,287)	\$344,629
Restricted Assets:				
Cash and Cash Equivalents	89,132	4,661,669	(4,646,903)	103,898
Total Assets	<u>\$385,419</u>	<u>\$5,006,298</u>	<u>(\$4,943,190)</u>	<u>\$448,527</u>
Liabilities:				
Intergovernmental Payables	\$35,125	\$422,808	(\$422,699)	\$35,234
Due to Others	350,294	4,583,490	(4,520,491)	413,293
Total Liabilities	<u>\$385,419</u>	<u>\$5,006,298</u>	<u>(\$4,943,190)</u>	<u>\$448,527</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF PORTSMOUTH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2008***

<u>Capital Assets</u>	
Land	\$1,826,884
Buildings and Improvements	6,257,625
Land Improvements	2,097,541
Machinery and Equipment	7,884,654
Infrastructure	28,117,673
Construction in Progress	477,645
Total Capital Assets	<u>\$46,662,022</u>
<u>Investment in Capital Assets</u>	
General Fund	\$138,194
Special Revenue Funds	2,185,158
Capital Projects Fund	43,908,380
Permanent Funds	40,330
Proprietary Funds	81,285
Internal Service Funds	3,399
Grants	289,276
Donated	16,000
Total Investment in Capital Assets	<u>\$46,662,022</u>

CITY OF PORTSMOUTH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2008***

Function and Activity	Land	Buildings and Improvements	Land Improvements	Machinery and Equipment
<u>General Government:</u>				
City Council	\$50,078	\$67,344	\$0	\$12,739
Executive	0	3,919,751	267,106	297,899
Finance	0	0	0	32,110
Municipal Court	0	0	0	212,110
Income Tax	0	0	0	20,948
Engineering	0	432,507	0	393,960
Public Service	0	50,226	322,853	770,267
City Garage	0	0	0	83,848
Total	<u>50,078</u>	<u>4,469,828</u>	<u>589,959</u>	<u>1,823,881</u>
<u>Security of Persons and Property:</u>				
Police	0	0	0	1,679,507
Fire	183,982	576,274	0	1,931,982
Flood Defense	0	5,425	362,206	266,126
Total	<u>183,982</u>	<u>581,699</u>	<u>362,206</u>	<u>3,877,615</u>
<u>Transportation:</u>				
General Street Construction	<u>1,258,853</u>	<u>0</u>	<u>0</u>	<u>1,116,548</u>
<u>Public Health and Welfare:</u>				
Cemetery	17,632	118,682	0	133,193
Air Pollution	0	5,168	0	327,372
Health	0	0	0	261,499
Total	<u>17,632</u>	<u>123,850</u>	<u>0</u>	<u>722,064</u>
<u>Leisure Time Activities:</u>				
Recreation	<u>316,339</u>	<u>732,080</u>	<u>115,605</u>	<u>56,645</u>
<u>Community Environment:</u>				
Community Development	0	0	993,142	16,879
Grounds Maintenance	0	350,168	36,629	271,022
Total	<u>0</u>	<u>350,168</u>	<u>1,029,771</u>	<u>287,901</u>
Total Capital Assets	<u>\$1,826,884</u>	<u>\$6,257,625</u>	<u>\$2,097,541</u>	<u>\$7,884,654</u>

CITY OF PORTSMOUTH, OHIO

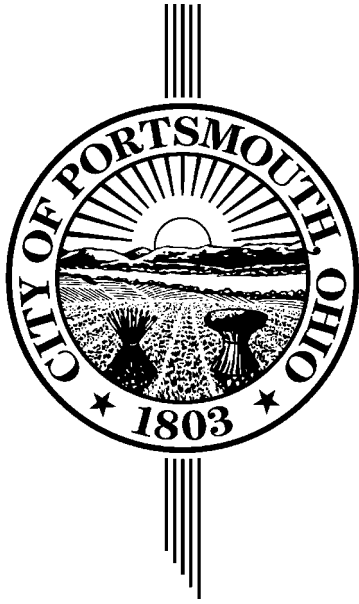
Construction in Progress	Infrastructure	Totals
\$0	\$0	\$130,161
0	0	4,484,756
0	0	32,110
0	0	212,110
0	0	20,948
0	0	826,467
0	0	1,143,346
0	0	83,848
<u>0</u>	<u>0</u>	<u>6,933,746</u>
0	0	1,679,507
477,645	0	3,169,883
<u>0</u>	<u>0</u>	<u>633,757</u>
<u>477,645</u>	<u>0</u>	<u>5,483,147</u>
<u>0</u>	<u>28,117,673</u>	<u>30,493,074</u>
0	0	269,507
0	0	332,540
<u>0</u>	<u>0</u>	<u>261,499</u>
<u>0</u>	<u>0</u>	<u>863,546</u>
<u>0</u>	<u>0</u>	<u>1,220,669</u>
0	0	1,010,021
<u>0</u>	<u>0</u>	<u>657,819</u>
<u>0</u>	<u>0</u>	<u>1,667,840</u>
<u>\$477,645</u>	<u>\$28,117,673</u>	<u>\$46,662,022</u>

CITY OF PORTSMOUTH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2008***

Function and Activity	December 31, 2007	Transfers	Additions	Deletions	December 31, 2008
<u>General Government:</u>					
City Council	\$130,161	\$0	\$0	\$0	\$130,161
Executive	4,484,756	0	0	0	4,484,756
Finance	32,110	0	0	0	32,110
Municipal Court	212,110	0	0	0	212,110
Income Tax	20,948	0	0	0	20,948
Engineering	751,206	0	406,531	(331,270)	826,467
Public Service	1,006,191	0	137,155	0	1,143,346
City Garage	78,765	0	5,083	0	83,848
Total	6,716,247	0	548,769	(331,270)	6,933,746
<u>Security of Persons and Property:</u>					
Police	1,631,726	0	47,781	0	1,679,507
Fire	2,615,725	0	554,158	0	3,169,883
Flood Defense	633,757	0	0	0	633,757
Total	4,881,208	0	601,939	0	5,483,147
<u>Transportation:</u>					
General Street Construction	30,369,661	0	180,925	(57,512)	30,493,074
<u>Public Health and Welfare:</u>					
Cemetery	276,507	0	0	(7,000)	269,507
Air Pollution	344,669	0	0	(12,129)	332,540
Health	204,933	0	56,566	0	261,499
Total	826,109	0	56,566	(19,129)	863,546
<u>Leisure Time Activities:</u>					
Recreation	1,096,802	67,222	56,645	0	1,220,669
<u>Community Environment:</u>					
Community Development	1,213,343	(67,222)	0	(136,100)	1,010,021
Grounds Maintenance	657,819	0	0	0	657,819
Total	1,871,162	(67,222)	0	(136,100)	1,667,840
Total Capital Assets	\$45,761,189	\$0	\$1,444,844	(\$544,011)	\$46,662,022

STATISTICAL SECTION



STATISTICAL TABLES

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

Financial Trends	S 2 – S 11
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	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.	
Debt Capacity	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.	
Economic and Demographic Information	S 26 – S 28
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.	
Operating Information	S 29 – S 33
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 district provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

City of Portsmouth

*Net Assets by Component
Last Six Years
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$8,518,643	\$8,487,318	\$8,574,886	\$20,148,126
Restricted	4,490,806	4,957,419	4,497,189	4,810,459
Unrestricted	(527,064)	(478,200)	922,719	566,578
Total Governmental Activities Net Assets	<u>\$12,482,385</u>	<u>\$12,966,537</u>	<u>\$13,994,794</u>	<u>\$25,525,163</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$7,868,348	\$8,634,184	\$9,498,779	\$9,654,908
Restricted	0	1,960,378	1,956,563	935,246
Unrestricted	2,779,070	478,282	636,429	2,610,303
Total Business-type Activities Net Assets	<u>\$10,647,418</u>	<u>\$11,072,844</u>	<u>\$12,091,771</u>	<u>\$13,200,457</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$16,386,991	\$17,121,502	\$18,073,665	\$29,803,034
Restricted	4,490,806	6,917,797	6,453,752	5,745,705
Unrestricted	2,252,006	82	1,559,148	3,176,881
Total Primary Government Net Assets	<u>\$23,129,803</u>	<u>\$24,039,381</u>	<u>\$26,086,565</u>	<u>\$38,725,620</u>

Source: City Auditor's Office

City of Portsmouth

<u>2007</u>	<u>2008</u>
\$19,314,512	\$18,230,304
5,064,839	5,412,572
274,557	(445,016)
<u>\$24,653,908</u>	<u>\$23,197,860</u>

\$9,373,296	\$9,820,832
783,278	755,780
3,074,363	2,750,796
<u>\$13,230,937</u>	<u>\$13,327,408</u>

\$28,687,808	\$28,051,136
5,848,117	6,168,352
3,348,920	2,305,780
<u>\$37,884,845</u>	<u>\$36,525,268</u>

City of Portsmouth

*Changes in Net Assets
Last Six Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Security of Persons and Property	\$6,827,105	\$6,630,365	\$6,509,505	\$7,122,782
Public Health and Welfare Services	2,625,762	2,641,865	2,861,518	3,018,275
Leisure Time Activities	80,977	80,252	118,705	107,307
Community Environment	453,348	760,350	515,633	635,785
Transportation	2,344,695	1,210,575	1,166,630	2,192,216
General Government	3,562,433	4,172,082	3,732,579	3,694,527
Interest and Fiscal Charges	150,330	150,077	75,124	101,815
<i>Total Governmental Activities Expenses</i>	<u>16,044,650</u>	<u>15,645,566</u>	<u>14,979,694</u>	<u>16,872,707</u>
Business-type Activities:				
Water	4,202,204	4,710,690	4,786,196	4,692,859
Sewer	2,263,503	2,012,912	2,205,402	2,533,086
Sanitation	1,395,465	1,212,221	1,066,267	1,100,988
Primary Care	0	0	0	1,147
<i>Total Business-type Activities Expenses</i>	<u>7,861,172</u>	<u>7,935,823</u>	<u>8,057,865</u>	<u>8,328,080</u>
<i>Total Primary Government Expenses</i>	<u>\$23,905,822</u>	<u>\$23,581,389</u>	<u>\$23,037,559</u>	<u>\$25,200,787</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$1,350,489	\$972,970	\$992,341	\$952,245
Public Health and Welfare Services	409,486	378,409	335,412	343,817
Leisure Time Activities	49,573	71,325	65,987	65,966
Community Environment	197,233	289,795	157,818	144,084
Transportation	62,690	35,534	53,201	54,013
General Government	11,403	383,009	374,925	412,112
Operating Grants and Contributions	2,804,495	3,317,742	3,428,998	3,676,237
Capital Grants and Contributions	197,450	465	0	781
<i>Total Governmental Activities Program Revenues</i>	<u>5,082,819</u>	<u>5,449,249</u>	<u>5,408,682</u>	<u>5,649,255</u>

City of Portsmouth

<u>2007</u>	<u>2008</u>
\$7,625,070	\$7,842,183
2,861,477	2,986,843
26,055	38,446
454,715	585,826
2,534,541	2,532,238
4,122,079	4,271,908
138,677	158,664
<u>17,762,614</u>	<u>18,416,108</u>
5,659,269	5,491,584
2,690,618	2,920,998
1,295,143	1,463,080
160,583	190,251
<u>9,805,613</u>	<u>10,065,913</u>
<u>\$27,568,227</u>	<u>\$28,482,021</u>

\$1,064,597	\$917,498
427,938	405,343
81,513	73,823
204,896	194,868
59,246	40,901
377,847	423,422
3,388,057	3,350,201
0	0
<u>5,604,094</u>	<u>5,406,056</u>

(continued)

City of Portsmouth

*Changes in Net Assets
Last Six Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Business-type Activities:				
Charges for Services				
Water	4,810,736	4,739,065	5,144,913	5,559,506
Sewer	2,522,946	2,545,913	2,666,107	2,532,099
Sanitation	1,062,449	1,076,271	1,265,772	1,334,647
Primary Care	0	0	0	10,514
Capital Grants and Contributions	0	0	0	0
<i>Total Business-type Activities Program Revenues</i>	8,396,131	8,361,249	9,076,792	9,436,766
<i>Total Primary Government Program Revenues</i>	13,478,950	13,810,498	14,485,474	15,086,021
Net (Expense)/Revenue				
Governmental Activities	(10,961,831)	(10,196,317)	(9,571,012)	(11,223,452)
Business-type Activities	534,959	425,426	1,018,927	1,108,686
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$10,426,872)	(\$9,770,891)	(\$8,552,085)	(\$10,114,766)
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
(General Purposes	\$1,576,158	\$1,504,051	\$1,653,097	\$1,581,990
) Special Purposes	301,851	270,803	288,402	278,976
(Debt Service	55,621	497,443	105,023	93,208
Income Taxes	5,921,082	5,662,745	6,062,431	6,012,029
Other Local Taxes	188,158	242,771	253,264	259,561
Grants and Entitlements not				
Restricted to Specific Programs	2,745,257	2,368,891	1,708,788	1,646,207
Investment Earnings	47,865	41,254	144,644	343,205
Miscellaneous	154,729	92,511	383,620	175,372
Transfers	(156,180)	0	0	0
<i>Total Governmental Activities</i>	10,834,541	10,680,469	10,599,269	10,390,548
Business-type Activities:				
Transfers	156,180	0	0	0
<i>Total Business-type Activities</i>	156,180	0	0	0
<i>Total Primary Government</i>	\$10,990,721	\$10,680,469	\$10,599,269	\$10,390,548
Change in Net Assets				
Governmental Activities	(\$127,290)	\$484,152	\$1,028,257	(\$832,904)
Business-type Activities	691,139	425,426	1,018,927	1,108,686
<i>Total Primary Government Change in Net Assets</i>	\$563,849	\$909,578	\$2,047,184	\$275,782

Source: City Auditor's Office

City of Portsmouth

2007	2008
5,641,577	5,689,761
2,639,583	2,645,697
1,322,894	1,332,278
82,039	126,946
0	231,602
9,686,093	10,026,284
15,290,187	15,432,340
(12,158,520)	(13,010,052)
(119,520)	(39,629)
(\$12,278,040)	(\$13,049,681)
\$1,742,823	\$1,681,199
344,718	320,395
150,919	233,466
6,349,696	6,686,131
266,330	288,923
2,037,424	2,183,479
341,030	119,544
204,325	176,967
(150,000)	(136,100)
11,287,265	11,554,004
150,000	136,100
150,000	136,100
\$11,437,265	\$11,690,104
(\$871,255)	(\$1,456,048)
30,480	96,471
(\$840,775)	(\$1,359,577)

City of Portsmouth

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$66,859	\$114,382	\$150,827	\$97,713
Unreserved	<u>2,314,952</u>	<u>2,594,720</u>	<u>1,931,759</u>	<u>933,037</u>
<i>Total General Fund</i>	<u>2,381,811</u>	<u>2,709,102</u>	<u>2,082,586</u>	<u>1,030,750</u>
All Other Governmental Funds				
Reserved	1,308,364	2,755,854	2,674,575	2,597,638
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,782,359	1,931,418	2,181,004	2,469,590
Capital Projects Funds	972,956	141,238	310,165	(1,711,167)
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>4,063,679</u>	<u>4,828,510</u>	<u>5,165,744</u>	<u>3,356,061</u>
<i>Total Governmental Funds</i>	<u><u>\$6,445,490</u></u>	<u><u>\$7,537,612</u></u>	<u><u>\$7,248,330</u></u>	<u><u>\$4,386,811</u></u>

Source: City Auditor's Office

NOTE: Years 1999-2002 do not include the Nonexpendable Trust Funds and the Council Trust for Recreation and Playground Trust Funds which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Portsmouth

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$108,831	\$97,635	\$98,476	\$82,472	\$129,318	\$68,808
<u>704,284</u>	<u>1,170,835</u>	<u>864,105</u>	<u>619,184</u>	<u>669,976</u>	<u>194,845</u>
<u>813,115</u>	<u>1,268,470</u>	<u>962,581</u>	<u>701,656</u>	<u>799,294</u>	<u>263,653</u>
275,950	347,033	416,408	535,621	399,443	1,748,111
2,423,614	2,274,291	2,770,689	2,519,419	2,578,171	2,575,725
235,713	649,230	780,868	969,910	1,409,916	(133,202)
<u>178,966</u>	<u>173,511</u>	<u>168,324</u>	<u>174,297</u>	<u>161,071</u>	<u>159,392</u>
<u>3,114,243</u>	<u>3,444,065</u>	<u>4,136,289</u>	<u>4,199,247</u>	<u>4,548,601</u>	<u>4,350,026</u>
<u>\$3,927,358</u>	<u>\$4,712,535</u>	<u>\$5,098,870</u>	<u>\$4,900,903</u>	<u>\$5,347,895</u>	<u>\$4,613,679</u>

City of Portsmouth

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1999	2000	2001	2002
Revenues:				
Taxes	\$7,484,267	\$7,704,373	\$7,830,364	\$8,029,034
Intergovernmental Revenues	5,523,929	6,318,644	5,182,900	5,994,416
Charges for Services	482,319	447,215	402,186	471,528
Licenses and Permits	143,608	115,686	193,254	177,129
Investment Earnings	297,843	636,947	353,764	136,409
Special Assessments	150,666	154,473	156,083	154,864
Fines and Forfeitures	886,273	919,845	933,608	917,757
All Other Revenue	366,167	418,047	507,925	374,085
Total Revenue	<u>15,335,072</u>	<u>16,715,230</u>	<u>15,560,084</u>	<u>16,255,222</u>
Expenditures:				
Current:				
Security of Persons and Property	6,164,798	5,757,590	5,991,355	6,423,187
Public Health and Welfare Services	2,223,463	2,373,333	2,769,406	2,708,280
Leisure Time Activities	0	0	0	0
Community Environment	629,626	1,367,040	626,376	695,134
Transportation	1,232,025	1,300,667	1,307,038	1,417,750
General Government	2,796,094	3,216,901	3,572,084	3,434,883
Capital Outlay	1,654,788	1,545,779	2,017,237	4,007,499
Debt Service:				
Principal Retirement	115,000	197,139	2,302,391	175,000
Interest and Fiscal Charges	34,017	150,015	124,271	159,738
Total Expenditures	<u>14,849,811</u>	<u>15,908,464</u>	<u>18,710,158</u>	<u>19,021,471</u>
Excess (Deficiency) of Revenues Over Expenditures	485,261	806,766	(3,150,074)	(2,766,249)
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	20,350	13,000	16,930
Other Financing Sources - Capital Leases	0	312,960	0	0
General Obligation Bonds Issued	0	0	2,090,000	0
Transfers In	164,849	145,446	415,604	364,296
Transfers Out	(268,572)	(145,308)	(461,403)	(443,907)
Total Other Financing Sources (Uses)	<u>(103,723)</u>	<u>333,448</u>	<u>2,057,201</u>	<u>(62,681)</u>
Net Change in Fund Balance	<u>\$381,538</u>	<u>\$1,140,214</u>	<u>(\$1,092,873)</u>	<u>(\$2,828,930)</u>
Debt Service as a Percentage of Noncapital Expenditures	1.11%	2.35%	13.95%	2.17%

Source: City Auditor's Office

NOTE: Years 1998-2002 do not include the Nonexpendable Trust Funds and the Council Trust for Recreation and Playground Trust Funds which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Portsmouth

2003	2004	2005	2006	2007	2008
\$7,791,325	\$8,380,980	\$8,250,795	\$8,310,392	\$8,705,227	\$9,100,353
5,463,082	5,484,792	5,123,524	5,068,076	5,442,279	5,421,898
654,975	669,104	498,169	526,403	628,968	565,075
231,125	286,046	189,102	174,978	255,533	232,738
47,865	41,254	144,644	343,205	341,030	119,544
0	465	0	781	0	0
994,915	1,013,920	1,138,755	1,181,478	1,251,120	1,180,816
482,914	308,498	517,542	302,800	308,225	491,256
<u>15,666,201</u>	<u>16,185,059</u>	<u>15,862,531</u>	<u>15,908,113</u>	<u>16,932,382</u>	<u>17,111,680</u>
6,572,469	6,349,582	6,532,111	6,868,634	7,264,770	7,444,324
2,565,485	2,539,607	2,851,886	2,957,064	2,806,647	2,910,053
73,507	72,782	111,168	99,621	19,116	25,986
371,813	677,336	404,492	562,329	587,307	527,297
2,292,674	1,110,311	1,117,116	1,168,987	1,484,907	1,463,599
3,403,628	3,203,359	3,277,687	3,303,143	3,133,796	3,430,535
665,748	1,275,007	985,797	1,418,055	1,601,796	1,677,173
252,306	114,002	98,607	153,071	179,200	195,134
151,542	115,616	110,808	102,436	139,489	159,480
<u>16,349,172</u>	<u>15,457,602</u>	<u>15,489,672</u>	<u>16,633,340</u>	<u>17,217,028</u>	<u>17,833,581</u>
(682,971)	727,457	372,859	(725,227)	(284,646)	(721,901)
21,398	8,312	5,584	32,001	22,637	0
0	0	0	497,862	852,153	0
0	65,000	0	0	0	0
4,106,809	545,860	101,396	18,000	18,000	20,000
(4,262,989)	(545,860)	(101,396)	(18,000)	(168,000)	(20,000)
<u>(134,782)</u>	<u>73,312</u>	<u>5,584</u>	<u>529,863</u>	<u>724,790</u>	<u>0</u>
<u>(\$817,753)</u>	<u>\$800,769</u>	<u>\$378,443</u>	<u>(\$195,364)</u>	<u>\$440,144</u>	<u>(\$721,901)</u>
2.56%	1.54%	1.41%	1.66%	2.00%	2.12%

City of Portsmouth

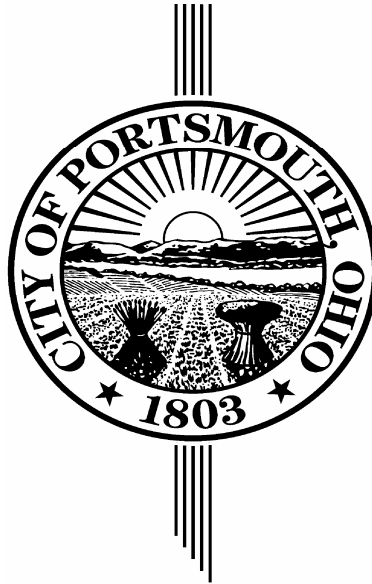
Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Income Tax Rate	1.40%	1.40%	1.40%	1.40%
Estimated Personal Income (in thousands)	\$427,624	\$412,200	\$423,219	\$437,207
Total Tax Collected	\$5,173,701	\$5,437,546	\$5,442,422	\$5,537,363
Income Tax Receipts				
Withholding	4,412,498	4,528,100	4,735,608	4,795,049
Percentage	85.29%	83.27%	87.01%	86.59%
Corporate	537,020	651,877	472,677	499,226
Percentage	10.38%	11.99%	8.69%	9.02%
Individuals	224,183	257,569	234,137	243,088
Percentage	4.33%	4.74%	4.30%	4.39%

Source: City Income Tax Department

City of Portsmouth

2003	2004	2005	2006	2007	2008
1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
\$451,195	\$477,896	\$484,566	\$499,328	\$534,476	\$534,476
\$5,675,462	\$5,853,487	\$6,275,016	\$6,036,828	\$6,178,521	\$7,057,662
4,877,783	5,126,945	5,429,215	5,211,420	5,323,577	6,202,595
85.95%	87.59%	86.52%	86.33%	86.16%	87.88%
536,746	503,000	614,148	564,472	629,463	613,663
9.46%	8.59%	9.79%	9.35%	10.19%	8.69%
260,933	223,542	231,653	260,936	225,481	241,404
4.60%	3.82%	3.69%	4.32%	3.65%	3.42%



City of Portsmouth

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2008

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.17%	\$191,831,643	38.06%	\$2,685,643	38.06%
All Others	5,891	99.83%	312,235,000	61.94%	4,371,290	61.94%
Total	5,901	100.00%	\$504,066,643	100.00%	\$7,056,933	100.00%

Calendar Year 1999

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	N/A	\$138,161,643	37.39%	\$1,934,263	37.39%
All Others	N/A	N/A	231,388,500	62.61%	3,239,439	62.61%
Total	N/A	N/A	\$369,550,143	100.00%	\$5,173,702	100.00%

Source: City Income Tax Department

N/A - Not available

City of Portsmouth

Ratio of Outstanding Debt By Type Last Ten Years

	1999	2000	2001	2002
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$535,000	\$410,000	\$280,000	\$145,000
General Obligation Bonds Payable	0	0	2,090,000	2,050,000
Bond Anticipation Notes Payable	0	0	0	0
Capital Leases	0	276,683	222,272	164,047
Business-type Activities ⁽¹⁾				
OWDA Loan Payable	\$898,106	\$664,202	\$412,217	\$281,536
OPWC Loan Payable	29,649	22,565	600,266	562,747
General Obligation Bonds Payable	3,540,000	3,295,000	3,040,000	2,770,000
Mortgage Revenue Bonds Payable	0	0	600,000	594,400
Water Refunding Revenue Bonds Payable	0	0	0	0
Capital Leases	0	0	164,107	286,477
Total Primary Government	<u>\$5,002,755</u>	<u>\$4,668,450</u>	<u>\$7,408,862</u>	<u>\$6,854,207</u>
Population ⁽²⁾				
City of Portsmouth	22,676	20,909	20,909	20,909
Outstanding Debt Per Capita	\$221	\$223	\$354	\$328
Income ⁽³⁾				
Personal (in thousands)	427,624	412,200	423,219	437,207
Percentage of Personal Income	1.17%	1.13%	1.75%	1.57%

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

City of Portsmouth

2003	2004	2005	2006	2007	2008
\$0	\$0	\$0	\$0	\$0	\$0
2,005,000	1,960,000	1,915,000	1,865,000	1,815,000	1,760,000
0	65,000	44,132	22,475	0	0
101,741	32,739	0	416,448	1,161,876	1,021,742
\$0	\$0	\$0	\$0	\$1,732,784	\$4,094,027
525,000	495,000	465,000	435,000	405,000	913,377
0	0	0	0	0	0
0	0	0	0	0	0
5,255,333	4,900,285	4,540,237	4,170,189	3,790,141	3,400,093
584,615	571,921	456,278	305,421	7,855,343	7,661,637
<u>\$8,471,689</u>	<u>\$8,024,945</u>	<u>\$7,420,647</u>	<u>\$7,214,533</u>	<u>\$16,760,144</u>	<u>\$18,850,876</u>

20,909	20,909	20,909	20,909	20,909	20,909
\$405	\$384	\$355	\$345	\$802	\$902

451,195	477,896	484,566	499,328	534,476	534,476
1.88%	1.68%	1.53%	1.44%	3.14%	3.53%

City of Portsmouth

Ratios of General Bonded Debt Outstanding Last Ten Years

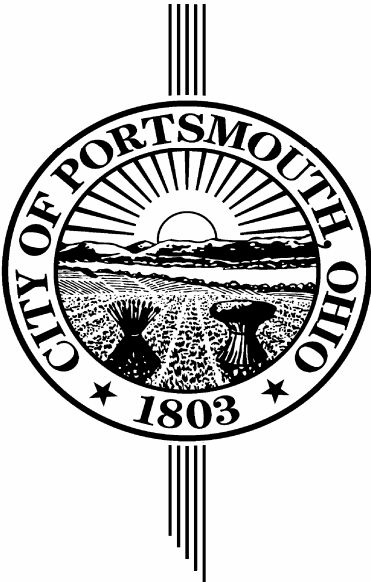
Year	1999	2000	2001	2002
Population ⁽¹⁾	22,676	20,909	20,909	20,909
Assessed Value ⁽²⁾	\$190,624,890	\$190,482,970	\$207,689,570	\$206,248,060
General Bonded Debt ⁽³⁾				
General Obligation Bonds-Governmental	\$0	\$0	\$2,090,000	\$2,050,000
General Obligation Bonds-Proprietary	\$3,540,000	\$3,295,000	\$3,040,000	\$2,770,000
Resources Available to Pay Principal ⁽⁴⁾	\$1,158,517	\$1,616,429	\$2,108,332	\$2,303,009
Net General Bonded Debt	\$2,381,483	\$1,678,571	\$3,021,668	\$2,516,991
Ratio of Net Bonded Debt to Assessed Value	1.25%	0.88%	1.45%	1.22%
Net Bonded Debt per Capita	\$105.02	\$80.28	\$144.52	\$120.38

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

2003	2004	2005	2006	2007	2008
20,909	20,909	20,909	20,909	20,909	20,909
\$207,459,910	\$219,358,780	\$223,629,450	\$220,033,280	\$228,185,580	\$221,748,980
\$2,005,000	\$1,960,000	\$1,915,000	\$1,865,000	\$1,815,000	\$1,760,000
\$0	\$0	\$0	\$0	\$0	\$0
\$102,150	\$98,936	\$65,248	\$25,419	\$31,275	\$32,394
\$1,902,850	\$1,861,064	\$1,849,752	\$1,839,581	\$1,783,725	\$1,727,606
0.92%	0.85%	0.83%	0.84%	0.78%	0.78%
\$91.01	\$89.01	\$88.47	\$87.98	\$85.31	\$82.62



City of Portsmouth

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2008*

<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>
Direct:			
City of Portsmouth	\$2,440,000	100.00%	\$2,440,000
Overlapping:			
Scioto County	15,205,158	24.36%	3,703,976
Portsmouth City School District	15,476,755	93.28%	<u>14,436,717</u>
		Subtotal	<u>18,140,693</u>
		Total	<u><u>\$20,580,693</u></u>

Source: Scioto County Auditor
Portsmouth City School District

City of Portsmouth

Debt Limitations Last Ten Years

Collection Year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$190,624,890	\$190,482,970	\$207,689,570	\$206,248,060
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	20,015,613	20,000,712	21,807,405	21,656,046
City Debt Outstanding (2)	0	0	2,090,000	2,050,000
Less: Applicable Debt Service Fund Amounts	0	0	(2,108,332)	(2,303,009)
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u>\$20,015,613</u>	<u>\$20,000,712</u>	<u>\$21,807,405</u>	<u>\$21,656,046</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$190,624,890	\$190,482,970	\$207,689,570	\$206,248,060
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	10,484,369	10,476,563	11,422,926	11,343,643
City Debt Outstanding (2)	0	0	2,090,000	2,050,000
Less: Applicable Debt Service Fund Amounts	0	0	(2,108,332)	(2,303,009)
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Margin	<u>\$10,484,369</u>	<u>\$10,476,563</u>	<u>\$11,422,926</u>	<u>\$11,343,643</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

2003	2004	2005	2006	2007	2008
\$207,459,910	\$219,358,780	\$223,629,450	\$220,033,280	\$228,185,580	\$228,185,580
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
21,783,291	23,032,672	23,481,092	23,103,494	23,959,486	23,959,486
2,005,000	2,025,000	1,959,132	1,887,475	1,815,000	2,440,000
(102,150)	(98,936)	(65,248)	(25,419)	(31,275)	(32,394)
1,902,850	1,926,064	1,893,884	1,862,056	1,783,725	2,407,606
<u>\$19,880,441</u>	<u>\$21,106,608</u>	<u>\$21,587,208</u>	<u>\$21,241,438</u>	<u>\$22,175,761</u>	<u>\$21,551,880</u>
\$207,459,910	\$219,358,780	\$223,629,450	\$220,033,280	\$228,185,580	\$228,185,580
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
11,410,295	12,064,733	12,299,620	12,101,830	12,550,207	12,550,207
2,005,000	2,025,000	1,959,132	1,887,475	1,815,000	2,440,000
(102,150)	(98,936)	(65,248)	(25,419)	(31,275)	(32,394)
1,902,850	1,926,064	1,893,884	1,862,056	1,783,725	2,407,606
<u>\$9,507,445</u>	<u>\$10,138,669</u>	<u>\$10,405,736</u>	<u>\$10,239,774</u>	<u>\$10,766,482</u>	<u>\$10,142,601</u>

City of Portsmouth

*Pledged Revenue Coverage
Last Ten Years*

	1999	2000	2001	2002
Water Mortgage Bonds (1)				
Gross Revenues (2)	\$4,418,882	\$4,149,244	\$4,095,407	\$4,258,687
Direct Operating Expenses (3)	3,131,048	3,030,217	3,209,930	3,268,930
Net Revenue Available for Debt Service	1,287,834	1,119,027	885,477	989,757
Annual Debt Service Requirement	0	0	0	32,600
Coverage	N/A	N/A	N/A	30.36
Special Assessment Bonds (4)				
Special Assessment Collections	\$180,069	\$176,376	\$148,062	\$154,864
Debt Service				
Principal	115,000	125,000	130,000	135,000
Interest	33,681	27,931	21,525	14,700
Coverage	1.21	1.15	0.98	1.03

- (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) The Downtown Improvement Special Assessment Bonds were issued in 1994, in the amount of \$1,150,000

Source: City Auditor's Office

City of Portsmouth

2003	2004	2005	2006	2007	2008
\$4,810,736	\$4,739,065	\$5,144,913	\$5,559,506	\$5,641,577	\$5,689,761
3,695,797	4,083,172	4,245,597	4,092,557	4,882,428	4,385,597
1,114,939	655,893	899,316	1,466,949	759,149	1,304,164
121,070	575,525	573,456	574,443	573,155	570,024
9.21	1.14	1.57	2.55	1.32	2.29
\$149,637	\$465	\$0	\$0	\$0	\$0
145,000	0	0	0	0	0
7,613	0	0	0	0	0
0.98	N/A	N/A	N/A	N/A	N/A

City of Portsmouth

Demographic and Economic Statistics Last Ten Years

Calendar Year	1999	2000	2001	2002	2003
Population (1)					
City of Portsmouth	22,676	20,909	20,909	20,909	20,909
Scioto County	80,327	79,195	79,195	79,195	79,195
Income (2) (a)					
Total Personal (in thousands)	427,624	412,200	423,219	437,207	451,195
Per Capita	18,858	19,714	20,241	20,910	21,579
Unemployment Rate (3)					
Federal	4.5%	4.2%	3.8%	4.8%	5.8%
State	4.3%	4.3%	3.7%	4.3%	5.7%
Scioto County	8.5%	8.8%	7.0%	7.8%	8.6%
Civilian Work Force Estimates (3)					
State	5,749,000	5,900,400	5,857,000	5,828,000	5,915,000
Scioto County	32,900	32,800	33,600	34,100	33,900

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2007.

For the presentation of 2008 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

2004	2005	2006	2007	2008
20,909	20,909	20,909	20,909	20,909
79,195	79,195	79,195	79,195	79,195
477,896	484,566	499,328	534,476	534,476
22,856	23,175	23,881	25,562	25,562
6.0%	5.5%	4.6%	4.6%	5.8%
6.1%	6.0%	5.5%	5.6%	6.5%
9.0%	8.8%	7.6%	7.4%	8.3%
5,875,300	5,900,400	5,934,000	5,976,500	5,971,900
32,900	32,300	31,300	32,200	32,800

City of Portsmouth

Principal Employers Current Year and Eight Years Ago

		<u>2008</u>	
<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Rank</u>
Southern Ohio Medical Center	Medical	2,436	1
Shawnee State University	Education	1,454	2
Scioto County Offices	Government	665	3
Community Action Organization	Government	317	4
State of Ohio	Government	312	5
City of Portsmouth	Government	284	6
Portsmouth City Schools	Education	276	7
OSCO Industries	Manufacturing	160	8
Norfolk & Southern Railroad	Industrial	149	9
United States Enrichment Corp	Manufacturing	93	10
Total		<u>6,146</u>	

		<u>2000</u>	
<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>	<u>Rank</u>
Southern Ohio Medical Center	Medical	2,000	1
Scioto County Offices	Government	684	2
Shawnee State University	Education	461	3
State of Ohio	Government	460	4
Portsmouth City Schools	Education	349	5
City of Portsmouth	Government	298	6
Oscos Industries	Manufacturing	250	7
United States Enrichment Corp	Manufacturing	187	8
Mitchellace	Manufacturing	184	9
Norfolk & Southern Railroad	Industrial	93	10
Total		<u>4,966</u>	

Sources: City Auditor's Office

Total employment within the City is not available.

Information is not available prior to 2000.

City of Portsmouth

Full Time Equivalent Employees by Function Last Four Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Security of Persons and Property				
Police	46	47	46	48
Fire	39	38	43	39
Public Health and Welfare Services				
Health	33	34	35	33
General Government				
Mayor	3	3	3	3
Finance	5	5	5	5
Legal	5	5	5	5
Court	28	28	24	23
Income Tax	3	3	3	3
Engineering	3	3	4	4
Administration	3	3	8	8
Garage	5	5	5	4
Transportation				
Streets	10	10	14	14
Cemetery Grounds	4	4	4	3
Recreational Grounds	3	3	6	6
Community Environment				
Building Inspection	3	3	3	3
Community Development	2	2	2	2
Business-Type Activities				
Utilities				
Water	34	33	37	39
Sewer	32	30	30	30
Sanitation	16	17	18	13
<i>Total Employees</i>	<u>277.0</u>	<u>276.0</u>	<u>295.0</u>	<u>285.0</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, Data is not available prior to 2005.

City of Portsmouth

Operating Indicators by Function Last Ten Years

	1999	2000	2001	2002
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	669	502	541	632
Security of Persons and Property				
Police				
Number of Patrol Units	36	31	33	35
Criminal/Juvenile Citations and Charges	2,979	2,963	2,620	1,896
Traffice Citations Issued	1,491	1,820	2,356	2,239
Parking Tickets Written	790	762	734	775
Fire				
Number of Calls Answered	742	824	809	738
Number of Fire Inspections	94	234	228	172
Number of Investigations	n/a	n/a	n/a	17
Business-Type Activities				
Water				
Number of Service Connections	14,563	14,525	14,489	14,338
Average Daily Consumption (thousands of gallons)	7M	7M	7M	7M
Maximum Daily Capacity (thousands of gallons)	12M	12M	12M	12M
Sewer				
Number of Service Connections	9,107	9,117	9,117	9,117
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	7,984	7,710	7,800	7,800

Source: City Auditor's Office

City of Portsmouth

2003	2004	2005	2006	2007	2008
879	412	326	336	166	305
32	30	27	27	27	27
2,291	1,946	2,346	2,202	1,912	1,668
2,118	1,579	2,955	1,392	2,052	1,441
1,165	654	614	946	616	385
763	699	683	717	747	782
111	125	131	154	121	126
22	10	50	30	20	22
14,289	14,136	14,140	13,963	13,963	13,900
7M	7M	7M	7M	6M	6M
12M	12M	12M	12M	12M	12M
8,580	8,580	8,580	8,318	8,362	8,353
5	5	5	5	5	5
10	10	10	10	10	10
7,700	7,700	7,700	7,327	7,597	7,600

City of Portsmouth

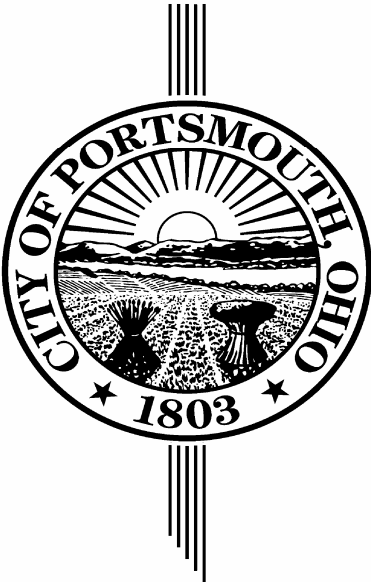
Capital Asset Statistics by Function Last Ten Years

	1999	2000	2001	2002
Governmental Activities				
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	36	31	33	35
Fire				
Stations	3	3	3	3
Vehicles	10	10	10	10
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,469	1,479	1,485	1,488
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	4	4	4	4
Number of Ball Fields (Unlighted)	7	7	7	7
Number of Tennis Courts (Lighted)	4	4	4	4
Number of Tennis Courts (Unlighted)	8	8	8	8
Public Health and Welfare				
Cemeteries				
Cemeteries	1	1	1	1
Land (acres)	40	40	40	40
Business-Type Activities				
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

2003	2004	2005	2006	2007	2008
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
32	30	27	27	27	27
3	3	3	3	3	3
10	10	10	10	10	14
220	220	220	220	220	220
1,485	1,475	1,475	1,475	1,475	1,476
223	223	223	223	223	223
17	17	17	17	17	17
4	6	7	7	7	7
7	5	4	4	4	4
4	4	4	4	4	4
8	8	8	8	8	8
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





Mary Taylor, CPA
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 22, 2009**